IRON MOUNTAIN INC
Form 11-K
June 29, 2010
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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 11-K

ANNUAL REPORT 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 Fiscal year ended December 31, 2009.

o TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from to .

Commission file number 1-13045

A. Full title of the plan and the address of the plan, if different from that of the issuer named below:

THE IRON MOUNTAIN COMPANIES 401(k) PLAN

B. Name of issuer of the securities held pursuant to the plan and the address of its principal executive office:

IRON MOUNTAIN INCORPORATED

745 ATLANTIC AVENUE

BOSTON, MASSACHUSETTS 02111

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The Iron Mountain

Companies 401(k) Plan

Financial Statements as of December 31, 2009 and
2008, and for the Year Ended December 31, 2009,
Supplemental Schedule as of December 31, 2009,
and Independent Auditors Report

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THE IRON MOUNTAIN COMPANIES 401(k) PLAN

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Trustees and Participants of
The Iron Mountain Companies 401(k) Plan
Boston, Massachusetts

We have audited the accompanying statements of net assets available for benefits of The Iron Mountain Companies 401(k) Plan (the Plan) as of December 31, 2009 and 2008, and the related statement of changes in net assets available for benefits for the year ended December 31, 2009. 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 audits.

We conducted our audits in accordance with standards of the Public Company Accounting 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. The Plan is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan s internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such financial statements present fairly, in all material respects, the net assets available for benefits of the Plan as of December 31, 2009 and 2008, and the changes in net assets available for benefits for the year ended December 31, 2009, in conformity with accounting principles generally accepted in the United States of America.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedule of assets (held at end of year) as of December 31, 2009, 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 Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. This schedule is the responsibility of the Plan s management. Such schedule has been subjected to the auditing procedures applied in our audit of the basic 2009 financial statements and, in our opinion, is fairly stated in all material respects when considered in relation to the basic financial statements taken as a whole.

/s/ DELOITTE & TOUCHE LLP

Boston, Massachusetts

June 25, 2010

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THE IRON MOUNTAIN COMPANIES 401(k) PLAN

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

AS OF DECEMBER 31, 2009 AND 2008

	2009	2008
ASSETS Participant-directed investments at fair value:		
Mutual funds	$ 170,621,977	$ 119,706,183
Pooled separate account stable value fund	32,718,267	28,362,607
Iron Mountain stock fund	2,314,654	1,942,378
Brokerage account	824,223	570,878
Participant loans	8,503,849	7,628,656
Total assets	214,982,970	158,210,702
LIABILITIES Excess contributions payable	903,034	367,670
NET ASSETS AVAILABLE FOR BENEFITS AT FAIR VALUE	214,079,936	157,843,032
ADJUSTMENTS FROM FAIR VALUE TO CONTRACT VALUE FOR FULLY BENEFIT-RESPONSIVE STABLE VALUE FUND	1,649,661	4,394,863
NET ASSETS AVAILABLE FOR BENEFITS	$ 215,729,597	$ 162,237,895

See notes to financial statements.

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THE IRON MOUNTAIN COMPANIES 401(k) PLAN

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

FOR THE YEAR ENDED DECEMBER 31, 2009

INVESTMENT ACTIVITY:		
Interest and dividend income	$	4,568,183
Net appreciation in fair value of investments		30,000,655
Total investment activity		34,568,838
CONTRIBUTIONS:		
Participant		24,695,424
Employer		7,487,151
Participant rollover		1,482,237
Total contributions		33,664,812
DEDUCTIONS:		
Distributions to participants		(14,567,967)
Administrative expenses		(173,981)
Total deductions		(14,741,948)
NET INCREASE		53,491,702
NET ASSETS AVAILABLE FOR BENEFITS:		
Beginning of year		162,237,895
End of year	$	215,729,597

See notes to financial statements.

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THE IRON MOUNTAIN COMPANIES 401(k) PLAN

NOTES TO FINANCIAL STATEMENTS

AS OF DECEMBER 31, 2009 AND 2008, AND FOR THE YEAR ENDED DECEMBER 31, 2009

1. DESCRIPTION OF THE PLAN

The following description of The Iron Mountain Companies 401(k) Plan (the Plan) is provided for general information purposes only. Participants should refer to the Plan document for more complete information.

General Information The Plan is a defined contribution plan covering substantially all United States employees of Iron Mountain Incorporated and its affiliated participating companies (collectively, Iron Mountain or the Company), as defined in the Plan document. Full-time employees age 18 or older are immediately eligible to participate in the Plan. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended (ERISA).

Administration of the Plan New York Life Trust Company is the Plan s trustee, custodian, and recordkeeper (the Trustee). The Plan is administered by the retirement plan committee of the Company, which is appointed by the board of directors of the Company.

Contributions Participants can contribute an amount up to 25% of compensation, as defined by the Plan, subject to certain limitations under the Internal Revenue Code (the Code). During 2009 and 2008, the Company made biweekly discretionary matching contributions based on the amount of participant contributions as follows: the Company matched 50% of nonhighly compensated employee participant s contributions up to the first 5% of his or her compensation and 50% of highly compensated employee participant s contributions up to the first 4% of his or her compensation. At its discretion, the Company may change the amount of the matching contribution it will make. The plan allows eligible participants to make catch-up contributions in accordance with and subject to the limitations of IRC Section 414(v).

Participant Accounts Individual accounts are maintained for each Plan participant. Each participant s account is credited with the participant s contribution, the Company s matching contribution, and an allocation of Plan earnings, and charged with withdrawals and an allocation of Plan losses and administrative expenses. Allocations are based on participant earnings/losses 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.

Investments Participants direct the investment of their contributions and Company contributions into various investment options offered by the Plan. The Plan offers several mutual funds, a pooled separate account, common stock of the Company, and a self-directed brokerage account as investment options for participants. Participants can only invest up to 50% of their account balance in the self-directed brokerage account option and only 25% of new contributions into Iron Mountain common stock.

Benefit Vesting Participants are fully vested in their pretax and rollover accounts. A participant s Company contributions, including allocated earnings/losses thereon (Iron Mountain Contribution Account), becomes fully vested in the event of normal retirement, total and permanent disability, or death while still employed.

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Otherwise, vesting in the Iron Mountain Contribution Account is based on the following schedule:

Years of Vesting Service	Percentage
Less than 1 year	0%
1 year but less than 2 years	20
2 years but less than 3 years	40
3 years but less than 4 years	60
4 years but less than 5 years	80
5 years or more	100

Participant Loans A participant may borrow the lesser of $50,000 (reduced by the highest outstanding loan balance in the previous 12 months) or 50% of his or her vested account balance, with a minimum loan amount of $500. Loans are repayable through payroll deductions over periods ranging up to five years, or up to 20 years if the purpose of the loan is to purchase a principal residence. The interest rate is based on prevailing market conditions and is fixed over the life of the note. The interest rate on loans outstanding at December 31, 2009, ranged from 4.25% to 11.00%.

Forfeitures Participants who terminate their employment with the Company or incur five consecutive breaks in service, as defined, forfeit the nonvested portion of their Iron Mountain Contribution Account. At December 31, 2009 and 2008, forfeited nonvested accounts totaled $265,297 and $330,151, respectively, which will be used to offset future Company contributions. During the year ended December 31, 2009, Company contributions were reduced by $574,407 from nonvested forfeited amounts.

Payment of Benefits Upon termination of participation due to death, disability, retirement, or termination of employment, a participant may elect to receive an amount equal to the value of his or her vested account as a lump-sum amount. If termination results for any reason other than death and the value of a participant s account exceeds $5,000, the participant may elect to postpone payment of the account until age 70-1/2 years.

Administrative Expenses All expenses incurred in operating the Plan may be paid by the Company. Fees not paid by the Company shall be paid by the Plan in accordance with the Plan document.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Use of Estimates The preparation of financial statements in conformity with accounting principles U.S. GAAP requires the Plan s management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

Risks and Uncertainties The Plan invests in various mutual funds, pooled separate accounts, and common stock. Investment securities, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the financial statements.

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Investment Valuation and Income Recognition The Plan s investments, with the exception of the pooled separate account, are stated at fair value. For the years ended December 31, 2009 and 2008, the Plan s investments consisted of mutual funds, a pooled separate investment account, Iron Mountain common stock, a self-directed brokerage account, and participant loans. Shares of mutual funds are valued at quoted market prices, which represent the fair value of shares held by the Plan at year-end. Iron Mountain common stock is recorded at quoted market price. The self-directed brokerage account is recorded at the quoted market prices of the individual investments held in the brokerage account. Participant loans are valued at cost, which approximates fair value. The stable value fund is recorded at contract value. It is included at fair value in participant-directed investments in the statements of net assets available for benefits, and an additional line item is presented representing the adjustment from fair value to contract value. As contract value continues to be the reporting basis for the stable value fund, there are no fair value changes relating to this in the statement of changes in net assets available for benefits.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

Management fees and operating expenses charged to the Plan for investments in the mutual funds, the pooled separate account, and the self-directed brokerage account are deducted from income earned on a daily basis and are not separately reflected. Consequently, management fees and operating expenses are reflected as a reduction of investment return for such investments.

Payment of Benefits Benefit payments to participants are recorded when paid. At December 31, 2009 and 2008, there are no amounts allocated to accounts of persons who have elected to withdraw from the Plan that have not yet been paid.

New Accounting Standards Adopted The accounting standards initially adopted in the 2009 financial statements described below affected certain note disclosures but did not impact the statements of net assets available for benefits or the statement of changes of net assets available for benefits.

Accounting Standards Codification The Financial Accounting Standards Board s (FASB) Accounting Standards Codification (ASC) became effective on July 1, 2009. At that date, the ASC became FASB s official source of authoritative U.S. GAAP applicable to all public and nonpublic nongovernmental entities, superseding existing guidance issued by the FASB, the American Institute of Certified Public Accountants (AICPA), the Emerging Issues Task Force (EITF) and other related literature. The FASB also issues Accounting Standards Updates (ASU). An ASU communicates amendments to the ASC. An ASU also provides information to help a user of GAAP understand how and why GAAP is changing and when the changes will be effective.

Subsequent Events In May 2009, the FASB issued ASC Topic 855, *Subsequent Events* (originally issued as FASB Statement No. 165, *Subsequent Events*) to establish general standards of accounting for and disclosing events that occur after the balance sheet date, but prior to the issuance of financial statements. ASC 855 provides guidance on when financial statements should be adjusted for subsequent events and requires companies to disclose subsequent events and the date through which subsequent events have been evaluated. ASC 855 is effective for periods ending after June 15, 2009.

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Updates to Fair Value Measurements and Disclosures In 2009, FASB Staff Position (FSP) 157-4, *Disclosures Determining Fair Value When the Volume and Level of Activity for the Asset or Liability Have Signi*