

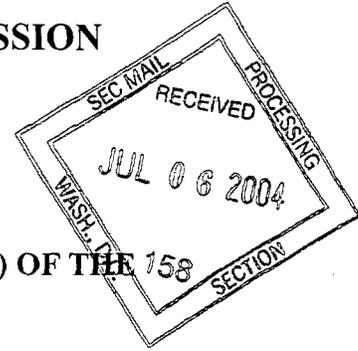


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**SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**FORM 11-K**



**ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE  
SECURITIES EXCHANGE ACT OF 1934**

**(Mark One):**

ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE  
SECURITIES EXCHANGE ACT OF 1934 [NO FEE REQUIRED]

For the fiscal year ended December 31, 2003

or

TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE  
SECURITIES EXCHANGE ACT OF 1934 [NO FEE REQUIRED]

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File Number: 000-26732

- A. Full title of the plan and the address of the plan, if different from that of the issuer named below:  
Gadzooks, Inc. Savings Plan.
- B. Name of issuer of the securities held pursuant to the plan and the address of its principal executive office:  
Gadzooks, Inc., 4121 International Parkway, Carrollton, Texas 75007.

**PROCESSED**

JUL 07 2004



**GADZOOKS, INC. SAVINGS PLAN**

Financial Statements  
and  
Supplemental Schedule

December 31, 2003 and 2002

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# GADZOOKS, INC. SAVINGS PLAN

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**REPORT OF INDEPENDENT REGISTERED  
PUBLIC ACCOUNTING FIRM**

Gadzooks, Inc. Savings Plan  
Carrollton, Texas

5580 LBJ Freeway  
Suite 400  
Dallas, TX  
75240-6265

972.661.1843 tel  
972.490.4120 fax

[www.traviswolff.com](http://www.traviswolff.com)

We have audited the accompanying statements of net assets available for benefits of Gadzooks, Inc. Savings Plan (the "Plan") as of December 31, 2003 and 2002 and the related statements of changes in net assets available for benefits for the years 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 audits.

We conducted our audits in accordance with the 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. 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 audits provide 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, 2003 and 2002, and the changes in net assets available for benefits for the years then ended in conformity with U.S. generally accepted accounting principles.

Our audits were performed 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 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. 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.

*Travis Wolff Company, L.L.P.*

Dallas, Texas  
May 21, 2004

# GADZOOKS, INC. SAVINGS PLAN

## Statements of Net Assets Available for Benefits

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	December 31,	
	<u>2003</u>	<u>2002</u>
<b>Assets:</b>		
Investments, at fair value:		
Mutual funds	\$ 2,591,821	\$ 1,784,598
Common/collective trusts	1,286,500	922,417
Gadzooks common stock	65,786	128,413
Participant notes receivable	145,943	153,339
	<u>4,090,050</u>	<u>2,988,767</u>
Receivables:		
Employer contribution	18,007	26,217
Participant contributions	-	1,105
	<u>18,007</u>	<u>27,322</u>
Total assets	4,108,057	3,016,089
<b>Liabilities:</b>		
Excess contributions payable	<u>106,248</u>	<u>105,496</u>
<b>Net assets available for benefits</b>	<u>\$ 4,001,809</u>	<u>\$ 2,910,593</u>

The accompanying notes are an integral part of the financial statements.

## GADZOOKS, INC. SAVINGS PLAN

### Statements of Changes in Net Assets Available for Benefits

	Years Ended December 31,	
	2003	2002
<b>Investment income:</b>		
Net appreciation (depreciation) in fair value of investments	\$ 539,063	\$ (663,874)
Interest and dividends	30,771	25,252
Other income	-	416
	569,834	(638,206)
<b>Contributions:</b>		
Employer	173,862	175,691
Employees	619,553	657,046
Employee rollovers	270	83,258
	793,685	915,995
Total additions	1,363,519	277,789
<b>Distributions:</b>		
Participants/beneficiaries	(272,303)	(237,803)
<b>Net increase in net assets available for benefits</b>	1,091,216	39,986
<b>Net assets available for benefits:</b>		
Beginning of year	2,910,593	2,870,607
End of year	\$ 4,001,809	\$ 2,910,593

The accompanying notes are an integral part of the financial statements.

## GADZOOKS, INC. SAVINGS PLAN

Notes to Financial Statements  
December 31, 2003 and 2002

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### **Note 1 - Description of Plan**

The following description of the Gadzooks, Inc. Savings Plan (the "Plan") provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

#### ***General***

The Plan is a defined contribution plan covering all employees of Gadzooks, Inc. and Gadzooks Management, L.P. (collectively, the "Company") who have one year of service (1,000 hours or more) and are age twenty-one or older. Effective December 31, 2002, Gadzooks Management L.P. was merged into Gadzooks, Inc. The Plan is intended to constitute a qualified cash or deferred profit sharing plan within the meaning of Section 401(k) of the Internal Revenue Code of 1986, as amended (the "Code"). It is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended (ERISA).

On February 3, 2004, the Company filed a voluntary petition for reorganization under Chapter 11 of the United States Bankruptcy Code in the United States Bankruptcy Court for the Northern District of Dallas and was assigned case number 04-31486-hdh-11.

#### ***Employer contributions***

The Company matches fifty percent of the first 5% of annual compensation that a participant contributes to the Plan. If an employee should terminate from the Company prior to being 100% vested, the nonvested portion of the employer contribution would be forfeited. The forfeited portion is applied to reduce the Company's matching contribution.

#### ***Employee contributions***

Participating employees may elect to contribute up to 15% of their compensation to the Plan, subject to a limit on calendar year contributions set forth by the Internal Revenue Service. Participants may also contribute amounts representing distributions from other qualified defined benefit or defined contribution plans. Participants direct the investment of their contributions into various investment options offered by the Plan. The Plan currently offers eleven mutual funds and the Company's common stock as investment options for the participants.

#### ***Administrative expenses***

All significant administrative expenses are paid by the Company and, as such, have not been included in the accompanying financial statements.

## GADZOOKS, INC. SAVINGS PLAN

Notes to Financial Statements  
December 31, 2003 and 2002

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### **Note 1 - Description of Plan - (Continued)**

#### ***Participant accounts***

Each participant's account is credited with the participant's contributions, the Company's contribution, and allocated investment earnings and losses. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

#### ***Vesting***

Participants are vested immediately in their contributions plus actual earnings thereon. Vesting in the Company's matching portion of a participant's account and the earnings thereon is based on years of service. Participants are 100% vested after five years of service with the Company.

#### ***Participant loans***

Participants may borrow from their fund accounts a minimum of \$1,000 to a maximum equal to the lesser of \$50,000 or 50% of their vested account balance. Loan transactions are treated as a transfer to (from) the investment funds from (to) the participant notes receivable. Loan terms cannot exceed five years from the date the note was executed unless the loan is for the purchase of a primary residence. Fees and expenses incurred in originating the loan will be paid by the qualified applicant out of the proceeds of the loan. The loans are secured by the balances in the participants' accounts and bear interest at reasonable rates commensurate with local prevailing rates as determined by the loan administrator. Principal and interest are paid ratably through biweekly payroll deductions.

#### ***Payment of benefits***

Upon termination of service, a participant will receive a lump-sum amount equal to the value of his or her account, determined in accordance with the Plan vesting schedule, if the account balance is equal to or less than \$5,000. If a participant's account balance exceeds \$5,000, they may elect to receive a lump-sum distribution or to maintain their account balance in the Plan. In-service distributions may be made due to hardships, as defined in the Plan, or when a participant attains 59½ years of age.

#### ***Plan termination***

Although it has not expressed any intent to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event of Plan termination, participants will become 100% vested in their account balances.

# GADZOOKS, INC. SAVINGS PLAN

Notes to Financial Statements  
December 31, 2003 and 2002

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## **Note 1 - Description of Plan - (Continued)**

### *Tax status*

Effective July 1, 2001, the Plan adopted a new IRS approved prototype Plan agreement in conjunction with a change to a new Plan trustee. Although this new Plan has an IRS determination letter, the plan administrator decided to obtain a determination letter specifically for this Plan. The IRS informed the Company by letter dated May 22, 2003, that the Plan is qualified under the appropriate section of the Code prior to the Economic Growth and Tax Relief Reconciliation Act of 2001 ("EGTRRA"). The plan administrator and the Plan's tax counsel believe that the Plan is currently designed and being operated in compliance with EGTRRA. Therefore, no provision for income taxes has been included in the Plan's financial statements.

## **Note 2 - Summary of Significant Accounting Policies**

### *Basis of accounting*

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

### *Use of estimates*

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, and disclosure of contingent assets and liabilities. Actual results could differ from these estimates.

### *Payment of benefits*

Benefits are recorded when paid.

## GADZOOKS, INC. SAVINGS PLAN

Notes to Financial Statements  
December 31, 2003 and 2002

### **Note 3 - Investments**

#### ***Investment valuation and income***

The investments of the Plan are stated at fair value and are based on quoted market prices as of the last trading day of the Plan year. Investment income is accrued as earned. Investments that represent 5% or more of the Plan's net assets are as follows:

Name of Fund	December 31,	
	2003	2002
Wells Fargo S & P 500 Index Fund	\$ 374,606	\$ 213,577
Wells Fargo Stable Return Fund	911,894	708,840
Aim Basic Value Fund	895,168	625,915
Dreyfus Midcap Value Fund	414,083	241,595
Wells Fargo Diversified Bond Fund	441,042	354,288
Wells Fargo Large Company Growth Fund	235,094	127,072*
Wells Fargo Outlook 2020 Fund	277,942	232,575
Participant Notes Receivable	145,943*	153,339

\* Less than 5%; presented for comparative purposes only.

#### ***Investment gains and losses***

During the years ended December 31, 2003 and 2002, the Plan's investments (including gains and losses on investments bought and sold, as well as held during the years) appreciated (depreciated) in value, as follows:

Type of Fund / Investment	2003	2002
Mutual funds	\$ 636,235	\$ (467,747)
Gadzooks common stock	(97,172)	(196,127)
	\$ 539,063	\$ (663,874)

## GADZOOKS, INC. SAVINGS PLAN

Notes to Financial Statements  
December 31, 2003 and 2002

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### **Note 4 - Forfeitures**

At December 31, 2003 and 2002, remaining forfeited nonvested accounts totaled \$805 and \$391, respectively. These accounts will be used to reduce future employer contributions. Employer contributions were reduced during the years ended December 31, 2003 and 2002 by \$59,278 and \$54,372, respectively, from forfeited nonvested accounts.

### **Note 5 - Excess Contributions Payable**

Contributions for the year ended December 31, 2003 are net of payments of \$106,248, made subsequent to year end, to return excess contributions as required to satisfy the relevant nondiscrimination provisions of the Plan. Contributions for the year ended December 31, 2002 are net of payments of \$105,496, made subsequent to year end, to return excess contributions as required to satisfy the relevant nondiscrimination provisions of the Plan.

**SUPPLEMENTAL SCHEDULE**

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GADZOOKS, INC. SAVINGS PLAN

Schedule of Assets Held at End of Year  
 Form 5500 - Schedule H - Line 4i  
 December 31, 2003

EIN: 74-2261048

PN: 001

(a) Party-in- Interest	(b) Identity of Issuer	(c) Description of Investments	(e) Current Value
<u>Mutual Funds</u>			
	Aim	Basic Value Fund	\$ 895,168
	Dreyfus	Midcap Value Fund	414,083
	Janus Adviser	Worldwide Fund	134,211
	MFS	New Discovery Fund	95,416
*	Wells Fargo	Diversified Bond Fund	441,042
*	Wells Fargo	Large Company Growth Fund	235,094
*	Wells Fargo	Outlook 2020 Fund	277,942
*	Wells Fargo	Outlook 2030 Fund	57,608
*	Wells Fargo	Outlook 2040 Fund	41,257
			<u>2,591,821</u>
<u>Common/Collective Trusts</u>			
*	Wells Fargo	500 S & P Index Fund	374,606
*	Wells Fargo	Stable Return Fund	911,894
			<u>1,286,500</u>
*	Gadzooks, Inc.	Common Stock	65,786
	Participant Loans	5.75 - 10.50%	<u>145,943</u>
			<u>\$ 4,090,050</u>

Column (d) Cost is not required since all investments are participant directed.

\* Party-in-interst

See independent auditors' report.

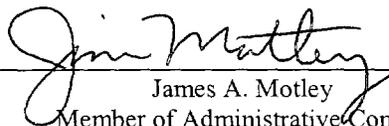
## SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the trustees (or other persons who administer the employee benefit plan) have duly caused this annual report to be signed by the undersigned thereunto duly authorized.

GADZOOKS, INC. SAVINGS PLAN

Date: June 30, 2004

By:

A handwritten signature in cursive script, appearing to read "Jim Motley", written over a horizontal line.

James A. Motley  
Member of Administrative Committee

**CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

Gadzooks, Inc. Savings Plan  
Carrollton, Texas

We consent to the incorporation by reference in the Registration Statement (Form S-8) pertaining to the Gadzooks, Inc. Savings Plan of our report dated May 21, 2004, with respect to the financial statements and schedule of the Gadzooks, Inc. Savings Plan included in this Annual Report (Form 11-K) for the year ended December 31, 2003.

*Travis, Wolff & Company LLP*

/s/ TRAVIS, WOLFF & COMPANY, L.L.P.

Dallas, Texas  
June 29, 2004