ZIONS BANCORPORATION /UT/
Form 424B5
September 23, 2010
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Filed Pursuant to Rule 424(b)(5)
Registration Statement No. 333-158319

Prospectus Supplement to Prospectus dated March 31, 2009.

Zions Bancorporation

7,000,000 Warrants

to Purchase Common Stock

Zions Bancorporation is offering to sell up to 7,000,000 warrants, each of which initially represents the right to purchase one share of our common stock, no par value, at an initial exercise price equal to $36.63. Both the exercise price and the number of shares that a warrant confers the right to purchase are subject to adjustment from time to time in the manner described in this prospectus supplement. The warrants expire on May 22, 2020.

This is a reopening of the series of warrants that we initially issued on May 25, 2010. As of the date of this prospectus, there were 22,281,640 such warrants issued and outstanding, not including the warrants offered by this prospectus supplement. All of the warrants being offered hereby are part of the same series of the warrants that were initially issued on May 25, 2010. Upon settlement, the warrants offered by this prospectus supplement will be fungible with the 22,281,640 warrants described above.

The warrants and our common stock are listed on the Nasdaq Global Select Market (the Nasdaq) under the symbols ZIONW and ZION, respectively. On September 21, 2010, the last reported sale price of the warrants and our common stock on the Nasdaq was $6.72 per warrant and $21.58 per share, respectively.

The public offering price and the allocation of the warrants in this offering will be determined by an online auction process. During the auction period, potential bidders will be able to place bids at any price (in increments of $0.01) at or above the minimum bid price of $4.07 per warrant and up to and including the maximum bid price of $8.00 per warrant. Bids below the minimum bid price or above the maximum bid price will not be accepted. The minimum size for any bid is 1 warrant. If we decide to sell the warrants being offered, the public offering price of the warrants will equal the market-clearing price. If bids are received for 100% or more of the offered warrants, the market-clearing price will be equal to the highest price at which 100% of the offered warrants can be sold in the auction, and we may (but are not required to) sell all of the warrants offered during the auction process at the market-clearing price. If bids are received for at least 50% but less than 100% of the offered warrants, then the market-clearing price will be equal to the minimum bid price of $4.07 per warrant, and we may (but are not required to) sell, at such price, as many warrants as we choose to sell (but in no event less than an amount equal to 50% of the offered warrants) up to the number of bids received in the auction. If at the end of the auction, the number of warrants subject to a bid is less than 50% of the offered warrants, then the offering will be cancelled and we will not issue any warrants in this offering. **Even if bids are received for all of the warrants, we may decide not to sell any warrants, regardless of the market-clearing price set in the auction process.** The method for submitting bids and a more detailed description of this auction process are described in The Auction Process in this prospectus supplement.

You must meet minimum suitability standards in order to purchase the warrants. You must be able to understand and bear the risk of an investment in the warrants and should be experienced with respect to options and option transactions. You should reach an investment decision only after careful consideration, with your advisers, of the suitability of the warrants in light of your particular financial circumstances and the information in this prospectus supplement. **The warrants involve a high degree of risk, are not appropriate for every investor and may expire worthless.**

Investing in the warrants involves certain risks. See Risk Factors beginning on page S-9 of this prospectus supplement to read about certain factors you should consider before buying the warrants.

None of the Securities and Exchange Commission, any state securities commission, the Federal Deposit Insurance Corporation, the Board of Governors of the Federal Reserve System or any other regulatory body has approved or disapproved of these securities or determined if this document is truthful or complete. Any representation to the contrary is a criminal offense.

These securities will not be savings accounts, deposits or other obligations of any bank or non-bank subsidiary of ours and are not insured by the Federal Deposit Insurance Corporation, the Board of Governors of the Federal Reserve System or any other governmental agency.

	Per Warrant	Total
Public offering price	$ 5.25	$ 36,750,000.00
Underwriting discounts and commissions	$ 0.21	$ 1,470,000.00
Proceeds, before expenses, to Zions Bancorporation(1)	$ 5.04	$ 35,280,000.00

(1) The underwriter has agreed to pay a fee of 1% of the aggregate public offering price to Zions Direct, Inc. in its capacity as the auction agent in connection with this offering. Zions Direct, Inc. may also receive selling concessions. See Underwriting.

The underwriter expects to deliver the warrants in book-entry form only, through the facilities of The Depository Trust Company, against payment on or about September 28, 2010.

Goldman, Sachs & Co.

Prospectus Supplement dated September 22, 2010.

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Prospectus Supplement

Prospectus

No dealer, salesperson or other person is authorized to give any information or to represent anything not contained in this prospectus supplement and the accompanying prospectus. You must not rely on any unauthorized information or representations. This prospectus supplement and the accompanying prospectus are an offer to sell only the warrants offered hereby, but only under circumstances and in jurisdictions where it is lawful to do so. The information contained in this prospectus supplement and the accompanying prospectus is current only as of the date of this prospectus supplement.

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ABOUT THIS PROSPECTUS SUPPLEMENT

This document is in two parts. The first is this prospectus supplement, which describes the specific terms of this offering. The second part, the accompanying prospectus, gives more general information, some of which may not apply to this offering. This prospectus supplement also adds to, updates and changes information contained in the accompanying prospectus. If the description of the offering varies between this prospectus supplement and the accompanying prospectus, you should rely on the information in this prospectus supplement. The accompanying prospectus is part of a registration statement that we filed with the Securities and Exchange Commission (the SEC), using a shelf registration statement. Under the shelf registration process, from time to time, we may offer and sell debt securities, warrants or other rights, stock purchase contracts, units, common stock, preferred stock or depositary shares, or any combination thereof, in one or more offerings.

It is important that you read and consider all of the information contained in this prospectus supplement and the accompanying prospectus in making your investment decision. You should also read and consider the information in the documents to which we have referred you in Incorporation by Reference on page v of this prospectus supplement and Where You Can Find More Information on page 2 of the accompanying prospectus.

The distribution of this prospectus supplement and the accompanying prospectus and the offering of the warrants in certain jurisdictions may be restricted by law. Persons into whose possession this prospectus supplement and the accompanying prospectus come should inform themselves about and observe any such restrictions. This prospectus supplement and the accompanying prospectus do not constitute, and may not be used in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such offer or solicitation. References herein to $ and dollars are to the currency of the United States. In this prospectus supplement and the accompanying prospectus, except as otherwise indicated, the terms Company, Zions, we, us, and our refer to Zions Bancorporation and its subsidiaries, and common stock ref the common stock, no par value, of Zions Bancorporation.

Zions® and Zions Bank® are registered service marks of Zions Bancorporation. All other service marks, trademarks and trade names referred to in this prospectus supplement and the accompanying prospectus are the property of their respective owners.

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DISCLOSURE REGARDING FORWARD-LOOKING STATEMENTS

Statements in this prospectus supplement that are based on other than historical data are forward-looking within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements provide current expectations or forecasts of future events and include, among others:

- statements with respect to the beliefs, plans, objectives, goals, guidelines, expectations, anticipations and future financial condition, results of operations and performance of Zions Bancorporation and its subsidiaries; and
- statements preceded by, followed by or that include the words may, could, should, would, believe, anticipate, estimate, exp plan, projects, or similar expressions.

These forward-looking statements are not guarantees of future performance, nor should they be relied upon as representing management s views as of any subsequent date. Forward-looking statements involve significant risks and uncertainties and actual results may differ materially from those presented, either expressed or implied, in this prospectus supplement. Factors that might cause such differences include, but are not limited to:

- the Company s ability to successfully execute its business plans, manage its risks and achieve its objectives;
- changes in political and economic conditions, including without limitation the political and economic effects of the current economic crisis, delay of recovery from the current economic crisis and other major developments, including wars, military actions and terrorist attacks;
- changes in financial market conditions, either internationally, nationally or locally in areas in which we conduct operations, including without limitation reduced rates of business formation and growth, commercial and residential real estate development and real estate prices;
- fluctuations in markets for equity, fixed-income, commercial paper and other securities, including availability, market liquidity levels and pricing;
- changes in interest rates, the quality and composition of the loan and securities portfolios, demand for loan products, deposit flows and competition;
- acquisitions and integration of acquired businesses;
- increases in the levels of losses, customer bankruptcies, bank failures, claims and assessments;
- changes in fiscal, monetary, regulatory, trade and tax policies and laws and regulatory assessments and fees, including policies of the U.S. Department of Treasury, the Board of Governors of the Federal Reserve Board System and the Federal Deposit Insurance Corporation (the FDIC);

our participation or lack of participation in governmental programs implemented under the Emergency Economic Stabilization Act of 2008, as amended (EESA) and the American Recovery and Reinvestment Act (ARRA), including without limitation the Troubled Asset Relief Program (TARP) and the Capital Purchase Program (CPP) and the impact of such programs and related regulations on us and on international, national and local economic and financial markets and conditions;

the impact of the EESA and the ARRA and related rules and regulations and changes in those rules and regulations, on the business operations and our competitiveness and that of other participating American financial institutions, including the impact of the executive compensation

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limits of these acts, which may impact our ability and the ability of other participating American financial institutions to retain and recruit executives and other personnel necessary for their businesses and competitiveness;

the impact of the financial reform bill, known as the Dodd-Frank Wall Street Reform and Consumer Protection Act, and rules and regulations thereunder;

continuing consolidation in the financial services industry;

new litigation or changes in existing litigation;

success in gaining regulatory approvals, when required;

changes in consumer spending and savings habits;

increased competitive challenges and expanding product and pricing pressures among financial institutions;

demand for financial services in our market areas;

inflation and deflation;

technological changes and our implementation of new technologies;

our ability to develop and maintain secure and reliable information technology systems;

legislation or regulatory changes which adversely affect our operations or business;

our ability to comply with applicable laws and regulations;

changes in accounting policies or procedures as may be required by the Financial Accounting Standards Board or regulatory agencies; and

increased costs of deposit insurance and changes with respect to FDIC insurance coverage levels.

We have identified some additional important factors that could cause future events to differ from our current expectations and they are described in this prospectus supplement under the caption Risk Factors, as well as in our most recent Annual Report on Form 10-K for the year ended December 31, 2009 and in our most recent Quarterly Reports on Form 10-Q for the quarters ended March 31, 2010 and June 30, 2010, including without limitation under the captions Risk Factors, Management s Discussion and Analysis of Financial Condition and Results of Operations and Quantitative and Qualitative Disclosures About Market Risk and in other documents that we may file with the SEC, all of which you should review carefully.

Except to the extent required by law, we specifically disclaim any obligation to update any factors or to publicly announce the result of revisions to any of the forward-looking statements included herein to reflect future events or developments.

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INCORPORATION BY REFERENCE

The SEC allows us to incorporate by reference information into this prospectus supplement and the accompanying prospectus. This means that we can disclose important information to you by referring you to another document that Zions Bancorporation has filed separately with the SEC that contains that information. The information incorporated by reference is considered to be part of this prospectus supplement and the accompanying prospectus. Information that Zions Bancorporation files with the SEC after the date of this prospectus supplement will automatically modify and supersede the information included or incorporated by reference in this prospectus supplement and the accompanying prospectus to the extent that the subsequently filed information modifies or supersedes the existing information. We incorporate by reference into this prospectus supplement:

- our Annual Report on Form 10-K for the fiscal year ended December 31, 2009;
- our Quarterly Reports on Form 10-Q for the quarters ended March 31, 2010 and June 30, 2010;
- our Current Reports on Form 8-K filed on January 5, 2010, January 25, 2010, February 19, 2010, March 1, 2010 (both Current Reports), March 30, 2010, April 19, 2010 (both Current Reports), May 19, 2010, May 25, 2010, June 3, 2010, June 8, 2010, June 15, 2010, June 18, 2010, June 21, 2010, July 29, 2010 and August 18, 2010 (except in each case, any information that has been deemed to be furnished and not filed, and any exhibits related thereto);
- the description of our common stock set forth in our registration statement on Form 10 filed January 13, 1992 pursuant to Section 12 of the Securities Exchange Act of 1934, as amended (the Exchange Act), including any amendment or report filed with the SEC for the purpose of updating such description; and
- the description of the warrants set forth in our registration statement on Form 8-A, dated May 25, 2010, filed pursuant to Section 12 of the Exchange Act, including any amendment or report filed with the SEC for the purpose of updating such description.

In addition, all reports and other documents we subsequently file pursuant to Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act after the date of this prospectus supplement until this offering has been completed (other than any information furnished pursuant to Item 2.02 or Item 7.01 of any Current Report on Form 8-K unless we specifically state in such Current Report that such information is to be considered filed under the Exchange Act or we incorporate it by reference into a filing under the Securities Act of 1933, as amended (the Securities Act), or the Exchange Act) will be deemed to be incorporated by reference in this prospectus supplement and to be part of this prospectus supplement from the date of the filing of such reports and documents. Any statement contained in this prospectus supplement or in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for purposes of this prospectus supplement to the extent that a statement contained in any subsequently filed document which is or is deemed to be incorporated by reference herein modifies or supersedes such statement. Any such statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this prospectus supplement.

You may request a copy of any of these filings at no cost by writing to or telephoning us at the following address and telephone number:

Investor Relations

Zions Bancorporation

One South Main Street, 15th Floor

Salt Lake City, Utah 84133

(801) 524-4787

In addition, these filings are available on our web site at http://www.zionsbancorporation.com. Our web site does not form a part of this prospectus supplement or the accompanying prospectus.

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SUMMARY

The following summary should be read together with the information contained in other parts of this prospectus supplement and in the accompanying prospectus. It may not contain all the information that is important to you. You should carefully read this prospectus supplement and the accompanying prospectus in their entirety to understand fully the terms of the warrants, as well as the other considerations that are important to you in making a decision about whether to invest in the warrants.

Zions Bancorporation

Zions Bancorporation is a financial holding company organized under the laws of the State of Utah in 1955, and registered under the Bank Holding Company Act of 1956, as amended. Zions Bancorporation and its subsidiaries own and operate eight commercial banks in ten Western and Southwestern states with a total of 493 domestic branches as of June 30, 2010. We provide a full range of banking and related services through our banking and other subsidiaries, primarily in Utah, California, Texas, Arizona, Nevada, Colorado, New Mexico, Idaho, Washington and Oregon. Full-time equivalent employees totaled 10,543 as of June 30, 2010.

We focus on providing community-minded banking services by continuously strengthening our core business lines of 1) small, medium-sized business and corporate banking; 2) commercial and residential development, construction and term lending; 3) retail banking; 4) treasury cash management and related products and services; 5) residential mortgage; 6) trust and wealth management; and 7) investment activities. Each of our banks operates under a different name and each has its own board of directors, chief executive officer and management team. The banks provide a wide variety of commercial and retail banking and mortgage lending products and services. They also provide a wide range of personal banking services to individuals, including home mortgages, bankcard, installment loans, home equity lines of credit, checking accounts, savings accounts, time certificates of various types and maturities, trust services, safe deposit facilities, direct deposit and 24-hour ATM access. In addition, certain banking subsidiaries provide services to key market segments through their Women s Financial, Private Client Services and Executive Banking Groups. We also offer wealth management services through a subsidiary, Contango Capital Advisors, Inc., and online brokerage services through Zions Direct, Inc.

In addition to these core businesses, we have built specialized lines of business in capital markets, public finance and certain financial technologies, and we are also a leader in Small Business Administration (SBA) lending. Through our eight banking subsidiaries, we provide SBA 7(a) loans to small businesses throughout the United States and are also one of the largest providers of SBA 504 financing in the nation. We own an equity interest in the Federal Agricultural Mortgage Corporation (Farmer Mac) and are one of the nation s top originators of secondary market agricultural real estate mortgage loans through Farmer Mac. We are a leader in municipal finance advisory and underwriting services.

Our principal executive offices are located at One South Main, 15th Floor, Salt Lake City, Utah 84133, and our telephone number is (801) 524-4787. Our common stock is traded on Nasdaq under the symbol ZION. Our website address is http://www.zionsbancorporation.com. This website address is not intended to be an active link and information on our website is not incorporated in, and should not be construed to be part of, this prospectus supplement.

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Recent Developments

As disclosed in a Form 8-K filing on July 29, 2010, we have entered into a total return swap and related interest rate swaps (TRS) with Deutsche Bank AG (Deutsche Bank) relating to a portfolio of $1.16 billion notional amount of our bank and insurance trust preferred collateralized debt obligations (CDOs). As a result of the TRS, Deutsche Bank will assume all of the credit risk of this CDO portfolio, providing timely payment of all scheduled payments of interest and principal when contractually due to the Company (without regard to acceleration or deferral events). We can cancel the TRS quarterly after the first year and remove individual securities on or after the end of the sixth year. Additionally, with the consent of Deutsche Bank, we can transfer the TRS to a third party in part or in whole. Deutsche Bank cannot cancel the TRS except in the event of nonperformance by the Company and under certain other circumstances customary to International Swap Dealer Association (ISDA) swap agreements.

This transfer of credit risk is expected to reduce the Company s regulatory capital risk weighting for these investments. The underlying securities were originally rated primarily A and BBB and currently carry some of the highest risk-weightings of the securities in the Company s portfolio. As a result, the transaction is expected to result in a reduction of regulatory risk-weighted assets and improve the Company s risk-based capital ratios.

This transaction does not qualify for hedge accounting and will not change the accounting for the underlying securities, including the quarterly analysis of other-than-temporary impairment (OTTI) and other comprehensive income (OCI). Further, we will not recognize any gain or loss on the securities as a result of entering into the TRS. Because the transaction does not qualify for hedge accounting and the transaction will not change the accounting for the underlying securities, future potential OTTI, if any, associated with the underlying securities may not be offset by any valuation adjustment on the swap in the quarter in which OTTI is recognized and OTTI changes could result in reductions in our regulatory capital ratios, which could be material.

Both the fair value of the securities and the fair value of the TRS are dependent upon the projected credit-adjusted cash flows of the securities. Absent major changes in these projected cash flows, we do not expect the value of the TRS to change significantly from what is expected to be a negative initial valuation. The negative initial valuation is expected to be approximately $23 million, which is equal to the costs to the Company under the TRS during the first year (that is, during the period that we are unable to cancel the transaction).

Including the $23 million and structuring costs of $12 million for the transaction, we expect to incur $35 million of costs in the first year of the transaction.

After the first year of the transaction, we expect to incur subsequent net quarterly expenses of approximately $5.3 million under the TRS, including related interest rate swaps and scheduled payments of interest on the underlying CDOs, as long as the TRS remains in place for this CDO portfolio. The payments under the transaction generally include or arise from (1) payments by Deutsche Bank to the Company of all scheduled payments of interest and principal when contractually due to the Company, and payment by the Company to Deutsche Bank of a fixed quarterly or semiannual guarantee fee based on the notional amount of the CDO portfolio in the transaction; (2) an interest rate swap pursuant to which Deutsche Bank pays the Company a fixed interest rate and the Company pays to Deutsche Bank a floating interest rate (generally three-month LIBOR) on the notional amount of the CDO portfolio in the transaction; and (3) a third swap between the Company and Deutsche Bank included in the transaction in order to hedge each party s exposure to change in interests rates over the life of the transaction. In addition, under the terms of the transaction, payments

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from the CDOs will continue to be made to the Company and retained by the Company; this recovery amount, plus assumed reinvestment earnings at an imputed interest rate, generally three-month LIBOR, will offset principal payments that Deutsche Bank would otherwise be required to make.

The net economic result of the payment streams described in the preceding paragraph is the approximate $5.3 million per quarter noted above. Our estimated quarterly expense amount would be impacted by, among other things, changes in the composition of the CDO portfolio included in the transaction and changes over time in the forward LIBOR rate curve. Payments under the third swap begin on the second payment date of each covered security. If the forward LIBOR rates projected in mid-July occur, no net payment will be due by either party under this third swap. If rates increase more than projected, the payment will be to the Company from Deutsche Bank and if less than projected the payment will be the reverse. The Company s costs are also subject to adjustment in the event of future changes in regulatory requirements applicable to Deutsche Bank, if we do not then elect to terminate the transaction. Should such cost increases occur in the first year, we may cancel the transaction with no payment due beyond the liability already incurred. Termination by the Company for such regulatory changes applicable to Deutsche Bank after year one will result in no payment by the Company.

At the end of every quarter, we expect to complete a valuation process, which is expected to result in a Level 3 fair valuation for the TRS. The process is expected to utilize valuation inputs from two sources:

(1) The Company will build on its fair valuation process for the underlying CDO portfolio and utilize those same projected cash flows to quantify the extent and timing of payments to be received from the trustee related to each CDO and in aggregate. These cash flows, plus assumed reinvestment earnings, constitute a recovery amount, the extent of which will offset Deutsche Bank s required principal payments. The internal valuation is expected to utilize the Company s estimate of each of the cash flows to/from each leg of the derivative and from each covered CDO through maturity and also through the first date on which we may terminate. For valuation purposes, we will assume that a market participant would cancel the TRS at the first opportunity if the TRS did not have a positive value based on the best estimates of cash flows through maturity. Consequently the fair value would be expected to be approximately the amount of required payments up to the earliest termination date.

(2) A valuation from market participants, if any or as applicable, which may constitute an observable input from a market participant in possession of all relevant terms and costs of the TRS structure.

We will need to consider the observable input or inputs from market participants as well as the result of our internal model in determining the fair value of the TRS each quarter.

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THE OFFERING

Issuer	Zions Bancorporation.
Warrants Offered	7,000,000 warrants, each of which initially represents the right to purchase one share or our common stock, no par value, at an initial exercise price equal to $36.63. The number of warrants sold may depend on the number of bids received in the auction described below. See Auction Process in this prospectus supplement.

The warrants can be exercised at any time prior to 5:00 p.m., New York City time, on May 22, 2020 (the expiration date). Any warrants not exercised prior to the expiration date will be automatically exercised on the expiration date under certain circumstances as described under Description of Warrants Exercise and Settlement of the Warrants.

As used in this prospectus supplement, the number of underlying shares means the number of shares of our common stock that a warrant confers the right to purchase, which is initially one share, subject to adjustment. The number of shares to which a warrantholder is entitled upon exercise of a warrant differs from the number of underlying shares by virtue of the net share settlement calculation. Upon exercise, a warrantholder will receive, on the settlement date for the warrants being exercised, a number of shares of our common stock equal to the sum of the daily settlement amounts (as defined herein) for each of the ten consecutive trading days during the related calculation period (as defined herein), together with cash in lieu of any fractional shares. See Description of Warrants Exercise and Settlement of the Warrants. In addition, upon exercise in connection with a designated event or an accounting event, we may be required to increase the number of shares to which a warrantholder is entitled with respect to such exercised warrants as described in this prospectus supplement. See Description of the Warrants Exercise of Warrants upon a Designated Event and Description of the Warrants Exercise of Warrants upon an Accounting Event. Notwithstanding the foregoing, in no event will the number of shares of common stock deliverable to the warrantholder as a result of the net share settlement calculation or as a result of a designated event or accounting event, individually or in aggregate, exceed the number of underlying shares.

Common Stock Outstanding After this Offering	177,198,515 shares of common stock.

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The number of shares of common stock outstanding immediately after the closing of this offering is based on the number of shares of common stock outstanding as of September 17, 2010. Unless otherwise indicated, the number of shares of common stock outstanding after this offering excludes

- up to 7,000,000 shares initially issuable upon exercise of the warrants offered by this prospectus supplement,
- 22,281,640 shares initially issuable upon exercise of the warrants issued by the Company on May 25, 2010,
- an aggregate of up to $124,500,745.08 in common stock that may be sold from time to time at market prices under our equity distribution program pursuant to equity distribution agreements, dated as of August 18, 2010, with each of Deutsche Bank Securities Inc. and Goldman, Sachs & Co., through which we may offer and sell up to an aggregate of $200,000,000 of our common stock,
- 5,789,909 shares of our common stock issuable upon exercise of outstanding warrants issued to the U.S. Treasury under TARP, and
- 7,734,800 shares of our common stock issuable upon the exercise of stock options awards as of September 17, 2010.

Auction Process	The public offering price and the allocation of the warrants in this offering will be determined through an online auction process conducted by Zions Direct, Inc. (Zions Direct), in its capacity as the auction agent. The auction will entail a modified Dutch auction mechanic in which bids must be submitted online through an auction site operated by the auction agent. After submission of a bid, the auction site will indicate whether that bid is at that time (and at all subsequent times until the auction closes) a successful one, or in-the-money. For more information about the auction process and how to determine if a bid is successful as of the submission deadline, see The Auction Process in this prospectus supplement.
Minimum/Maximum Bid Price and Price Increments	This offering will be made using an auction process in which prospective purchasers are required to bid for the warrants through an online auction site (or through bidders who can place bids on that site). During the auction period, bids may be placed by qualifying bidders at any price (in increments of $0.01) at or above the minimum bid price of $4.07 per warrant up to and including the maximum bid price of $8.00 per warrant. Bids below the minimum bid price or above the maximum bid price will not be accepted.

Minimum Bid Size	1 warrant
Bid Submission Deadline	We will announce the auction at 8:00 a.m., New York City time, on September 22, 2010 so that prospective holders will have time to take the necessary steps to become registered qualified bidders. The auction will then commence at 4:15 p.m., New York City time on September 22, 2010 and will close at 6:30 p.m., New York City time, on that same day, subject to a single two-minute extension as described under The Auction Process Auction Bidding Process; Irrevocability of Bids (the submission deadline). Zions and Goldman, Sachs & Co. may in their discretion determine to delay the auction to a date after the date specified above at any time prior to the commencement of the auction. Any such delay will be announced by press release, and Zions will file a Form 8-K specifying the revised auction date, if any. See The Auction Process.
Irrevocability of Bids	Bids that have been submitted will constitute an irrevocable offer to purchase the warrants on the terms provided for in the bid. See The Auction Process.
Market-Clearing Price	The price at which the warrants will be sold to the public will be the market-clearing price set by the auction process. The market-clearing price will be determined based on the valid bids at the time of the submission deadline as follows: If the number of warrants for which valid bids are received is equal to or greater than the number of warrants offered hereby (the Auction Amount), the market-clearing price for the warrants will be equal to the highest price at which the Auction Amount is sold. The auction agent will determine this price by moving down the list of accepted bids in descending order of bid price until the total quantity of warrants bid for is greater than or equal to the Auction Amount. Bids made at such market-clearing price may experience pro-rata allocation. If valid bids are received for 50% or more of the Auction Amount but less than 100% of the Auction Amount, the market-clearing price will be equal to the minimum bid price of $4.07 per warrant.

If at the time of the submission deadline, the number of warrants subject to a bid is less than 50% of the Auction Amount, then the offering will be cancelled and we will not issue any warrants in this offering.

Even if bids are received for 100% or more of the Auction Amount, we may decide not to sell any warrants, regardless of

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	the market-clearing price set in the auction process. If we decide to sell warrants in the auction process, after we confirm acceptance of the market-clearing price (and, in the case where bids are received for at least 50% but less than 100% of the Auction Amount, the number of warrants to be sold), the auction agent will notify successful bidders, directly or through their brokers, that the auction has closed and that their bids have been accepted (subject in some cases to the allocation method described below). The market-clearing price and number of warrants being sold are also expected to be announced by press release soon after the allocation of warrants by the auction agent, but in any event, prior to the opening of the equity markets on the business day following the end of the auction. See The Auction Process.
Number of Warrants to be Sold	If bids are received for at least 50% but less than 100% of the Auction Amount, then we may (but are not required to) sell, at the minimum bid price of $4.07 per warrant, as many warrants as we choose to sell (but in no event less than an amount equal to 50% of the Auction Amount) up to the number of bids received in the auction. Even if bids are received for 100% of the Auction Amount, we may decide not to sell any warrants in the auction process, regardless of the market-clearing price. If bids are received for 100% of the Auction Amount and we elect to sell warrants in the auction process, we must sell all of the offered warrants. If at the time of the submission deadline, the number of warrants subject to a bid is less than 50% of the Auction Amount, then the offering will be cancelled and we will not issue any warrants in this offering. See The Auction Process.
Allocation; Pro-ration	If bids for all the warrants offered in this offering are received, then any bids submitted in the auction above the market-clearing price will receive allocations in full, while bids made at the market-clearing price may experience pro-rata allocation. If bids for fewer than 100% of the Auction Amount are received, and we choose to sell fewer warrants than the number of warrants for which bids were received, then all bids will experience equal pro-rata allocation. See The Auction Process Allocation.
Use of Proceeds	We will use the proceeds of the offering for general corporate purposes. Pending the use of the net proceeds of this offering, we intend to invest the net proceeds in interest-bearing, investment grade securities.
Risk Factors	See Risk Factors and other information included or incorporated by reference in this prospectus supplement and the attached prospectus for a discussion of factors you should consider carefully before deciding to invest in the warrants.

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Nasdaq Symbol	ZIONW
Warrant Agent	Zions First National Bank
Auction Agent	Zions Direct, Inc.
Auction Agent Fee	1% of the aggregate public offering price
Reopening	This is a reopening of the series of warrants that we initially issued on May 25, 2010. As of September 21, 2010, there were 22,281,640 such warrants issued and outstanding, not including the warrants offered by this prospectus supplement. All of the warrants being offered hereby are part of the same series of the warrants that were initially issued on May 25, 2010. Upon settlement, the warrants offered by this prospectus supplement will be fungible with the 22,281,640 warrants described above. We have the right to issue additional warrants of this series in the future. Any such additional warrants will have the same terms as the warrants being offered by this prospectus supplement, but may be offered at a different public offering price. If issued, any such additional warrants will also become part of the same series as the warrants offered hereby.
Conflicts of Interest	Zions Direct is an affiliate of Zions Bancorporation and, as such, has a conflict of interest in this offering within the meaning of NASD Rule 2720. Consequently, the offering is being conducted in compliance with the provisions of Rule 2720. A Qualified Independent Underwriter is not necessary for this offering pursuant to Rule 2720(a)(1)(A). The managing member for this offering, Goldman, Sachs & Co., does not have a conflict of interest and meets the requirements of Rule 2720(f)(12)(E). Zions Direct is not permitted to sell warrants in this offering to an account over which it exercises discretionary authority without the prior specific written approval of the account holder.

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RISK FACTORS

An investment in the warrants involves certain risks. You should carefully consider the risks described below and in the accompanying prospectus, as well as the risk factors and other information included or incorporated by reference in this prospectus supplement and the accompanying prospectus, before making an investment decision. The warrants are not an appropriate investment for you if you are not knowledgeable about significant features of the warrants, our common stock or financial matters in general. You should not purchase the warrants unless you understand and know that you can bear all of the risks associated with the warrants and with owning our common stock. Our business, financial condition or results of operations could be materially adversely affected by any of these risks. The trading price of the warrants and/or our common stock could decline due to any of these risks, and you may lose all or part of your investment. This prospectus supplement also contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the risks faced by us described below and elsewhere in this prospectus supplement, the accompanying prospectus and the documents incorporated by reference herein.

Risks Relating to the Auction Process

The price of the warrants could decline rapidly and significantly following this offering.

The public offering price of the warrants offered hereby, which will be the market-clearing price, will be determined through an auction process conducted by the auction agent. Although the warrants are listed on the Nasdaq, the public offering price may bear no relation to market demand for the warrants after the conclusion of the auction. If there is little or no demand for the warrants at or above the public offering price after the conclusion of the auction, the price of the warrants offered hereby would likely decline following this offering. Limited or less-than-expected liquidity in the warrants, including less-than-expected liquidity due to a sale of less than all of the warrants being offered by us in the auction, if any, could also cause the trading price of the warrants to decline. In addition, the auction process may lead to more volatility in, or a decline in, the trading price of the warrants after the initial sales of the warrants in this offering. You should not assume you will be able to make a short-term profit by selling the warrants you purchase in the offering shortly after completion of the offering.

The minimum bid price and maximum bid price for the warrants in this offering may bear no relation to the price of the warrants after the offering.

An analysis of the value of complex securities like the warrants is necessarily uncertain as it may depend on several key variables, including, for example, the volatility of the trading prices of the underlying security. The difficulty associated with determining the value of the warrants is further increased by the substantial time period during which the warrants can be exercised. We cannot assure you that the price at which the warrants will trade after completion of this offering will exceed this minimum bid price, or that we will succeed in selling any or all of the warrants at a price equal to or in excess of the minimum bid price. In addition, the maximum bid price does not constitute, and should not be taken as, a prediction that the warrant price should, or ever will, trade that high.

The auction process for this offering may result in a phenomenon known as the winner s curse, and, as a result, investors may experience significant losses.

The auction process for this offering may result in a phenomenon known as the winner s curse. At the conclusion of the auction process, successful bidders that receive allocations of warrants in this offering may infer that there is little incremental demand for the warrants above or equal to the public offering price. As a result, successful bidders may conclude that they paid too much for the warrants and could seek to immediately sell their warrants to limit their losses should the price of the warrants decline in trading after the auction is completed. In this situation, other investors that did not submit successful bids may wait for this selling to be completed, resulting in reduced demand for the warrants in the public market and a significant decline in the price of the warrants. Therefore, we caution investors that submitting successful bids and receiving allocations may be followed by a significant decline in the value of their investment in the warrants shortly after this offering.

The auction process for this offering may result in less price-sensitive investors playing a larger role in the determination of the public offering price and constituting a larger portion of the investors in this offering, and, as a result, the public offering price may not be sustainable following the completion of this offering.

In a typical public offering of securities, a majority of the securities sold to the public are purchased by professional investors that have significant experience in determining valuations for companies in connection with such offerings. These professional investors typically have access to, or conduct their own, independent research and analysis regarding investments in such offerings. Other investors typically have less access to this level of research and analysis, and as a result, may be less sensitive to price when participating in the auction process. Because of the auction process, these less price-sensitive investors may have a greater influence in setting the public offering price (because a larger number of higher bids may cause the market-clearing price in the auction to be higher than it would otherwise have been absent such bids) and may represent a higher level of participation in this offering than is normal for other public offerings. This, in turn, could cause the auction to result in a public offering price that is higher than the price professional investors are willing to pay for the warrants. As a result, the price of the warrants may decrease after the completion of this offering. Also, because professional investors may have a substantial degree of influence on the trading price of the warrants over time, the price of the warrants may decline and not recover after this offering. In addition, if the public offering price of the warrants is above the level that investors determine is reasonable for the warrants, some investors may attempt to short sell the warrants after trading begins, which would create additional downward pressure on the trading price of the warrants.

The market-clearing price for the warrants may bear little or no relationship to the price for the warrants that would be established using traditional valuation methods or the market price of our common stock and, as a result, the trading price of the warrants may decline significantly following the issuance of the warrants.

The public offering price of the warrants will be equal to the market-clearing price. The market-clearing price of the warrants may have little or no relationship to, and may be significantly higher than, the price for the warrants that otherwise would be established using traditional indicators of value, such as our future prospects and those of our industry in general; our revenues, earnings and other financial and operating information; multiples of revenue, earnings, cash flows and other operating metrics; market prices of securities and other financial and operating information of companies engaged in activities similar to ours; and the views of research analysts. The trading price of the warrants may vary significantly from the public offering price. Potential investors should not submit a bid in the auction for this offering unless they are willing to take the risk that the price of the warrants could decline significantly.

Successful bidders may receive the full number of warrants subject to their bids, so potential investors should not make bids for more warrants than they are prepared to purchase.

Each bidder may submit multiple bids. However, as bids are independent, each bid may result in an allocation of the warrants. Allocation of the warrants will be determined by, first, allocating warrants to any bids made above the market-clearing price, and second, allocating warrants on a pro-rata basis among bids made at the market-clearing price. If bids for all the warrants offered in this offering are received, the bids of successful bidders that are above the market-clearing price will be allocated all of the warrants represented by such bids, and only bids submitted at the market-clearing price will experience any pro-rata allocation. Bids that have been submitted are final and irrevocable, and bidders who submit successful bids will be obligated to purchase the warrants allocated to them. Accordingly, the sum of a bidder s bid sizes should be no more than the total number of warrants the bidder is willing to purchase, and we caution investors against submitting a bid that does not accurately represent the number of warrants that they are willing and prepared to purchase. For more information on the allocation of warrants, see The Auction Process Allocation.

Submitting a bid does not guarantee an allocation of warrants, even if a bidder submits a bid at or above the public offering price of the warrants.

You may be required to confirm your bid before the auction closes, although none of us, the auction agent or Goldman, Sachs & Co. is under any obligation to reconfirm bids for any reason. If a bidder is requested to confirm a bid and fails to do so within the permitted time period, that bid may be deemed to have been withdrawn and, accordingly, that bidder may not receive an allocation of warrants even if the bid is at or above the market-clearing price. Any such bid may, however, be accepted even if it has not been reconfirmed. In addition, the auction agent (or Goldman, Sachs & Co., with respect to bidders with brokerage accounts with Goldman, Sachs & Co. (the GS Bidders) may determine in some cases to impose size limits on the aggregate size of bids that it chooses to accept from any bidder. The auction agent may reject any bid by non-GS Bidders that it determines, in its sole discretion (subject to consultation with Goldman, Sachs & Co.), has a potentially manipulative, disruptive or other adverse effect on the auction process, and bids submitted by GS Bidders may be similarly rejected by Goldman, Sachs & Co. in consultation with the auction agent. Furthermore, if bids for all the warrants offered in this offering are received, each bid submitted at the market-clearing price will be allocated a number of warrants approximately equal to the pro-rata allocation percentage multiplied by the number of warrants represented by such bid, rounded to the nearest whole number of warrants. Moreover, if at the time of the submission deadline, the number of warrants subject to a bid is less than 50% of the Auction Amount, then the offering will be cancelled and we will not issue any warrants in this offering. We could also decide, in our sole discretion, not to sell any warrants in this offering after the market clearing price has been determined. As a result of these factors, you may not receive an allocation for all the warrants for which you submit a bid.

We cannot assure you that the auction will be successful or that the full number of offered warrants will be sold.

If sufficient bids are received and accepted by the auction agent to enable us to sell 100% of the Auction Amount in this offering, the public offering price will be set at the market-clearing price (unless we decide not to sell any warrants in this offering). If bids are received for at least 50% but less than 100% of the Auction Amount, then we may (but are not required to) sell, at the minimum bid price of $4.07 per warrant, as many warrants as we choose to sell (but in no event less than an amount equal to 50% of the Auction Amount) up to the number of bids received in the auction. If at the time of the submission deadline, the number of warrants subject to a bid is less than 50% of the Auction Amount, then the offering will be cancelled and we will not issue any warrants in this offering. Even if bids are received for 100% of the Auction Amount, we may decide not to sell any warrants in this offering, regardless of the market-clearing price. The liquidity of the warrants may be adversely affected if less than all of the offered warrants are sold by us.

Submitting bids through any broker that is not an underwriter may in some circumstances lead to earlier deadlines for potential investors to submit, modify or withdraw their bids.

In order to participate in the auction, bidders must have an account with, and submit bids to purchase warrants through, either Goldman, Sachs & Co. or Zions Direct, Inc. Brokers will need to submit

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their bids, either for their own account or on behalf of their customers, through either Goldman, Sachs & Co. or Zions Direct, Inc. Potential investors and brokers that wish to submit bids in the auction and do not have an account with either Goldman, Sachs & Co. or Zions Direct, Inc. must either establish such an account prior to bidding in the auction or cause a broker that has such an account to submit a bid through that account. Brokers will impose earlier submission deadlines than that applicable to bidders with an account with Goldman, Sachs & Co. or Zions Direct, Inc. in order to have sufficient time to aggregate bids received from their respective customers and to transmit the aggregate bid to the auction agent and underwriter before the auction closes. As a result of such earlier submission deadlines, potential investors who submit bids through a broker will need to submit or withdraw their bids earlier than other bidders, and it may in some circumstances be more difficult for such bids to be submitted.

Once you submit a bid, you may generally not revoke it.

Once you have submitted a bid, you may not subsequently lower your bid price or the number of warrants bid for in that bid. Therefore, even if circumstances arise after you have submitted a bid that make you want to decrease your original bid price or the number of warrants originally bid for, you will nonetheless be bound by that bid.

The auction agent may experience difficulties with the auction platform, which may disrupt the ability of bidders to place bids, particularly during periods of expected high volume such as those at the end of the auction.

While the auction platform has been subjected to stress testing to confirm its functionality and ability to handle numerous bidders, we cannot predict the response of the potential investors to the issuance of the warrants pursuant to this prospectus supplement. Bidders should be aware that if enough bidders try to access the platform and submit bids simultaneously, there may be a delay in receiving and/or processing their bids. Bidders should be aware that auction website capacity limits may prevent last-minute bids from being received by the auction website and should plan their bidding strategy accordingly. We cannot guarantee that any submitted bid will be received, processed and accepted during the auction process.

Risks Relating to the Warrants

The warrants are a risky investment. You may not be able to recover the value of your investment in the warrants the warrants may expire worthless.

The exercise price of the warrants is currently equal to $36.63, which is higher than the last reported sale price of our common stock on September 21, 2010, or $21.58. In order for you to recover the value of your investment in the warrants, either the market price of the warrants in a trading market must exceed the market-clearing price, or our common stock price must increase to more than the sum of the exercise price of the warrants and the market-clearing price of the warrants.

The warrants are exercisable until May 22, 2020. Generally, a component of the value of option securities such as the warrants is time until expiration and, as the period of time until expiration of the warrants decreases, the market price of the warrants will, holding other variables constant, likely decline. In the event our common stock price does not increase to the level discussed above during the period when the warrants are exercisable, you will likely not be able to recover the value of your investment in the warrants. In addition, if our common stock price falls and remains below the exercise price of the warrants, the warrants may not have any value and may expire without being exercised, in which case you will lose your entire investment. There can be no assurance that the market price of our common stock will exceed the exercise price or the price required for you to achieve a positive

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return on your investment at any point during the warrant exercise period. The number of shares and the value of the common stock you receive upon exercise of the warrants will depend on the daily settlement amounts for each of the ten consecutive trading days during the related calculation period, which is based on the day on which you choose to exercise those warrants. **You should be prepared to sustain a total loss of the purchase price of your warrants.**

While the warrants are listed on the Nasdaq under the symbol ZIONW , there can be no assurance that an active market will develop or, if it develops, will be sustained.

While the warrants to be issued in this offering are currently listed on the Nasdaq, there can be no assurance that an active market will develop or, if it develops, will be sustained. The public offering price for the warrants in this offering will be determined by an auction process, and may not be indicative of the price that will prevail in the trading market following this offering. The market price for the warrants may decline below the public offering price and may be volatile. The liquidity of any market for the warrants will depend on a number of factors, including but not limited to:

- the number of warrants, if any, that investors purchase in the auction;
- the number of holders of the warrants;
- our performance;
- the market for similar securities;
- the interest of securities dealers in making a market in the warrants; and
- the market price of our common stock.

In addition, many of the risks that are described elsewhere in this section and under the heading Risk Factors in our most recently filed Annual Report on Form 10-K and Quarterly Reports on Form 10-Q could materially and adversely affect the price of the warrants.

The warrants are not suitable for all investors.

The warrants are complex financial instruments. Accordingly, the underwriter and/or any broker that submits bids through the auction agent or underwriter, as applicable, will be required to establish and enforce client suitability standards, including eligibility, account status and size, to evaluate whether an investment in the warrants is appropriate for any particular investor. Each of the underwriter and such broker, as applicable, will individually apply its own standards in making that determination, but in each case those standards will be implemented in accordance with the applicable requirements and guidelines of the Financial Industry Regulatory Authority, Inc. (FINRA). If you do not meet the relevant suitability requirements of the broker or the underwriter, you will not be able to bid in the auction.

Recent governmental actions regarding short sales may adversely affect the market value of the warrants.

Governmental actions that interfere with the ability of warrant investors to effect short sales of the underlying common stock could significantly affect the market value of the warrants. Such government actions could make the arbitrage strategy that certain warrant investors employ more difficult to execute for the warrants offered hereby. At an open meeting on February 24, 2010, the SEC adopted a new short sale price test, which took effect on May 10, 2010 through amendment to Rule 201 of Regulation SHO. New Rule 201 restricts short selling only when a stock price has triggered a circuit breaker by falling at least 10% in one day, at which point short sale orders can be displayed or executed only if the order price is above the current national best bid, subject to certain limited

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exceptions. If such new price test precludes warrant investors from executing the arbitrage strategy that they employ or other limitations are instituted by the SEC or any other regulatory agencies, the market value of the warrants could be adversely affected. The warrant agreement does not contain any provisions to afford holders protection in the event of a decline in the market value of the warrants due to such new price test or other limitations, and holders will not be entitled to any exercise price reduction or increase to the number of underlying shares except under the limited circumstances described in Description of Warrants.

Purchasers of warrants who exercise their warrants for shares of our common stock could incur immediate and future dilution.

Upon exercise of your warrants for shares of our common stock, you could experience immediate and substantial dilution if the exercise price of your warrants at the time were higher than the net tangible book value per share of the outstanding common stock. In addition, you will experience dilution, except in limited circumstances pursuant to the anti-dilution protections contained in the warrant agreement and described in this prospectus supplement, when we issue additional shares of our common stock that we are permitted or required to issue in any future offerings or under our outstanding convertible securities or warrants, or under our stock option plans or other employee or director compensation plans.

The market price of the warrants will be directly affected by the market price of our common stock, which may be volatile.

The market price of our common stock will significantly affect the market price of the warrants. This may result in greater volatility in the market price of the warrants than would be expected for warrants to purchase securities other than our common stock. The market price of our common stock could be subject to significant fluctuations due to factors described below under Risks Related to Our Common Stock Volatility in the market price and trading volume of our common stock could adversely impact the trading price of the warrants and The price of our common stock is volatile and may decline, and we cannot predict how shares of our common stock will trade in the future. Increased volatility could result in a decline in the market price of our common stock, and, in turn, in the market price of the warrants. The price of our common stock also could be affected by possible sales of common stock by investors who view the warrants as a more attractive means of equity participation in us and by hedging or arbitrage activity involving our common stock. The hedging or arbitrage of our common stock could, in turn, affect the market price of the warrants.

Holders of the warrants will have no rights as common stockholders until and unless they acquire our common stock.

Until you become a holder of record of the shares of our common stock issued upon settlement of your warrants, you will have no rights with respect to our common stock, including rights to dividend payments, if any, rights to vote or rights to respond to tender offers. Upon exercise of your warrants, you will be entitled to exercise the rights of a common stockholder only as to matters for which the record date occurs after the date on which you become holder of record of such shares as described under Description of Warrants No Rights as Stockholders.

The exercise price and the number of underlying shares may not be adjusted for all dilutive events.

The exercise price and the number of underlying shares are subject to adjustment for certain events, including, but not limited to, the issuance of stock dividends on our common stock, the issuance of certain rights or warrants, subdivisions, combinations, distributions of capital stock, indebtedness or assets, certain cash dividends and certain issuer tender or exchange offers as described below under Description of Warrants Adjustments to the Warrants. The exercise price and the number of underlying shares will not be adjusted, however, for other events, such as a third-party tender or exchange offer, a merger or reorganization in which our common stock is acquired for cash or an issuance of common stock for cash, that may adversely affect the market price of the warrants or our common stock except under limited circumstances as described under Description of Warrants Exercise of Warrants upon a Designated Event. Other events that adversely affect the value of the warrants may occur that do not result in an adjustment to the exercise price or the number of underlying shares.

Additionally, the exercise price of, and the number of shares underlying, the warrants will not be adjusted for any regular quarterly cash dividends that are in the aggregate less than or equal to $0.01 per share of common stock. The current quarterly cash dividend paid on our common stock is $0.01 per share. Holders of our common stock are only entitled to receive such dividends as our board of directors may declare, and our board of directors, in its sole discretion, may decide to increase the quarterly cash dividend on our common stock at any time.

The warrant agreement is not an indenture qualified under the Trust Indenture Act, and the obligations of the warrant agent are limited.

The warrant agreement is not an indenture qualified under the Trust Indenture Act of 1939, as amended (the TIA), and the warrant agent is not a trustee qualified under the TIA. Accordingly, warrantholders will not have the benefits of the protections of the TIA. Under the terms of the warrant agreement, the warrant agent will have only limited obligations to the warrantholders. Accordingly, it may in some circumstances be difficult for warrant holders, acting individually or collectively, to take actions to enforce their rights under the warrants or the warrant agreement.

Hedging arrangements relating to the warrants may affect the value of our common stock.

In order to hedge their positions, holders of our warrants may enter into derivative transactions with respect to our common stock, may unwind or adjust derivative transactions and may purchase or sell our common stock in secondary market transactions. The effect, if any, of any of these activities on the market price of our common stock will depend in part on market conditions and cannot be ascertained in advance, but any of these activities could adversely affect the value of our common stock.

The adjustment to the number of shares received for warrants exercised in connection with a designated event or accounting event (each as defined below under Description of Warrants) occurring prior to the expiration date may not adequately compensate you for the lost option time value as a result of such designated event or accounting event.

If you elect to exercise your warrant in connection with a designated event, or we cause all your warrants to be exercised in connection with an accounting event, in each case occurring prior to the expiration date, we may be required to increase the number of shares to which you are entitled with respect to such exercised warrants as described under Description of Warrants Exercise of Warrants upon a Designated Event and Description of Warrants Exercise of Warrants upon an Accounting Event. While the increase to the number of shares to which you are entitled with respect to such exercised warrants is designed to compensate you for the lost option time value of your warrants as a result of a designated event or accounting event, it is only an approximation of such lost value and may not adequately compensate you for such loss. In addition, if the applicable price (as such term is defined under Description of Warrants Exercise of Warrants upon a Designated Event) of our common stock with respect to a designated event is greater than $200.00 per share or less than $5.00 per share (in each case, subject to anti-dilution adjustments), there will be no additional shares delivered upon exercise of any warrant in connection with such designated event or accounting event. Notwithstanding the foregoing, in no event will the number of shares of common stock deliverable to the warrantholder as a result of the net share settlement calculation or as a result of a designation event, individually or in the aggregate, exceed the number of underlying shares.

The significant number of shares of our common stock issuable upon exercise of the warrants and our existing convertible securities could adversely affect the trading prices of our common stock and, as a result, the value of the warrants.

As of June 30, 2010, we had outstanding $1.4 billion in par amount of Series D Preferred Stock, which was issued in November 2008 to the U.S. Treasury. In connection with the Series D Preferred Stock, we issued to the U.S. Treasury a warrant to purchase up to 5,789,909 shares of our common stock. In addition, this is a reopening of the series of warrants that we initially issued on May 25, 2010. As of September 21, 2010, there were 22,281,640 such warrants issued and outstanding, not including the warrants offered by this prospectus supplement. Such outstanding warrants and the warrants being offered hereby could be exercised and result in the issuance of a significant number of shares. In addition, in certain circumstances upon a designated event or accounting event we may be required to deliver significantly more shares of our common stock upon exercise of the warrants (including warrants previously issued). Conversion of our outstanding convertible securities, exercise of the warrants, and the sale in the market of our common stock issued upon such conversion or exercise or the perception that our outstanding convertible securities and the warrants will be converted or exercised could depress the market price of our common stock and, as a result, the value of the warrants. In addition, the price of our common stock could be adversely affected by possible sales, including short sales, of our common stock by investors in our warrants and other securities who engage in hedging and arbitrage activities.

You may be subject to tax upon an adjustment to the exercise price or the number of underlying shares even though you do not receive a corresponding cash distribution.

The exercise price and the number of underlying shares are subject to adjustment in certain circumstances. To the extent any such adjustment or failure to adjust results in an increase in your proportionate interest in our assets or our earnings and profits, you may be deemed to have received for U.S. federal income tax purposes a taxable dividend to the extent deemed paid out of our earnings and profits without the receipt of any cash. If you are a non-U.S. holder, such deemed dividend generally will be subject to U.S. federal withholding tax (currently at a 30% rate, or such lower rate as may be specified by an applicable treaty), which may be set off against shares of our common stock to be delivered upon exercise of warrants. See Certain U.S. Federal Income Tax Considerations in this prospectus supplement.

Risks Related to Our Common Stock

The price of our common stock is volatile and may decline.

The trading price of our common stock may fluctuate widely as a result of a number of factors, many of which are outside our control. In addition, the stock market is subject to fluctuations in the share prices and trading volumes that affect the market prices of the shares of many companies. These broad market fluctuations have adversely affected and may continue to adversely affect the market price of our common stock. Among the factors that could affect our stock price are:

- actual or anticipated quarterly fluctuations in our operating results and financial condition;

- changes in revenue or earnings estimates or publication of research reports and recommendations by financial analysts or actions taken by rating agencies with respect to our securities or those of other financial institutions;

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- failure to meet analysts revenue or earnings estimates;
- speculation in the press or investment community;
- turnover among senior staff;
- strategic actions by us or our competitors, such as acquisitions or restructurings;
- actions by institutional shareholders;
- fluctuations in the stock price and operating results of our competitors;
- general market conditions and, in particular, developments related to market conditions for the financial services industry, including the likelihood of a prolonged recession;
- future sales of our equity or equity-related securities;
- changes in the frequency or amount of dividends or share repurchases;
- proposed or adopted regulatory changes or developments;
- anticipated or pending investigations, audits and similar inquiries, proceedings or litigation that involve or affect us; or
- domestic and international economic factors unrelated to our performance.

A significant decline in our stock price could result in substantial losses for individual shareholders and could lead to costly and disruptive securities litigation.

Sales of our common stock in the public market following the offering may cause its market price to fall.

In the future, we may sell additional shares of our common stock to raise capital, including pursuant to our existing equity distribution program or future such programs or for other purposes, and we may issue substantial amounts of additional shares of our common stock, including shares issuable upon exercise of outstanding options and warrants. Such sales, or the perception that such sales could occur, may have a harmful effect on prevailing market prices for our common stock and our ability to raise additional capital in the financial markets at a time and price favorable to us.

Volatility in the market price and trading volume of our common stock could adversely impact the trading price of the warrants.

The stock market in recent years has experienced significant price and volume fluctuations that have often been unrelated to the operating performance of companies. The market price of our common stock could fluctuate significantly for many reasons, including in response to the risks described in this section, elsewhere in this prospectus supplement, the accompanying prospectus or the documents we have incorporated by reference in this prospectus supplement or the accompanying prospectus or for reasons unrelated to our operations, such as reports by industry analysts, investor perceptions or negative announcements by our customers, competitors, trading counterparties or suppliers regarding their own performance, as well as regulatory changes or developments, government actions or announcements, industry conditions and general financial, economic and political instability. A decrease in the market price of our common stock would likely adversely impact the trading price of the warrants. The price of our common stock could also be affected by possible sales of our common stock by investors who view the warrants as a more attractive means of equity participation in us and by hedging or arbitrage trading activity that we expect to develop involving our common stock. This trading activity could, in turn, affect the trading prices of the warrants.

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Our common stock is equity and therefore is subordinate to our indebtedness and preferred stock, and our ability to declare dividends on our common stock may be limited.

Shares of our common stock are equity interests in Zions Bancorporation and do not constitute indebtedness. As such, shares of our common stock will rank junior to all indebtedness and other non-equity claims on Zions with respect to assets available to satisfy claims on Zions, including in a liquidation of Zions. As of June 30, 2010, our long-term debt, Federal Home Loan Bank advances and other borrowings over one year, on an unconsolidated basis, totaled approximately $1.9 billion. Additionally, holders of our common stock are subject to the prior dividend and liquidation rights of any holders of our preferred stock then outstanding. Under the terms of the Series A Preferred Stock, the Series C Preferred Stock, the Series D Preferred Stock and the Series E Preferred Stock (collectively, our preferred stock) (which are described in more detail in the section entitled Description of Our Capital Stock), our ability to declare or pay dividends on or repurchase our common stock or other equity or capital securities will be subject to restrictions in the event that we fail to declare and pay (or set aside for payment) full dividends on our preferred stock. In addition, prior to November 14, 2011, unless we have redeemed all of the Series D Preferred Stock or the U.S. Treasury has transferred all of the Series D Preferred Stock to third-parties, the consent of the U.S. Treasury will be required for us to, among other things, increase our quarterly common stock dividend above $0.32 except in limited circumstances. Our board of directors is authorized to cause us to issue additional classes or series of preferred stock without any action on the part of the stockholders. If we issue preferred stock in the future that has a preference over our common stock with respect to the payment of dividends or upon liquidation, or if we issue preferred stock with voting rights that dilute the voting power of our common stock, the rights of holders of our common stock or the market price of our common stock could be adversely affected. We are not restricted from issuing additional indebtedness or preferred stock, subject to any required approvals from the Federal Reserve.

Holders of our common stock are only entitled to receive such dividends as our board of directors may declare out of funds legally available for such payments. In the third quarter of 2009, we reduced our quarterly dividend to $0.01 per share and do not expect to increase our quarterly dividend above $0.01 for the foreseeable future and could determine to reduce further or eliminate altogether our common stock dividend. Furthermore, as long as the preferred stock issued to the U.S. Treasury is outstanding, dividend payments and repurchases or redemptions relating to certain equity securities, including our common stock, are prohibited until all accrued and unpaid dividends are paid on such preferred stock, subject to certain limited exceptions. This could adversely affect the market price of our common stock. Also, as discussed below, we are a bank holding company and our ability to declare and pay dividends is dependent on certain federal regulatory considerations, including the guidelines of the Federal Reserve regarding capital adequacy and dividends.

If we are deferring payments on our outstanding junior subordinated debt securities or are in default under the indentures governing those securities, or if we are in arrears on the payment of dividends on our outstanding preferred stock, we will be prohibited from making distributions on our common stock.

In addition to the fact that our common stock is subordinate to our indebtedness and our preferred stock, the terms of our outstanding junior subordinated debt securities prohibit us from declaring or paying any dividends or distributions on our common stock, or redeeming, purchasing, acquiring or making a liquidation payment with respect to such shares, if we are aware of any event that would be an event of default under the indenture governing those junior subordinated debt securities or at any time when we have deferred interest thereunder.

There may be future dilution of our common stock.

Our board of directors may authorize us to issue additional shares of common or preferred stock or securities convertible or exchangeable into equity securities without shareholder approval. We may

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issue such additional equity or convertible securities to raise additional capital. The issuance of any additional shares of common or preferred stock or convertible securities could be substantially dilutive to shareholders of our common stock. Moreover, to the extent that we issue restricted stock units, stock appreciation rights, options or warrants or similar rights to receive or purchase shares of our common stock in the future and those stock appreciation rights, options or warrants or similar rights vest or are exercised, our shareholders may experience further dilution. Holders of our shares of common stock have no preemptive rights that entitle holders to purchase their pro rata share of any offering of shares of any class or series and, therefore, such sales or offerings could result in increased dilution to our shareholders.

In addition, we are highly regulated, and our regulators could require us to raise additional common equity in the future. Any such capital raise could include, among other things, the potential issuance of common stock.

The issuance of any additional shares of common or of preferred stock or convertible securities or the exercise of convertible securities could be substantially dilutive to stockholders of our common stock. For instance, exercise of the warrant issued to the U.S. Treasury in connection with our participation in the CPP would dilute the value of our common stock. The market price of our common stock could decline as a result of sales of shares of our common stock made after this offering or the perception that such sales might occur.

We may issue debt and equity securities or securities convertible into equity securities, any of which may be senior to our common stock as to distributions and in liquidation, which could negatively affect the value of our common stock.

In the future, we may attempt to increase our capital resources by entering into debt or debt-like financing that is unsecured or secured by all or up to all of our assets, or by issuing additional debt or equity securities, which could include issuances of secured or unsecured commercial paper, medium-term notes, senior notes, subordinated notes, preferred stock or securities convertible into or exchangeable for equity securities. In the event of our liquidation, our lenders and holders of our debt and preferred securities would receive a distribution of our available assets before distributions to the holders of our common stock. Because our decision to incur debt and issue securities in our future offerings will depend on market conditions and other factors beyond our control, we cannot predict or estimate the amount, timing or nature of our future offerings and debt financings. Further, market conditions could require us to accept less favorable terms for the issuance of our securities in the future.

Risks Related to the Company

Our results of operations depend upon the results of operations of our subsidiaries.

We are a holding company that conducts substantially all of our operations through our banking and other subsidiaries. As a result, our ability to make dividend payments on our common stock will depend primarily upon the receipt of dividends and other distributions from our subsidiaries. We and certain of our subsidiaries have been unprofitable in several recent quarters. The ability of the banks and bank holding companies to pay dividends is restricted by regulatory requirements, including profitability and the need to maintain required levels of capital. Continuing lack of profitability exposes us to the risk that regulators could restrict the ability of our subsidiary banks to pay dividends and our ability to declare and pay dividends on our common stock, preferred stock or trust preferred securities.

The ability of our banking subsidiaries to pay dividends or make other payments to us is also limited by their obligations to maintain sufficient capital and by other general regulatory restrictions on their dividends. If they do not satisfy these regulatory requirements, we will be unable to pay dividends on our common stock. The Federal Reserve and the Office of the Comptroller of the Currency (the OCC) the primary regulator for certain of our subsidiary banks, have issued policy statements generally requiring insured banks and bank holding companies only to pay dividends out of current operating earnings. In addition, if, in the opinion of the applicable regulatory authority, a bank under its jurisdiction is engaged in or is about to engage in an unsafe or unsound practice, which could include the payment of dividends under certain circumstances, such authority may take actions requiring that such bank refrain from the practice. Payment of dividends could also be subject to regulatory limitations if a subsidiary bank were to become under-capitalized for purposes of the applicable federal regulatory prompt corrective action regulations. Under–capitalized is currently defined as having a total risk-based capital ratio of less than 8.0%, a Tier 1 risk-based capital ratio of less than 4.0%, or a core capital, or leverage, ratio of less than 4.0%.

We and/or the holders of our securities could be adversely affected by unfavorable rating actions from rating agencies.

Our ability to access the capital markets is important to our overall funding profile. This access is affected by the ratings assigned by rating agencies to us, certain of our affiliates and particular classes of securities that we and our affiliates issue. The interest rates that we pay on our securities are also influenced by, among other things, the credit ratings that we, our affiliates and/or our securities receive from recognized rating agencies. On April 20, 2009, Moody s Investor Services (Moody s) severely downgraded the senior unsecured debt rating of Zions Bancorporation to B2 and lowered its outlook to Outlook Negative. On April 30, 2010, Standard & Poor s Rating Services reaffirmed the long-term issuer rating of Zions Bancorporation at BBB- with an Outlook Negative. On June 30, 2009, Fitch Ratings (Fitch) downgraded the long-term issuer rating of Zions Bancorporation to BBB. Fitch maintains a negative outlook on Zions Bancorporation. On July 22, 2009, Dominion Bond Rating Service downgraded the Company s senior debt rating to BBB (low) with an Outlook Negative. In addition, Moody s recently announced that the debt and deposit ratings of seventeen U.S. banking institutions, including Zions, could be negatively affected by the loss of implicit government support contained in the current financial regulatory reform legislation just passed by Congress. Although on August 3, 2010, Moody s changed the rating outlook on the unsupported ratings of Zions and its subsidiaries to positive from negative, Moody s has indicated that it currently incorporates extraordinary support of one notch into Zions ratings based on Moody s assumptions regarding government support. Moody s has stated that a number of factors will affect whether, when and to what extent any adverse rating actions might actually occur. Further downgrades to us, our affiliates or our securities could increase our costs or otherwise have a negative effect on our results of operations or financial condition or the market price of our securities.

In general, rating agencies base their ratings on many quantitative and qualitative factors, including capital adequacy, liquidity, asset quality, business mix and level and quality of earnings, and there can be no assurance that we will maintain the aforementioned credit ratings. In addition, ratings agencies have themselves been subject to scrutiny arising from the financial crisis and there is no assurance that rating agencies will not make or be required to make substantial changes to their ratings policies and practices or that such changes would not affect ratings of our securities or of securities in which we have an economic interest. Any decrease, or potential decrease, in credit ratings could impact our ability to access the capital markets and/or increase the cost of our debt, and thereby adversely affect our liquidity and financial condition.

Our ability to maintain required capital levels and adequate sources of funding and liquidity has been and may continue to be adversely affected by market conditions.

We are required to maintain certain capital levels in accordance with banking regulations and any capital requirements imposed by our regulators. We must also maintain adequate funding sources in the normal course of business to support our operations and fund outstanding liabilities. Our ability to maintain capital levels, sources of funding and liquidity has been and could continue to be impacted by changes in the capital markets in which we operate and deteriorating economic and market conditions.

Each of our subsidiary banks must remain well-capitalized and meet certain other requirements for us to retain our status as a financial holding company. Failure to comply with those requirements could result in a loss of our financial holding company status if such conditions were not corrected within 180 days or such longer period as may be permitted by the Federal Reserve, although we do not believe that the loss of such status would have an appreciable effect on our operations or financial results. In addition, failure by our bank subsidiaries to meet applicable capital guidelines or to satisfy certain other regulatory requirements can result in certain activity restrictions or a variety of enforcement remedies available to the federal regulatory authorities that include limitations on the ability to pay dividends, the issuance by the regulatory authority of a capital directive to increase capital and the termination of deposit insurance by the FDIC.

Failure to effectively manage our interest rate risk could adversely affect us.

Net interest income is the largest component of our revenue. The management of our interest rate risk is centralized and overseen by an Asset Liability Management Committee appointed by our board of directors. We have been successful in our interest rate risk management as evidenced by achieving a relatively stable net interest margin over the last several years when interest rates have been volatile and the rate environment challenging; however, a failure to effectively manage our interest rate risk could adversely affect us. Factors beyond our control can significantly influence the interest rate environment and increase our risk. These factors include competitive pricing pressures for our loans and deposits, adverse shifts in the mix of deposits and other funding sources, and volatile market interest rates subject to general economic conditions and the policies of governmental and regulatory agencies, in particular the Federal Reserve.

As a regulated entity, we are subject to capital requirements that may limit our operations and potential growth.

We are a bank holding company and a financial holding company. As such, we and our subsidiary banks are subject to the comprehensive, consolidated supervision and regulation of the Federal Reserve, the OCC and the FDIC, including risk-based and leverage capital ratio requirements. Capital needs may rise above normal levels when we experience deteriorating earnings and credit quality, and our banking regulators may increase our capital requirements based on general economic conditions and our particular condition, risk profile and growth plans. Compliance with the capital requirements, including leverage ratios, may limit operations that require the intensive use of capital and could adversely affect our ability to expand or maintain present business levels.

Weakness in the economy and in the real estate market, including specific weakness within the markets where our subsidiary banks do business and within certain of our loan products, has adversely affected us and may continue to adversely affect us.

Our credit exposure is one of our most significant risks. The Company s level of credit quality continued to weaken throughout 2008 and 2009. The deterioration in credit quality that started in the latter half of 2007 is mainly related to the weakness in residential and commercial construction and land development activity in the Southwest states (generally, Arizona, California, Nevada, Texas and Utah), which markets have been particularly adversely affected by job losses, declines in real estate value, declines in home sale volumes and declines in new home building. Other geographic markets served by us have also experienced adverse housing and economic conditions. Residential and commercial construction and land development loans in Nevada State Bank continue to experience the highest amounts of charge-offs and accounted for the most meaningful declines in commercial real estate credit quality in 2009. As of June 30, 2010, residential and commercial construction and land development represented approximately 12.8% of the Company s total loan portfolio, with Amegy Corporation (Amegy), Zions First National Bank (Zions Bank) and California Bank & Trust representing 35%, 14% and 11% of the residential and commercial construction and land development portfolio, respectively.

The Company experienced increased criticized and classified loans in its commercial and industrial loan portfolio during 2009 primarily in Amegy and Zions Bank and loan delinquencies increased in this loan portfolio. During 2009, credit quality deterioration occurred in most loan types and geographies in which the Company operated as general economic conditions weakened throughout the country.

If the strength of the U.S. economy in general and the strength of the local economies in which we and our subsidiary banks conduct operations continues to decline, this could result in, among other things, a continued deterioration in credit quality or a reduced demand for credit, including a resultant effect on our loan portfolio and allowance for loan and lease losses. A deeper or prolonged downturn in the economy could result in higher delinquencies and greater charge-offs in future periods, and may lead to material future credit losses, which would materially adversely affect our financial condition and results of operations and may require us to raise additional capital.

Negative perceptions associated with our continued participation in the U.S. Treasury s CPP may adversely affect our ability to retain customers, attract investors and compete for new business opportunities.

On October 3, 2008, President Bush signed into law the Emergency Economic Stabilization Act of 2008, as amended. The legislation was the result of a proposal by Treasury Secretary Henry Paulson to the U.S. Congress on September 20, 2008 in response to the financial crises affecting the banking system and financial markets and going concern threats to investment banks and other financial institutions. The U.S. Treasury and federal banking regulators have implemented a number of programs under this legislation and otherwise to address capital and liquidity issues in the banking system, including the CPP.

On November 14, 2008, we issued and sold 1.4 million shares of our Series D Preferred Stock for $1.4 billion and a warrant to purchase up to 5,789,909 shares of our common stock exercisable over a ten-year period at a price per share of $36.27 to the U.S. Treasury as part of the CPP. Several financial institutions which also participated in the CPP repurchased their CPP preferred stock. There can be no assurance as to the timing or manner in which the Company may repurchase its Series D Preferred Stock from the U.S. Treasury. Our customers, employees and counterparties in our current and future business relationships could draw negative implications regarding the strength of the Company as a financial institution based on our continued participation in the CPP following the exit of one or more of our competitors or other financial institutions. Any such negative perceptions could impair our ability to effectively compete with other financial institutions for business or to retain high performing employees. If this were to occur, our business, financial condition and results of operations may be adversely affected, perhaps materially.

The limitations on incentive compensation contained in the ARRA and its implementing regulations may adversely affect our ability to retain our highest performing employees.

Because we have not yet repurchased the U.S. Treasury s CPP investment, we remain subject to the restrictions on incentive compensation contained in the ARRA. On June 10, 2009, the U.S. Treasury released its interim final rules implementing the provisions of the ARRA and limiting the compensation practices at institutions in which the U.S. Treasury is invested. The U.S. Treasury has

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since revised such rules and released written guidance interpreting and expanding on ARRA and the interim final rules. Financial institutions which have repurchased the U.S. Treasury s CPP investment are relieved of the restrictions imposed by the ARRA and its implementing regulations and related guidance. Due to these restrictions, we may not be able to successfully compete with financial institutions that have repurchased the U.S. Treasury s investment to attract, retain and appropriately incentivize high performing employees. If this were to occur, our business, financial condition and results of operations could be adversely affected, perhaps materially.

Our participation in the U.S. Treasury s CPP imposes restrictions and obligations on us that limit our ability to increase dividends, repurchase shares of our common stock and access the equity capital markets.

Prior to November 14, 2011, unless we have redeemed all of the Series D Preferred Stock purchased by the U.S. Treasury as part of the CPP or the U.S. Treasury has transferred all of the Series D Preferred Stock to a third party, the agreement pursuant to which such securities were sold, among other things, limits the payment of quarterly dividends on our common stock to $0.32 per share without prior regulatory approval, limits our ability to repurchase shares of our common stock (with certain exceptions, including the repurchase of our common stock to offset share dilution from equity-based compensation awards), and grants the holders of such securities certain registration rights which, in certain circumstances, impose lock-up periods during which we would be unable to issue equity securities. In addition, unless we are able to redeem the Series D Preferred Stock prior to November 15, 2013, the dividends on the Series D Preferred Stock will increase substantially, from 5% to 9%. Depending on market conditions at the time, this increase in dividends could significantly impact our liquidity.

Economic and other circumstances, including pressure to repay CPP preferred stock, may require us to raise capital at times or in amounts that are unfavorable to the Company.

The Company s subsidiary banks must maintain certain risk-based and leverage capital ratios as required by their banking regulators which can change depending upon general economic conditions and their particular condition, risk profile and growth plans. Compliance with capital requirements may limit the Company s ability to expand and have required, and may require, capital investment from Zions Bancorporation. As discussed above, in 2008, we issued shares of preferred stock for $1.4 billion and a warrant to purchase shares of the Company s common stock to the U.S. Treasury under the CPP. There may be increasing market, regulatory or political pressure on the Company to raise capital to enable it to repay the Series D Preferred Stock issued to the U.S. Treasury under the CPP at a time or in amounts that may be unfavorable to the Company s shareholders. These uncertainties and risks created by the legislative and regulatory uncertainties discussed above may themselves increase the Company s cost of capital and other financing costs.

Increases in FDIC insurance premiums may adversely affect our earnings.

During 2008 and 2009, higher levels of bank failures dramatically increased resolution costs of the FDIC and depleted the deposit insurance fund. In addition, the FDIC instituted two temporary programs to further insure customer deposits at FDIC insured banks. These programs have placed additional stress on the deposit insurance fund. In order to maintain a strong funding position and restore reserve ratios of the deposit insurance fund, the FDIC has increased assessment rates of insured institutions. In addition, on November 12, 2009, the FDIC adopted a rule requiring banks to prepay three years worth of premiums to replenish the depleted insurance fund. Further, on January 12, 2010, the FDIC requested comments on a proposed rule tying assessment rates of FDIC-insured institutions to the institution s employee compensation programs. The exact requirements of such a rule are not yet known, but such a rule could increase the amount of premiums we must pay for

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FDIC insurance. Further, as described below, under the recently enacted Dodd-Frank Wall Street Reform and Consumer Protection Act (the Dodd-Frank Act), the FDIC must undertake several initiatives that will result in higher deposit insurance fees being paid to the FDIC. We are generally unable to control the amount of premiums that we are required to pay for FDIC insurance. These announced increases and any future increases or required prepayments of FDIC insurance premiums may adversely impact our earnings.

Recently adopted financial reform legislation will impose significant new limitations on our business activities and subject us to increased regulation and additional costs.

The recently enacted Dodd-Frank Act will have material implications for the Company and the entire financial services industry. Among other things it will or potentially could:

- result in the Company being defined as systemically important, which brings significant additional regulatory oversight and requirements;
- affect the levels of capital and liquidity with which the Company must operate and how it plans capital and liquidity levels (including a phased-in elimination of the Company s existing trust preferred securities as Tier 1 capital);
- subject the Company to new and/or higher fees paid to various regulatory entities, including but not limited to deposit insurance fees to the FDIC;
- impact the Company s ability to invest in certain types of entities or engage in certain activities;
- impact a number of the Company s business and risk management strategies;
- restrict the revenue that the Company generates from certain businesses;
- subject the Company to a new Consumer Financial Protection Bureau, with very broad rule-making and enforcement authorities; and
- subject the Company to new and different litigation and regulatory enforcement risks.

As the Dodd-Frank Act requires that many studies be conducted and that hundreds of regulations be written in order to fully implement it, the full impact of this legislation on the Company, its business strategies, and financial performance cannot be known at this time, and may not be known for a number of years. However, these impacts are expected to be substantial and some of them are likely to adversely affect the Company and its financial performance. The extent to which the Company can adjust its strategies to offset such adverse impacts also is not knowable at this time.

Other legislative and regulatory actions taken now or in the future may have a significant adverse effect on our operations.

In addition to the Dodd-Frank Act described above, bank regulatory agencies and international regulatory consultative bodies have proposed or appear to be considering new regulations and requirements, some of which may be imposed without formal promulgation. These include, but are not limited to:

new capital and liquidity standards imposing higher levels and different mixes of capital and liquidity requirements than those contained in current regulations; and

new capital planning actions, including stress testing or similar actions and timing expectations for capital-raising.

There can be no assurance that any or all of these regulatory or legislative changes will ultimately be adopted. However, if adopted, some of these proposals could adversely affect the Company by, among other things: impacting after tax returns earned by financial services firms in general; limiting

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the Company s ability to grow; increasing taxes or fees on some of the Company s funding or activities; limiting the range of products and services that the Company could offer; and requiring the Company to raise capital at inopportune times.

The ultimate impact of these proposals cannot be predicted, as it is unclear which, if any, may eventually be enacted into law or regulation.

We could be adversely affected by accounting, financial reporting, and regulatory and compliance risk, including currently proposed changes to fair value accounting standards.

The Company is exposed to accounting, financial reporting, and regulatory and compliance risk.

On May 26, 2010, the Financial Accounting Standards Board issued an Exposure Draft of a proposed Accounting Standards Update that would require banks and other lenders to record most financial instruments held for collection or payment of cash flows, including loans, at fair value on their financial statements as of each recording period. We do not yet know whether or in what form these proposed changes will ultimately be adopted. If adopted, however, the proposal could adversely affect how we record loans and certain financial instruments on our financial statements and could reduce our ability to make long-term loans in the future.

In addition, the Company provides to its customers, and uses for its own capital, funding and risk management needs, a number of complex financial products and services, which require estimates, judgments and interpretations of complex and changing accounting and regulatory policies in order to provide and account for these products and services. Identification, interpretation and implementation of complex and changing accounting standards as well as compliance with regulatory requirements, therefore pose an ongoing risk.

Deteriorating credit quality, particularly in real estate loans, has adversely impacted us and may continue to adversely impact us.

We experienced a downturn in credit performance during 2008 and 2009, which caused us to increase our allowance for loan and lease losses during that period. Credit trends have generally stabilized in recent months and loan losses have declined significantly from peak levels. However, we view broader economic conditions as uncertain, and if broader economic conditions were to deteriorate, we would expect further deterioration in our credit trends. A decrease in the quality of our credit portfolio could have a material adverse effect on earnings and results of operations.

Problems encountered by financial institutions larger or of similar size to us could adversely affect financial markets generally and have indirect adverse effects on us.

The commercial soundness of many financial institutions may be closely interrelated as a result of credit, trading, clearing or other relationships between the institutions. As a result, concerns about, or a default or threatened default by, one institution could lead to significant market-wide liquidity and credit problems, losses or defaults by other institutions. This is sometimes referred to as systemic risk and may adversely affect financial intermediaries, such as clearing agencies, clearing houses, banks, securities firms and exchanges, with which we interact on a daily basis, and therefore could adversely affect us.

Deterioration in credit quality and fair market values of our securities portfolio has adversely impacted us and may continue to adversely impact us.

The Company s on-balance sheet asset-backed securities investment portfolio includes CDOs collateralized by trust preferred securities issued by banks, insurance companies, and real estate

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investment trusts that have some direct and indirect exposure to distressed assets. In addition, asset-backed securities also include structured asset-backed collateralized debt obligations (also known as diversified structured finance CDOs) purchased from Lockhart Funding, LLC which have significantly stronger protection against defaults when compared to other CDOs in our portfolio, but also have exposure to subprime and home equity mortgage securitizations. Factors beyond the Company s control can significantly influence the fair value of these securities and potential adverse changes to the fair value of these securities. These factors include but are not limited to problems encountered by financial institutions that adversely affect financial markets generally, rating agency downgrades of these securities, defaults of issuers of these securities, lack of market pricing of these securities and continued instability in the credit markets.

The Company may not be able to utilize the significant deferred tax asset recorded on our balance sheet.

The Company s balance sheet includes a significant deferred tax asset. The largest components of this asset result from additions to our allowance for loan and lease losses for purposes of generally accepted accounting principles in excess of loan losses actually taken for tax purposes and other than temporary impairment losses taken on our securities portfolio that have not yet been realized for tax purposes by selling the securities. Our ability to continue to record this deferred tax asset is dependent on the Company s ability to realize its value through net operating loss carry-backs or future projected earnings. Loss of part or all of this asset would adversely impact tangible capital. In addition, inclusion of this asset in determining regulatory capital is subject to certain limitations. A portion of the deferred tax asset of Zions and some of its subsidiary banks has been disallowed for regulatory purposes.

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USE OF PROCEEDS

We intend to use the net proceeds from the sale of shares in the offering for general corporate purposes. Pending use of the net proceeds of this offering, we intend to invest the net proceeds in interest-bearing, investment grade securities.

CAPITALIZATION

The following tables set forth our consolidated capitalization as of June 30, 2010:

on an actual basis; and

as adjusted to give effect to the offer and sale of warrants discussed herein.

	As of June 30, 2010	
	Actual	As Adjusted(1)
	(unaudited) (in thousands, except share data)	
Federal Home Loan Bank advances and other borrowings over one year	$ 15,558	$ 15,558
Long-term debt	1,918,852	1,918,852
Shareholders equity:		
Preferred Stock, without par value; 4,400,000 shares authorized; 1,849,883 shares issued and outstanding(2)	1,806,877	1,806,877
Common stock, without par value; authorized 350,000,000 shares; 173,331,281 shares issued and outstanding	3,964,140(3)	3,964,140(3)
Warrants offered hereby		36,750
Retained earnings	1,099,621	1,099,621
Accumulated other comprehensive income (loss)	(433,020)	(433,020)
Deferred compensation	(15,776)	(15,776)
Controlling interest shareholders equity	6,421,842	6,458,592
Noncontrolling interests	(740)	(740)
Total shareholders equity	6,421,102	6,457,852
Total capitalization	$ 8,355,512	$ 8,392,262

(1) Excludes common stock that may have been sold from time to time at market prices under our equity distribution program since June 30, 2010.

(2) Includes 59,337 shares of our Series A Preferred Stock (liquidation preference $1,000 per share), 248,046 shares of our Series C Preferred Stock (liquidation preference $1,000 per share), 1,400,000 shares of our Series D Preferred Stock (liquidation preference $1,000 per share) and 142,500 shares of our Series E Preferred Stock (liquidation preference $1,000 per share) that were issued and outstanding as of June 30, 2010.

(3) Includes $107.8 million attributable to warrants issued to the U.S. Treasury under TARP and $185.0 million attributable to the warrants first issued on May 25, 2010.

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PRICE RANGE OF WARRANTS

Our warrants are traded on the Nasdaq under the symbol ZIONW. The table below sets forth, for the fiscal quarters indicated, high and low reported sale prices per warrant on Nasdaq.

	Price Range of Common Stock	
	Low	High
2010		
Third Quarter (through September 21, 2010)	$ 4.637	8.58
Second Quarter (beginning May 20, 2010)	6.84	8.85

On September 21, 2010, the last reported sale price of our warrants on the Nasdaq was $6.72 per warrant.

PRICE RANGE OF COMMON STOCK AND DIVIDENDS

Our common stock is traded on the Nasdaq under the symbol ZION. The table below sets forth, for the fiscal quarters indicated, high and low reported sale prices per share of our common stock on Nasdaq and the dividends per share paid in such periods.

	Price Range of Common Stock		Dividend Paid
	Low	High	Per Share
2010			
Third Quarter (through September 21, 2010)	$ 17.91	24.39	$ 0.01
Second Quarter	21.22	30.29	0.01
First Quarter	12.88	23.85	0.01
2009:			
Fourth Quarter	$ 12.50	$ 19.03	$ 0.01
Third Quarter	10.25	20.36	0.01
Second Quarter	8.88	20.97	0.04
First Quarter	5.90	25.52	0.04
2008:			
Fourth Quarter	$ 21.07	$ 47.94	$ 0.32
Third Quarter	17.53	107.21(1)	0.43
Second Quarter	29.46	51.15	0.43
First Quarter	39.31	57.05	0.43

(1) This trading price was an anomaly resulting from electronic orders at the opening of the market on September 19, 2008 in response to the SEC s announcement (prior to the market opening that day) of its temporary emergency action suspending short selling in financial companies. The closing price on September 19, 2008 was $52.83.

On September 21, 2010, the last reported sale price of our common stock on the Nasdaq was $21.58 per share.

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DIVIDEND POLICY

The payment of dividends is within the discretion of our board of directors and will depend upon our future earnings, capital requirements and financial condition and any regulatory restrictions. Under the terms of our preferred stock (which are described in more detail in the section entitled Description of Our Capital Stock in the accompanying prospectus), our ability to declare or pay dividends on or repurchase our common stock or other equity or capital securities will be subject to restrictions in the event that we fail to declare and pay (or set aside for payment) full dividends on our preferred stock. In addition, prior to November 14, 2011, unless we have redeemed all of the Series D Preferred Stock or the U.S. Treasury has transferred all of the Series D Preferred Stock to third-parties, the consent of the U.S. Treasury will be required for us to, among other things, increase our quarterly common stock dividend above $0.32 except in limited circumstances.

In the third quarter of 2009, we reduced our quarterly dividend to $0.01 per share and do not expect to increase our quarterly dividend above $0.01 for the foreseeable future and could determine to reduce further or eliminate altogether our common stock dividend. Furthermore, as long as the preferred stock issued to the U.S. Treasury is outstanding, dividend payments and repurchases or redemptions relating to certain equity securities, including our common stock, are prohibited until all accrued and unpaid dividends are paid on such preferred stock, subject to certain limited exceptions. This could adversely affect the market price of our common stock.

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THE AUCTION PROCESS

The following describes the auction process used to determine the public offering price of the warrants in this offering. The auction process differs from methods traditionally used in other underwritten public offerings. Zions, the auction agent and the underwriter will determine the public offering price, and the auction agent and the underwriter will determine the allocation of the warrants, in this offering by an online auction process conducted by Zions Direct in its capacity as the auction agent. This process will involve a modified Dutch auction mechanic in which the auction agent will receive and accept irrevocable bids from bidders at either the minimum bid price of $4.07 per warrant or at price increments of $0.01 in excess of the minimum bid price and up to and including the maximum bid price of $8.00 per warrant. After the auction closes, the auction agent will determine the market-clearing price for the sale of the warrants offered by this prospectus supplement and, if we choose to proceed with the offering, the auction agent and the underwriter will allocate warrants to the successful bidders. The market-clearing price for the warrants may bear little or no relationship to the price that would be established using traditional valuation methods. You should carefully consider the risks described under Risk Factors Risks Relating to the Auction Process in this prospectus supplement.

General

We will determine the public offering price of the warrants in this offering through an auction, which will be conducted by Zions Direct, Inc., the auction agent. We will announce the auction at 8:00 a.m., New York City time, on September 22, 2010 so that prospective holders will have time to take the necessary steps to become registered qualified bidders as described below. Unless delayed prior to commencement, the auction will commence at 4:15 p.m., New York City time, on September 22, 2010, and will end at 6:30 p.m., New York City time, on that same day, subject to the a single two-minute extension described under Auction Bidding Process; Irrevocability of Bids.

The auction will be held on the website www.auctions.zionsdirect.com, which also contains the rules that govern the auction. The following describes how the auction agent will conduct the auction. We reserve the right to change the rules that govern the auction.

None of the underwriter, the auction agent or we have undertaken any efforts to qualify the warrants for sale in any jurisdiction outside the United States. Except to the limited extent that this offering will be open to certain non-U.S. investors under private placement exemptions in certain countries other than the United States, investors located outside the United States should not expect to be eligible to participate in this offering.

The auction agent and/or Goldman, Sachs & Co. may contact potential investors with information about the auction and how to participate and may solicit bids from prospective investors via telephone, e-mail or other electronic communication.

Date, Time and Location of Auction

The auction will commence at 4:15 p.m., New York City time, on September 22, 2010, and will end at 6:30 p.m., New York City time, on that same day. Such period of time may be extended as described under Auction Bidding Process; Irrevocability of Bids. The auction will be hosted on the internet website www.auctions.zionsdirect.com. Zions and Goldman, Sachs & Co. may in their discretion determine to delay the auction to a date after the date specified above at any time prior to the commencement of the auction. Any such delay will be announced by press release, and Zions will file a Form 8-K specifying the revised auction date, if any.

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Registration and Qualification of Bidders; Suitability

Our objective is to conduct an auction in which you submit informed bids.

Prospective bidders that want to bid for our warrants will be required to have a brokerage account with Zions Direct, Inc. or Goldman, Sachs & Co. Individual bid limits will be set for bidders by the auction agent and/or Goldman, Sachs & Co. Bidders that already have a brokerage account with Goldman, Sachs & Co. (GS Bidders) must obtain a bidder identification number and password from Goldman, Sachs & Co. Prospective bidders (other than GS Bidders) who want to bid for more than their individual bid limit may contact the auction agent by telephone at (800) 524-8875 to request a greater individual bid limit. Any decision to increase a bidder s individual bid limit, upon such request, will be in the auction agent s discretion. Any such request must be made prior to the start of the auction. A bidder may be required to submit specified financial information, including account information and tax identification numbers, in order to increase such bidder s individual bid limit and to establish the bidder s suitability for a larger investment in the warrants. The auction agent may contact a bidder (other than a GS Bidder) to request any other pertinent information that is required to establish the individual bid limit and the suitability of such bidder.

As described below under Auction Bidding Process; Irrevocability of Bids, each bidder is allowed to place up to ten separate, concurrent bids. However, a bidder will not be able to successfully place aggregate in-the-money bids (as described under Auction Bidding Process; Irrevocability of Bids) that exceed the bidder s individual bid limit. Any bids submitted that would cause a bidder to exceed such bidder s individual bid limit will only be accepted to the extent such bid is within such bid limit.

We caution you that the warrants, which are complex financial instruments, may not be a suitable investment for you even if you qualify to participate in the auction. Moreover, even if you qualify to participate in the auction and place a bid, you may not receive an allocation of warrants in our offering for a number of reasons described below.

In order to participate in the auction, a prospective bidder must (1) open a brokerage account with either Goldman, Sachs & Co. or Zions Direct, Inc., (2) register to have a bidding account and (3) satisfy and agree to the applicable terms and conditions of the auction in order to become a qualified bidder. In connection with the registration process, prospective bidders may be required to answer certain questions that indicate that such bidder has accessed or received the offering materials and understands the risk of investing in the warrants and that the warrants are suitable for such bidder. In addition, by registering to bid in the auction, a prospective bidder represents and warrants to us that such bidder s bid is submitted for and on behalf of such prospective bidder by himself, herself or itself, as applicable, or by an officer or agent who is duly authorized to bind the prospective bidder to a legal, valid and enforceable contract with respect to the bid for, and purchase of, our warrants.

STEP 1: Open a brokerage account

Individuals and institutions, including brokers, who wish to participate in the auction must have a brokerage account with either Goldman, Sachs & Co. or Zions Direct, Inc. prior to bidding in the auction. Brokers will need to submit their bids, either for their own account or on behalf of their customers, through either Goldman, Sachs & Co. or Zions Direct, Inc.

STEP 2: Become a registered bidder

Individuals and institutions, including brokers, who wish to participate in the auction must have a bidding account. Individuals and institutions that have or open a brokerage account with Goldman, Sachs & Co. may obtain a bidder identification number and password from Goldman, Sachs & Co. (provided that they meet the suitability standards established by Goldman, Sachs & Co.). Other individuals and institutions that have or open a brokerage account with Zions Direct, Inc. can open a bidding account and obtain a bidder identification number and password by going to the website https://auctions.zionsdirect.com/user/register, filling in minimal contact information and submitting the bidder registration form electronically. During the registration process, each prospective bidder (other than GS Bidders) will select a user identification, or user ID, and password to access the bid page on www.auctions.zionsdirect.com and to submit bids in the auction. Institutions can also apply to open a bidding account by calling (888) 357-3375. After successfully submitting a bidder registration form or obtaining a bidder identification number and password from Goldman, Sachs & Co., a prospective bidder becomes a registered bidder for the auction for the warrants. The auction agent will confirm by e-mail a prospective bidder s successful registration (other than GS Bidders). A prospective bidder is not obligated to submit a bid in the auction simply because that bidder has registered to bid in the auction.

STEP 3: Become a qualified bidder

After logging into the bidder s bidding account and selecting the warrant auction, bidders must qualify to participate in the warrant auction. For such prospective bidders to qualify to bid in the warrant auction, they must (1) make certain acknowledgements regarding access or receipt of documents pertinent to the warrant auction, (2) verify certain suitability questions relating to an investment in the warrants and (3) if they are not a GS Bidder, authorize and direct the broker/dealer through which they will hold the warrants purchased in the auction to update their suitability profile, if necessary. Such review, verification, certification and authorization are acknowledged by clicking on the corresponding checkboxes and by clicking on I Agree on the webpage that appears when accessing the auction. Such certification and authorization is a requirement for bidders (other than GS Bidders) to qualify to participate in the warrant auction. Once updated, a bidder s suitability profile will remain so updated after the auction in the bidder s broker/dealer account through which the bidder will hold the warrants purchased in the auction, and will not be further updated unless such bidder contacts the broker/dealer through which it will hold any securities purchased in an auction to provide further updates. By satisfying and accepting the terms and conditions of the securities auction and authorizing updates in the suitability profile if necessary, a bidder becomes able to participate in the warrant auction.

Each prospective bidder will be solely responsible for making necessary arrangements to access www.auctions.zionsdirect.com for purposes of submitting its bid in a timely manner and in compliance with the requirements described in this prospectus supplement.

Zions, the underwriter and the auction agent do not have any duty or obligation to undertake such registration to bid for any prospective bidder or to provide or assure such access to any prospective bidder, and none of Zions, the underwriter or the auction agent will be responsible for a bidder s failure to register to bid or for proper operation of www.auctions.zionsdirect.com, or have any liability for any delays or interruptions of, or any damages caused by, www.auctions.zionsdirect.com.

Interested investors may also submit bids to purchase warrants through their broker. Brokers that wish to submit bids, either for their own account or on behalf of their customers, must first qualify and register as described above.

Because the warrants are complex financial instruments, each broker that submits bids through the auction site will be required to establish and enforce client suitability standards, including eligibility, account status and size, to evaluate whether an investment in the warrants is appropriate for any particular investor. Each of them, including the underwriter, will individually apply its own standards in making that determination, but in each case those standards will be implemented in accordance with the applicable requirements and guidelines of FINRA. If you do not meet the relevant suitability requirements, you will not be able to bid in the auction. Accounts at Goldman, Sachs & Co., Zions Direct, Inc. or any other broker are also subject to the customary rules of those institutions. You should contact your brokerage firm to better understand how you may submit bids in the auction.

Auction Bidding Process; Irrevocability of Bids

Unless delayed prior to commencement, the auction will commence at 4:15 p.m., New York City time, on September 22, 2010, and will end at 6:30 p.m., New York City time, on that same day (the Auction Window). Such period of time may be extended as described below. Bids must be submitted electronically at www.auctions.zionsdirect.com.

You will not be able to bid in an auction unless you have a brokerage account with Goldman, Sachs & Co. or Zions Direct, Inc. If you have a brokerage account with Goldman, Sachs & Co., you must obtain a user ID and password from Goldman, Sachs & Co. If you have a Zions Direct brokerage account, you must obtain a user ID and password by registering on www.auctions.zionsdirect.com. Each bidder will be able to access the auction during the Auction Window using the user ID and password obtained from Goldman, Sachs & Co. or Zions Direct, Inc., as the case may be, at the time of registration.

The minimum size of a bid is 1 warrant. The auction agent reserves the right in its sole discretion to reject any bid that it deems to be manipulative, mistaken or made due to a misunderstanding of our warrants on the part of the bidder. The auction agent reserves this right in order to preserve the integrity of the auction process.

Bidding for warrants will be on the basis of the price that you are willing to pay. The auction site will permit you to place irrevocable bids (in increments of $0.01) at or above the minimum bid price of $4.07 per warrant and up to and including the maximum bid price of $8.00 per warrant.

Your bid will be binding on you once you submit it in accordance with the provisions described below. You will not thereafter be able to retract or cancel that bid. However, you will be able to increase the number of warrants you are bidding for and you will be able to increase the bid price per warrant that you are willing to pay. Once you have submitted a bid, you may not then lower the bid price or lower the number of warrants bid for while that bid is in-the-money.

Each bidder may place up to ten separate, concurrent bids. Each bid may be made for different numbers of warrants and for different bid prices. A bidder who has one active bid will be able to bid up to his individual bid limit in that one bid. However, if a bidder has more than one active bid, the aggregate amount of in-the-money bids (as described below) cannot exceed that bidder s individual bid limit. Any bids submitted that would cause a bidder to exceed such bidder s individual bid limit will only be accepted to the extent such bid is within such bid limit.

The individual bid limit for any given bidder is allocated first to the highest price per unit bid by such bidder multiplied by the number of warrants bid at that price. Any remaining individual bid limit for that bidder is then allocated to the next highest price per unit bid by such bidder multiplied by the number of warrants bid at that price, and so on until the individual bid limit assigned to that bidder has been reached. The bids of a bidder who has placed multiple bids may be deemed to be in-the-money only to the extent that (1) the bid price is at or above the market-clearing price and (2) the aggregate dollar amount of the multiple bids that are in-the-money is less than or equal to that bidder s individual bid limit. In short, the maximum number of warrants that a bidder may be allocated will be those warrants designated as in-the-money by the auction website.

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Each separate bid may be modified as described above in order to increase the number of warrants bid for or to increase the bid price. There is no limit to the number of times that a bidder may improve an individual bid. In no event will a bidder be allowed to submit or modify a bid in a manner that would result in a reduction in that bidder s aggregate number of warrants that are currently designated as in-the-money. A modification of one bid does not modify any other bid. Because each bid is independent of any other bid, each bid may result in an allocation of warrants; consequently, the sum of a bidder s bid sizes should be no more than the total number of warrants the bidder is willing to purchase.

You should consider all the information in this prospectus supplement, the accompanying base prospectus and the documents incorporated therein by reference in determining whether to submit a bid, the number of warrants you are interested in purchasing and your bid price.

In connection with submitting a bid, you must log on to www.auctions.zionsdirect.com and do the following:

- state the number of warrants that you are interested in purchasing;

- state the purchase price per warrant at which you are willing to purchase the warrants; and

- review your bid to ensure accuracy and then submit that bid.

Submitting a bid is a two-step process. First, bidders click Submit on the bid page. Second, after reviewing their bid to ensure that it is correct, bidders must confirm their bid by clicking Submit on the confirmation page before the system will accept the bid and it becomes official, binding and irrevocable.

Once an investor submits a bid to www.auctions.zionsdirect.com, that bid will constitute an irrevocable offer to purchase our warrants (except as set forth above) on the terms provided for in the bid. By submitting a bid, a bidder agrees to receive all notifications required by law or regulation or provided for by the terms and conditions under which warrants are purchased and owned electronically at the last electronic address the bidder had provided.

Goldman, Sachs & Co. or Zions Direct, Inc. may require you to deposit funds or securities in your brokerage accounts with value sufficient to cover the aggregate dollar amount of your bids. Bids may be rejected if you do not provide the required funds or securities within the required time. Goldman, Sachs & Co. or Zions Direct, Inc. may, however, decide to accept successful bids regardless of whether you have deposited funds or securities in your brokerage accounts. In any case, if you are a successful bidder, you will be obligated to purchase the warrants allocated to you in the allocation process and will be required to deposit funds in your brokerage accounts prior to settlement, which is expected to occur within four business days after the allocation of warrants following completion of the auction.

Bidders will be able to monitor the status of their bids as described more fully below. Bids submitted on www.auctions.zionsdirect.com must be received before the end of the Auction Window, unless the auction is extended as described in the next paragraph.

During the final two minutes of the auction, if there is a change in the market-clearing price, the auction will automatically be extended two minutes from the time of such change. There will only be one such extension, if any occurs.

While the auction platform has been subjected to stress testing to confirm its functionality and ability to handle numerous bidders, we cannot predict the response of the potential investors to the issuance of the warrants pursuant to this prospectus supplement. Bidders should be aware that if enough bidders try to access the platform and submit bids simultaneously, there may be a delay in receiving and/or processing their bids. Bidders should be aware that auction website capacity limits may prevent last-minute bids from being received by the auction website and should plan their bidding strategy accordingly. We cannot guarantee that any submitted bid will be received, processed and accepted during the auction process.

The auction will be an open auction, with bidders being updated on the status of their bids relative to other bidders, as described in this paragraph. At no point during the auction, however, will bidders have access to other bidders actual bids, and at no point will bidders have access to other bidders identities. After submission and confirmation of bid quantity and price, the www.auctions.zionsdirect.com web page will indicate whether that bid is at that time a successful one, or in-the-money. If a bid is in-the-money at a particular point in time during the auction, that means that, (1) if at such point in time the aggregate number of bids submitted for the warrants is less than the Auction Amount, such bid is at or above the minimum bid price, and (2) if at such point in time the aggregate number of bids submitted for the warrants is equal to or greater than the Auction Amount, the in-the-money number of warrants of that bidder s bid would be accepted if the auction ended at that particular time. In order for a bid to be accepted, a bid must be in-the-money at the close of the auction. In order to monitor the progress of an auction, bidders may need to manually refresh the bid page to see whether their status has changed. This process will continue until the end of the auction, at which point the auction agent will review the submitted bids and determine the auction purchasers and allocations. See Risk Factors Risks Relating to the Auction Process beginning on page S-9 of this prospectus supplement.

Market-Clearing Price

All warrants will be sold at the market-clearing price. If the number of warrants for which bids are received is equal to or greater than the Auction Amount, the market-clearing price for our warrants will be the highest price at which 100% of the Auction Amount can be sold. The auction agent will determine this price by moving down the list of accepted bids in descending order of bid price until the total quantity of warrants bid for is greater than or equal to the Auction Amount.

For example, assume that 1,000 warrants are being offered and that the following bidders have bid as follows:

Bidder	Number of Warrants Represented by Bid	Bid Price
A	500	$ 10.00
B	500	$ 9.75
C	500	$ 9.50

In this example, $10.00 is not the market-clearing price because only 500 of the warrants offered could be sold at that price. Furthermore, $9.50 is not the market-clearing price because, although all of the warrants being offered are sold for prices over $9.50, this is not the highest price at which all of the warrants offered could be sold. Instead, all of the warrants offered in this example will be sold at the higher price of $9.75. Therefore, $9.75 is the market-clearing price in this example. The entire Auction Amount will be sold at the market-clearing price, unless we decide, in our discretion, to refrain from selling any warrants in the offering after the market-clearing price has been determined. Even the warrants that were bid for at $10.00 will be sold for $9.75.

If bids are received for at least 50% but less than 100% of the Auction Amount, then the market-clearing price will be equal to the minimum bid price per warrant, and we may (but are not required to) sell, at such price, as many warrants as we choose to sell (but in no event less than an amount equal to 50% of the Auction Amount) up to the number of bids received in the auction. If at the end of the auction, the number of warrants subject to a bid is less than 50% of the Auction Amount, then the offering will be cancelled and we will not issue any warrants pursuant to the auction.

The market-clearing price may have little or no relationship to the price that would be established using other indicators of value. The scenario above is an example only and should not be considered indicative of an appropriate or likely market-clearing price of our warrants.

Minimum/Maximum Bid Price

The minimum bid price will be $4.07 per warrant and the maximum bid price will be $8.00 per warrant.

Allocation

During the auction, warrants are allocated to bids with the highest price. Once the auction is fully subscribed, allocation of warrants being auctioned is determined first by allocating warrants to any bids made above the market-clearing price and second, by allocating warrants on a pro rata basis among bids made at the market-clearing price. Bidders bidding above the market-clearing price will be allocated the entire quantity of warrants for which they bid; however, in no event will any individually registered bidder be allowed to successfully bid for a greater number of warrants than the lesser of (1) the number of warrants that its individual bid limit would purchase at the bid prices or (2) the total number of its bids designated as in-the-money by the auction website. In the event that multiple bidders bid at exactly the market-clearing price and the total quantity of warrants for which they have bid exceeds the aggregate amount of warrants not allocated to higher bidders, the auction agent will allocate the remaining warrants to bidders based on their pro-rata allocation percentage. The pro-rata allocation percentage for each bid submitted at the market-clearing price will be determined by dividing the total number of warrants for which bids were submitted at the market-clearing price by the number of warrants represented by such bid. Each bid submitted at the market-clearing price will be allocated a number of warrants approximately equal to such bid s pro-rata allocation percentage multiplied by the number of warrants represented by such bid, rounded to the nearest whole number. In no case, however, will any rounded amount exceed the original bid size.

For example, assume again that 1,000 warrants are being offered and that the following bidders have again bid as follows:

Bidder	**Warrants Represented by Bid**	**Warrants Allocated**	**Bid Price**
A	**400**	**400**	**$ 10.00**
B	**500**	**300**	**$ 9.75**
C	**300**	**180**	**$ 9.75**
D	**200**	**120**	**$ 9.75**

In this example, $9.75 is the market-clearing price because it is the highest price at which all of the warrants offered could be sold. Therefore, Bidder A is allocated all 400 warrants bid for, because Bidder A s bid was higher than the market-clearing price. This leaves 600 warrants to be allocated to the bidders that bid at the market-clearing price. Bidder B, Bidder C and Bidder D bid for an aggregate of 1,000 warrants at the same price. Bidder B s bid of 500 warrants represents 50% of all bids made at the market clearing price; therefore, Bidder B will be allocated 50% of the remaining 600 warrants, or 300 warrants. Bidder C and Bidder D will be allocated 180 warrants and 120 warrants, respectively, calculated in the same manner as Bidder B s allocation. This scenario is an example only and should not be considered indicative of an appropriate or likely market-clearing price for our warrants.

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In the event that a single bidder bids at the market-clearing price but the available quantity is less than that for which the bidder bid, the bidder will receive only the available quantity.

If the number of warrants for which bids are received is at least 50% but less than 100% of the Auction Amount and we elect to sell warrants, then each bidder will be allocated a number of warrants equal to the number of warrants represented by such bidder s bid at the minimum bid price. If at the end of the auction, the number of warrants subject to a bid is less than 50% of the Auction Amount, then the offering will be cancelled and we will not issue any warrants pursuant to the auction.

The auction agent reserves the right, in its sole discretion (subject to consultation with Goldman, Sachs & Co. as necessary), to reject any bid by non-GS Bidders that it deems to be manipulative, mistaken or made due to a misunderstanding of our warrants on the part of the bidder. Bids by the GS Bidders may be similarly rejected by Goldman, Sachs & Co. in consultation with the auction agent. The auction agent and Goldman, Sachs & Co. reserve this right in order to preserve the integrity of the auction process. You will not be entitled to an allocation of warrants, even if your bid is in-the-money at the time an auction closes, until the auction agent has reviewed the results of the auction and you are informed that your bid or bids have been accepted.

Results of Auction and Bid Acceptance

As soon as practicable after the auction has ended, Zions Direct will, either directly or through the underwriter, notify via e-mail each successful bidder who was awarded warrants in the auction, which notice shall specify at a minimum (i) that the auction has closed; (ii) that such bidder s bid has, or bids have, been accepted; (iii) the number of warrants that have been allocated to such successful bidder; and (iv) the market-clearing price to be paid for such warrants. As a result of the varying delivery times involved in sending e-mails over the Internet or other methods of delivery, you may receive notices of acceptance before or after other bidders. If you submit successful bids, you will be obligated to purchase the warrants allocated to you regardless of whether you are aware that the notice of acceptance of your bid has been sent. The auction agent will also cause the results of the auction to be posted on the website and in the press release announcing the results of the auction.

Settlement and Payment

We expect the settlement date to occur three business days after the trade date (the day following the auction). Settlement and payment terms will occur as specified pursuant to the terms of each bidder s respective brokerage account with either Zions Direct, Inc. or Goldman, Sachs & Co., as applicable.

Material Developments

During the course of the auction, you should monitor your relevant e-mail accounts, telephone and facsimile for notifications related to the offering, which may include:

Notice of Additional Information by Free Writing Prospectus. Additional information relating to the offering or Zions may become available during the course of the auction in a free writing prospectus.

Potential Request for Reconfirmation. If material information becomes available during the course of the auction, you (or your broker, if you submitted your bid through a broker) may be requested to reconfirm your bid, although none of us, the auction agent or the underwriter is under any obligation to reconfirm bids for any reason. If you are requested to reconfirm your bid and fail to do so in a timely manner, your bid may be deemed withdrawn. However, your bid may be accepted even if it has not been reconfirmed.

Potential Notice of Cancellation. If material information relating to Zions becomes available during the course of the auction, Zions may choose to cancel the auction.

DESCRIPTION OF WARRANTS

The following is a brief description of the terms of the warrants we will issue in this offering. This summary does not purport to be complete in all respects. This description is subject to, and qualified in its entirety by reference to, the warrant certificate and warrant agreement, copies of which are filed with the SEC. You may request a copy of the warrant certificate and the warrant agreement at our address shown under Where You Can Find More Information. Please note that in this section captioned Description of Warrants, references to Zions Bancorporation, Zions, we, our and us refer only to Zions Bancorporation and not to its subsidiaries.

General

Each warrant initially represents the right to purchase one underlying share of our common stock at an exercise price equal to $36.63. As of September 21, 2010, there were 22,281,640 such warrants issued and outstanding, not including the warrants offered by this prospectus supplement. The number of shares of our common stock deliverable upon exercise of a warrant will be calculated over the relevant calculation period, as described below under the heading Exercise and Settlement of Warrants. The number of shares of our common stock which a warrant confers the right to purchase, which we refer to as the number of underlying shares, and the exercise price are subject to the adjustments described below under the heading Adjustments to the Warrants. In addition, upon exercise in connection with a designated event or an accounting event, we may be required to increase the number of shares to which a warrantholder is entitled with respect to such exercised warrants as described under Exercise of Warrants upon a Designated Event and Exercise of Warrants upon a Accounting Event.

Form and Book-Entry Procedures

The warrants will be issued in the form of one or more global warrants as specified in the warrant agreement. Each global warrant will be registered in the name of DTC, or its nominee, and delivered by the warrant agent to DTC, or its custodian, for crediting to the accounts of its participants pursuant to DTC procedures. A global warrant registered in the name of DTC or its nominee will be exchanged for certificated warrants only if (i) DTC (A) has notified us that it is unwilling or unable to continue as or ceases to be a clearing agency registered under Section 17A of the Exchange Act and (B) a successor to DTC registered as a clearing agency under Section 17A of the Exchange Act is not able to be appointed by the Company within 90 days or (ii) DTC is at any time unwilling or unable to continue as depositary and a successor to DTC is not able to be appointed by us within 90 days.

Exercise and Settlement of the Warrants

The initial exercise price applicable to each warrant is equal to $36.63. The exercise price of the warrants and number of underlying shares are subject to adjustment as described below under the heading Adjustments to the Warrants. In addition, upon exercise in connection with a designated event or an accounting event, we may be required to increase the number of shares to which a warrantholder is entitled with respect to such exercised warrants as described under Exercise of Warrants upon a Designated Event and Exercise of Warrants upon a Accounting Event. The warrants may be exercised, in whole or in part, at any time prior to 5:00 p.m., New York City time, on May 22, 2020 (the expiration date). Any warrants not exercised prior to the expiration date will be automatically exercised on the expiration date under certain circumstances. Any warrants that are not exercised prior to the expiration date and are not automatically exercised on the expiration date will expire unexercised and worthless.

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To exercise a warrant at any time prior to 5:00 p.m., New York City time, on the expiration date, if the warrants are in certificated form the warrantholder must surrender the warrant certificate evidencing such warrant to the warrant agent, complete and manually sign the exercise notice on the back of the warrant, deliver this notice to the warrant agent and pay any applicable transfer taxes. If the warrants are in global form, any exercise notice must be delivered to the warrant agent through and in accordance with the procedures of DTC. The date on which a warrantholder complies with the requirements for exercise in respect of a warrant is the exercise date for such warrant, unless such date is not a trading day (as defined below) in which case it will be (i) the next trading day or (ii) if such date is the expiration date (including as a result of the automatic exercise of such warrant), the prior trading day.

An unexercised warrant will be automatically exercised for the benefit of the warrantholder (i) on the expiration date if a warrant is not exercised by the warrantholder prior to 5:00 p.m., New York City time, on the expiration date, or (ii) on the relevant effective date (as defined below) upon an occurrence of a cash designated event (as defined below), in each case of (i) or (ii) if any shares of our common stock or cash in lieu of any fractional shares is deliverable to the warrantholder as a result of the net share settlement calculation, or in the case of (ii) if additional shares are deliverable as a result of a designated event, as of the expiration date or such effective date, as applicable, as described below. Reference to exercise of a warrant means an exercise by the warrantholder on or prior to 5:00 p.m., New York City time, on the expiration date or upon an automatic exercise as described above, as applicable.

No cash will be payable by a warrantholder in respect of the exercise price for a warrant upon exercise. Rather, as described below, the number of shares of our common stock issuable in respect of an exercise of a warrant will be determined based on a net share settlement calculation. Upon exercise of a warrant, a warrantholder will be entitled to receive (on the related settlement date) a number of shares of our common stock equal to the sum of the daily settlement amounts (as defined below) for each of the ten consecutive trading days during the related calculation period (as defined below), together with cash in lieu of any fractional shares as described below. The settlement date for an exercised warrant will be the third trading day following the end of the applicable calculation period, except to the extent otherwise specified herein. Notwithstanding the foregoing, if any information required in order to calculate the number of shares deliverable upon exercise of a warrant will not be available as of the applicable settlement date, we will deliver the additional shares of our common stock resulting from that adjustment on the third trading day after the earliest trading day on which such calculation can be made.

Calculation period with respect to any warrant means the ten consecutive trading day period beginning on and including the exercise date for such warrant, except that if a warrant is exercised at any time after the tenth scheduled trading day prior to the expiration date and until the close of business on the expiration date or upon a cash designated event, then (i) the warrant will be deemed to have been exercised the tenth trading day immediately preceding the expiration date or the effective date of such cash designated event, as the case may be, and (ii) the calculation period for such warrant will commence on the tenth trading day immediately preceding the expiration date or the effective date of such cash designated event, as the case may be.

The daily settlement amount for each exercised warrant, on each of the ten consecutive trading days during the calculation period, will consist of one-tenth (1/10th) of a number of shares (the daily net share settlement value) equal to the product of (i) the number of underlying shares with respect to such warrant and (ii) (A) the daily VWAP (as defined below) of our common stock on such day, minus the applicable exercise price, divided by (B) such daily VWAP. The daily net share settlement value will be calculated to the nearest 1/10,000th of a share.

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Daily VWAP of our common stock (or any security that is part of the reference property into which our common stock has been converted, if applicable), in respect of any trading day, means the per share volume-weighted average price of our common stock (or such other security) as displayed under the heading Bloomberg VWAP on Bloomberg Page ZION Equity AQR (or its equivalent successor if such page is not available, or the Bloomberg Page for any security that is part of the reference property into which our common stock has been converted, if applicable) in respect of the period from the scheduled open of trading until the scheduled close of trading of the primary trading session on such trading day, without regard to after-hours trading or any other trading outside the regular trading session, or, if such volume-weighted average price is unavailable (or the reference property is not a security), the market value of one share of our common stock (or other reference property) on such trading day as determined in good faith by our board of directors or a duly authorized committee thereof in a commercially reasonable manner, using a volume-weighted average price method (unless the reference property is not a security); provided that, in making a volume-weighted average price determination, our board of directors (or any such duly authorized committee) may rely conclusively on the determination of daily VWAP for such trading day made by an independent nationally recognized securities dealer selected by the board of directors.

Trading day for a listed or traded security means a day on which (i) there is no market disruption event (as defined below), (ii) trading in our common stock (or any security that is part of the reference property into which our common stock has been converted, if applicable) generally occurs on the Nasdaq or, if our common stock (or such other reference property) is not then listed on the Nasdaq, on the principal other United States national or regional securities exchange on which our common stock (or such other reference property) is then listed or, if our common stock (or such other reference property) is not then listed on a United States national or regional securities exchange, on the principal other market on which our common stock (or such other reference property) is then traded, and (iii) the scheduled closing time for regular trading on the relevant exchange or market is 4:00 p.m., New York City time, or the then-standard closing time for regular trading on such relevant exchange or market. If our common stock (or such other reference property) is not so listed or traded, trading day means a business day.

A business day is any day other than (i) a Saturday or Sunday or (ii) a day on which state or federally chartered banking institutions in New York City are not required to be open.

A scheduled trading day is any day that is scheduled to be a trading day.

Market disruption event means (i) a failure by the primary United States national or regional securities exchange or market on which our common stock is listed or admitted to trading to open for trading during its regular trading session or (ii) the occurrence or existence prior to 1:00 p.m., New York City time, on any scheduled trading day for our common stock for more than one half-hour period in the aggregate during regular trading hours of any suspension or limitation imposed on trading (by reason of movements in price exceeding limits permitted by the relevant stock exchange or otherwise) in our common stock or in any options, contracts or future contracts relating to our common stock.

We will not issue fractional shares of our common stock upon any exercise of the warrants. If any fractional share of our common stock would be deliverable upon exercise by any warrantholder or upon automatic exercise on the expiration date, we will pay the warrantholder cash in lieu of the fractional share of our common stock deliverable based on the average of the daily VWAPs for our common stock over the relevant calculation period. We will at all times aggregate the number of shares of our common stock deliverable for the warrants exercised by the same ultimate beneficial owner of warrants on the same day.

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In connection with the delivery of shares of our common stock to a warrantholder in respect of an exercised warrant, the warrant agent will, at the option of the warrantholder:

- deliver common stock by electronic transfer to such warrantholder s account, or any other account as such warrantholder may designate, at DTC or the relevant DTC participant; or

- requisition from the transfer agent of our common stock and deliver to or upon the order of such warrantholder certificates for the number of full shares of our common stock to which such warrantholder is entitled, registered in such name or names as may be directed by such warrantholder.

A warrantholder will not be required to pay any documentary, stamp or similar issue or transfer taxes relating to the issue or delivery of our common stock upon exercise of the warrants except for any such tax relating to any transfer involved in the issue or delivery of our common stock in a name other than of such warrantholder. Certificates representing shares of our common stock will not be issued or delivered unless all taxes, if any, payable by a holder have been paid.

No Rights as Stockholders

Warrantholders are not be entitled, by virtue of holding warrants, to vote, to consent, to receive dividends, if any, to receive notice as stockholders with respect to any meeting of stockholders for the election of our directors or any other matter, or to exercise any rights whatsoever as our stockholders until they become holders of record of the shares of our common stock delivered upon settlement of the warrants.

Each person in whose name any shares of common stock are delivered will be deemed to have become the holder of record of such shares as of the settlement date. However, if any such date is a date when our stock transfer books are closed, such person will be deemed to have become the record holder of such shares on the next succeeding date on which our stock transfer books are open.

Adjustments to the Warrants

The exercise price for the warrants is subject to adjustment upon the occurrence of any of the following events. If any dividend, distribution or issuance described below is declared but not so paid or made, the exercise price shall again be adjusted to the exercise price that would have been in effect if such dividend, distribution or issuance had not been declared.

(a) If we issue solely shares of our common stock as a dividend or distribution on all or substantially all of our shares of our common stock, or if we subdivide or combine our common stock, the exercise price will be adjusted based on the following formula:

$$EP_1 = EP_0 \times \frac{OS_0}{OS_1}$$

where:

EP_0	=	the exercise price in effect immediately prior to the close of business on the ex-dividend date (as defined below) for such dividend or distribution, or immediately prior to the open of business on the effective date of such subdivision or combination, as the case may be;
EP_1	=	the exercise price in effect immediately after the close of business on the ex-dividend date for such dividend or distribution, or immediately after the open of business on the effective date of such subdivision or combination, as the case may be;

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OS_0 = the number of shares of our common stock outstanding immediately prior to the close of business on the ex-dividend date for such dividend or distribution, or immediately prior to the open of business on the effective date of such subdivision or combination, as the case may be; and

OS_1 = the number of shares of our common stock that would be outstanding immediately after giving effect to such dividend or distribution, or immediately after the effective date of such subdivision or combination, as the case may be.

(b) If we distribute any rights, options or warrants on all or substantially all of our shares of common stock that by their terms entitle the holders of our common stock for a period of not more than sixty calendar days from the ex-dividend date for such distribution to subscribe for or purchase shares of our common stock (or securities convertible into our common stock), at a price per share (or a conversion price per share) less than the average of the closing sale prices of our common stock for the ten consecutive trading-day period ending on, and including, the trading day immediately preceding the announcement date of such distribution, the exercise price will be decreased based on the following formula:

$$EP_1 = EP_0 \times \frac{OS_0 + Y}{OS_0 + X}$$

where:

EP_0 = the exercise price in effect immediately prior to the close of business on the ex-dividend date for such distribution;

EP_1 = the exercise price in effect immediately after the close of business on the ex-dividend date for such distribution;

OS_0 = the number of shares of our common stock outstanding immediately prior to the close of business on the ex-dividend date for such distribution;

X = the total number of shares of our common stock issuable pursuant to such rights, options or warrants; and

Y = the number of shares of our common stock equal to the quotient of (A) the aggregate price payable to exercise such rights, options or warrants divided by (B) the average of the closing sale prices of our common stock over the ten consecutive trading-day period ending on, and including, the trading day immediately preceding the announcement date of such distribution.

To the extent that such rights, options or warrants are not exercised prior to their expiration or shares of our common stock are otherwise not delivered pursuant to such rights, options or warrants (except in a case where other consideration has been given in lieu of delivery of such common stock, in which case adjustment shall be as otherwise prorated elsewhere in this prospectus supplement), upon the expiration, termination or maturity of such rights, options or warrants, the exercise price will be readjusted to the exercise price that would then be in effect had the adjustments made upon the issuance of such rights, options or warrants been made on the basis of the delivery of only the number of shares of common stock actually delivered.

For purposes of this clause (b), in determining whether any rights, options or warrants entitle the holders to subscribe for or purchase our common stock at less than the average of the closing sale prices of our common stock for each trading day in the applicable ten consecutive trading-day period, there shall be taken into account any consideration we receive for such rights, options or warrants and any amount payable on exercise thereof, with the value of such consideration if other than cash to be determined in good faith by our board of directors or a duly authorized committee thereof.

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(c) If we distribute shares of our capital stock, evidences of our indebtedness or other assets or property of ours on all or substantially all of our shares of common stock (excluding (i) dividends or distributions (including subdivisions of common stock) referred to in clause (a) above; (ii) rights, options or warrants referred to in clause (b) above; (iii) dividends or distributions paid exclusively in cash referred to in clause (d) or (e) below; (iv) spin-offs referred to further below in this clause (c); and (v) distributions of rights to all or substantially all of our shares of common stock pursuant to the adoption of a shareholder rights plan), then the exercise price will be decreased based on the following formula:

$$EP_1 = EP_0 \times \frac{SP_0 - FMV}{SP_0}$$

where:

EP_0	=	the exercise price in effect immediately prior to the close of business on the ex-dividend date for such distribution;
EP_1	=	the exercise price in effect immediately after the close of business on the ex-dividend date for such distribution;
SP_0	=	the average of the closing sale prices of our common stock over the ten consecutive trading-day period ending on, and including, the trading day immediately preceding the ex-dividend date for such distribution; and
FMV	=	the fair market value (as determined in good faith by our board of directors or a duly authorized committee thereof) of the shares of capital stock, evidences of indebtedness, assets or property distributed with respect to each outstanding share of our common stock as of the close of business on the ex-dividend date for such distribution.

If the then-fair market value of the portion of the shares of capital stock, evidences of indebtedness or other assets or property so distributed applicable to one share of common stock is equal to or greater than the average of the closing sale prices of the common stock over the ten consecutive trading-day period ending on, and including, the trading day immediately preceding the ex-dividend date for such distribution, in lieu of the foregoing adjustment, adequate provisions shall be made so that each warrantholder shall have the right to receive on exercise in respect of each warrant held by such warrantholder, in addition to the number of shares of common stock such warrantholder is entitled to receive, the amount and kind of securities or assets such warrantholder would have received had such warrantholder already owned a number of shares of common stock deliverable upon exercise of its warrant immediately prior to the ex-dividend date for the distribution of the securities or assets.

With respect to an adjustment pursuant to this clause (c) where there has been a payment of a dividend or other distribution on our common stock of shares of capital stock of any class or series, or similar equity interest, of or relating to a subsidiary or other business unit, which we refer to as a spin-off, the exercise price will be decreased based on the following formula:

$$EP_1 = EP_0 \times \frac{MP_0}{FMV + MP_0}$$

where:

EP_0	=	the exercise price in effect immediately prior to the close of business on the ex-dividend date for the spin-off;
EP_1	=	the exercise price in effect immediately after the close of business on the ex-dividend date for the spin-off;

FMV = the average of the closing sale prices of the capital stock or similar equity interests distributed to holders of our common stock applicable to one share of our common stock over the first ten consecutive trading-day period commencing on, and including, the ex-dividend date for the spin-off (such period, the valuation period); and

MP_0 = the average of the closing sale prices of our common stock over the valuation period.

The adjustment to the exercise price under the preceding paragraph of this clause (c) will be made immediately after the open of business on the day after the last day of the valuation period, but will be given effect as of the open of business on the ex-dividend date for the spin-off. If the ex-dividend date for the spin-off is less than ten trading days prior to, and including, the end of the calculation period in respect of any exercise of warrants, references within this clause (c) to ten trading days shall be deemed replaced, for purposes of calculating the average of the closing prices of our common stock in respect of that exercise, with such lesser number of trading days as have elapsed from, and including, the ex-dividend date for the spin-off to, and including, the last trading day of such calculation period. For purposes of determining the exercise price, in respect of any exercise during the ten trading days commencing on the ex-dividend date for any spin-off, references within the portion of this clause (c) related to spin-offs to ten trading days shall be deemed replaced with such lesser number of trading days as have elapsed from, and including, the ex-dividend date for such spin-off to, but excluding, the relevant exercise date.

(d) If we make or pay any cash dividend or distribution to all, or substantially all, holders of our outstanding common stock (other than (i) distributions described in clause (e) below, (ii) any dividend or distribution in connection with our liquidation, dissolution or winding up and (iii) any regular quarterly cash dividend on our common stock to the extent that the aggregate amount of such cash dividend per share of our common stock does not exceed the dividend threshold amount (as defined below) (subject to adjustment, as indicated below)), the exercise price will be decreased based on the following formula:

$$EP_1 = EP_0 \times \frac{SP_0 - C}{SP_0}$$

where:

EP_0 = the exercise price in effect immediately prior to the close of business on the ex-dividend date for such dividend or distribution;

EP_1 = the exercise price in effect immediately after the close of business on the ex-dividend date for such dividend or distribution;

SP_0 = the average of the closing sale prices of our common stock over the ten consecutive trading-day period ending on, and including, the trading day immediately preceding the ex-dividend date for such distribution; and

C = the amount in cash per share that we distribute to holders of our common stock for such dividend or distribution minus the dividend threshold amount.

(e) If we or any of our subsidiaries makes a payment in respect of a tender offer or exchange offer (other than offers not treated as a tender offer or exchange offer subject to Rule 13e-4 under the Exchange Act) for our common stock, and if the cash and value of any other consideration included in the payment per share of common stock exceeds the average of the closing sale prices of our common stock over the ten consecutive trading-day period commencing on, and including, the trading day next succeeding the last date on which tenders or exchanges may be made pursuant to such tender or exchange offer (such date, the offer expiration date, and such period, the measurement period), the exercise price will be decreased based on the following formula:

$$EP_1 = EP_0 \times \frac{OS_0 \text{ x } SP_1}{AC + (OS_1 \text{ x } SP_1)}$$

where:

EP_0 = the exercise price in effect immediately prior to the open of business on the trading day next succeeding the offer expiration date;

EP_1 = the exercise price in effect immediately after the open of business on the trading day next succeeding the offer expiration date;
AC = the aggregate value of all cash and any other consideration (as determined in good faith by our board of directors or a duly authorized committee thereof) paid or payable for shares purchased in such tender or exchange offer;
OS_0 = the number of shares of our common stock outstanding immediately prior to the offer expiration date (prior to giving effect to such tender offer or exchange offer);
OS_1 = the number of shares of our common stock outstanding immediately after the offer expiration date (after giving effect to such tender offer or exchange offer); and
SP_1 = the average of the closing sale prices of our common stock over the measurement period.

The adjustment to the exercise price under the preceding paragraph of this clause (e) will be made immediately after the open of business on the day after the last day of the measurement period, but will be given effect at the open of business on the trading day next succeeding the offer expiration date. If the trading day next succeeding the offer expiration date is less than ten trading days prior to, and including, the end of the calculation period in respect of any exercise, references within this clause (e) to ten trading days shall be deemed replaced, for purposes of calculating the average of the closing prices of our common stock in respect of that exercise, with such lesser number of trading days as have elapsed from, and including, the trading day next succeeding the expiration date to, and including, the last trading day of such calculation period. For purposes of determining the exercise price, in respect of any exercise of warrants during the ten trading days commencing on the trading day next succeeding the offer expiration date, references within this clause (e) to ten trading days shall be deemed replaced with such lesser number of trading days as have elapsed from, and including, the trading day next succeeding the offer expiration date to, but excluding, the relevant exercise date.

In the event that we or one of our subsidiaries is obligated to purchase shares of our common stock pursuant to any such tender offer or exchange offer, but we or such subsidiary is permanently prevented by applicable law from effecting any such purchases, or all such purchases are rescinded, then the exercise price will again be adjusted to be the exercise price which would then be in effect if such tender offer or exchange offer had not been made. Except as set forth in the preceding sentence, if the application of clause (e) above to any tender offer or exchange offer would result in an increase in the exercise price, no adjustment will be made for such tender offer or exchange offer under clause (e) above.

For purposes hereof, the term ex-dividend date, when used with respect to any dividend or distribution, means the first date on which shares of common stock trade, regular way, on the relevant exchange or in the relevant market from which the sale price was obtained without the right to receive such dividend or distribution, and the term dividend threshold amount means $0.01 per share of common stock per quarter in the case of regular cash dividends, adjusted in a manner proportional to adjustments made to the exercise price other than pursuant to clause (d) above and to account for any change in the frequency of payment of our regular cash dividend, and $0.00 in all other cases.

If any distribution or transaction described in clauses (a) to (e) above has not yet resulted in an adjustment to the exercise price on the exercise date, and the shares you will receive on settlement are not entitled to participate in the relevant distribution or transaction (because they were not held on a related record date or otherwise), then we will adjust the number of shares that we deliver to you in respect of the relevant trading day to reflect the relevant distribution or transaction.

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Conversely, if an adjustment to the exercise price becomes effective on any ex-dividend date as described above, and a warrantholder that has exercised its warrants on or after such ex-dividend date and on or prior to the related record date would nevertheless be treated as the record holder of shares of our common stock as of the related settlement date as described under Exercise and Settlement of the Warrants based on an adjusted exercise price for such ex-dividend date, then, notwithstanding the foregoing exercise price adjustment provisions, the exercise price adjustment relating to such ex-dividend date will not be made in calculating the number of shares deliverable to such exercising warrantholder (though it shall nevertheless be taken into account in calculating the relevant daily settlement amount). Instead, such warrantholder will be treated as if such warrantholder were the record owner of the shares of our common stock on an un-adjusted basis and participate in the related dividend, distribution or other event giving rise to such adjustment.

Concurrently with any adjustment to the exercise price described in clauses (a) to (e) above, the number of underlying shares will be adjusted such that the number of underlying shares in effect immediately following the effectiveness of such adjustment will be equal to the number of underlying shares in effect immediately prior to such adjustment, multiplied by a fraction, (i) the numerator of which is the exercise price in effect immediately prior to such adjustment and (ii) the denominator of which is the exercise price in effect immediately following such adjustment.

To the extent that we have a shareholder rights plan in effect upon exercise of the warrants (i.e., a poison pill), you will receive, in addition to any common stock received in connection with such exercise, the rights under the shareholder rights plan, unless prior to any exercise, the rights have separated from the common stock, in which case the exercise price and the number of underlying shares will be adjusted at the time of separation as if we distributed to all holders of our common stock, shares of our capital stock, evidences of indebtedness or other assets or property as described in clause (c) above, subject to readjustment in the event of the expiration, termination or redemption of such rights.

In addition, except as set forth in the preceding paragraph, in the event of any distribution (or deemed distribution) of rights or warrants, or any trigger event or other event with respect thereto that was counted for purposes of calculating a distribution amount for which an adjustment to the exercise price and the number of underlying shares under Adjustment to the Warrants was made (including any adjustment contemplated in the preceding paragraph), in the case of any such rights or warrants that will all have been redeemed or repurchased without exercise by the holders thereof, the exercise price and the number of underlying shares will be readjusted upon such final redemption or repurchase to give effect to such distribution or trigger event, as the case may be, as though it were a cash distribution, equal to the per share redemption or repurchase price received by a holder or holders of common stock with respect to such rights or warrants (assuming such holder had retained such rights or warrants), made to all holders of common stock as of the date of such redemption or repurchase.

We are permitted to reduce the exercise price of the warrants and/or increase the number of underlying shares by any amount for a period of at least twenty business days so long as the reduction is irrevocable during the period and our board of directors determines in good faith that such reduction would be in our best interest. We must give at least fifteen days prior notice of any such reduction in the exercise price and/or increase in the nu