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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, DC 20549

FORM 10-Q

(MARK ONE)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE  
ACT OF 1934

FOR THE QUARTERLY PERIOD ENDED MARCH 31, 2006

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES  
EXCHANGE ACT OF 1934

FOR THE TRANSITION PERIOD FROM \_\_\_\_\_ TO \_\_\_\_\_

COMMISSION FILE NUMBER 000-19424

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EZCORP, INC.  
(Exact name of registrant as specified in its charter)

DELAWARE  
(State or other jurisdiction  
of incorporation or organization)

74-2540145  
(IRS Employer  
Identification No.)

1901 CAPITAL PARKWAY, AUSTIN, TEXAS  
(Address of principal executive offices)

78746  
(Zip code)

Registrant's telephone number, including area code: (512) 314-3400

NOT APPLICABLE  
(FORMER NAME, FORMER ADDRESS AND FORMER FISCAL YEAR, IF CHANGED SINCE LAST  
REPORT)

Indicate by check mark whether the registrant (1) has filed all reports required  
to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during  
the preceding 12 months (or for such shorter period that the registrant was  
required to file such reports), and (2) has been subject to such filing  
requirements for the past 90 days. Yes  No   
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Indicate by check mark whether the registrant is a large accelerated filer, an  
accelerated filer, or a non-accelerated filer. See definition of "accelerated  
filer" and "large accelerated filer" in Rule 12b-2 of the Exchange Act. (Check  
one):

Large accelerated filer  Accelerated filer  Non-accelerated filer

Indicate by check mark whether the registrant is a shell company (as defined in  
Rule 12b-2 of the Exchange Act).

Yes  No

APPLICABLE ONLY TO CORPORATE ISSUERS:

The only class of voting securities of the registrant issued and outstanding is  
the Class B Voting Common Stock, par value \$.01 per share, 100% of which is  
owned by one record holder who is an affiliate of the registrant. There is no  
trading market for the Class B Voting Common Stock.

As of March 31, 2006, 12,199,685 shares of the registrant's Class A Non-voting  
Common Stock, par value \$.01 per share and 990,057 shares of the registrant's  
Class B Voting Common Stock, par value \$.01 per share were outstanding.

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## PART I

## ITEM 1. FINANCIAL STATEMENTS

## Condensed Consolidated Balance Sheets

	March 31, 2006	March 31, 2005	September 30, 2005
	-----	-----	-----
	(In thousands) (Unaudited)		
Assets:			
Current assets:			
Cash and cash equivalents	\$ 26,041	\$ 1,405	\$ 4,168
Pawn loans	39,044	40,081	52,864
Payday loans, net	1,507	7,711	1,634
Pawn service charges receivable, net	6,598	7,720	9,492
Payday loan service charges receivable, net	250	1,573	272
Credit service fees receivable, net	2,663	--	3,007
Inventory, net	30,764	26,967	30,293
Deferred tax asset	10,629	9,711	10,534
Note receivable from related party	--	1,500	--
Prepaid expenses and other assets	4,014	3,918	1,998
	-----	-----	-----
Total current assets	121,510	100,586	114,262
Investment in unconsolidated affiliate	17,614	17,094	17,348
Property and equipment, net	27,124	26,132	26,964
Deferred tax asset, non-current	4,012	4,946	4,012
Other assets, net	3,471	3,914	2,862
	-----	-----	-----
Total assets	\$173,731	\$152,672	\$165,448
	=====	=====	=====
Liabilities and stockholders' equity:			
Current liabilities:			
Accounts payable and other accrued expenses	16,576	13,359	18,988
Customer layaway deposits	2,147	1,848	1,672
Federal income taxes payable	1,035	271	648
	-----	-----	-----
Total current liabilities	19,758	15,478	21,308
Long-term debt	--	6,825	7,000
Deferred gains and other long-term liabilities	3,430	3,778	3,597
	-----	-----	-----
Total long-term liabilities	3,430	10,603	10,597
Commitments and contingencies	--	--	--
Stockholders' equity:			
Preferred Stock, par value \$.01 per share; Authorized 5,000,000 shares; none issued and outstanding	--	--	--
Class A Non-voting Common Stock, par value \$.01 per share; Authorized 40,000,000 shares; 12,208,718 issued and 12,199,685 outstanding at March 31, 2006; 11,446,843 issued and 11,437,810 outstanding at March 31, 2005; 11,878,458 issued and 11,869,425 outstanding at September 30, 2005	121	114	117
Class B Voting Common Stock, convertible, par value \$.01 per share; Authorized 1,198,990 shares; 1,190,057 issued and 990,057 outstanding	10	10	10
Additional paid-in capital	121,017	116,894	118,219
Retained earnings	29,197	8,880	14,714
Deferred compensation expense	(208)	(538)	(244)
	-----	-----	-----
Treasury stock, at cost (9,033 shares)	150,137	125,360	132,816
Accumulated other comprehensive income	(35)	(35)	(35)
	-----	-----	-----
Total stockholders' equity	150,543	126,591	133,543
	-----	-----	-----
Total liabilities and stockholders' equity	\$173,731	\$152,672	\$165,448
	=====	=====	=====

See Notes to Condensed Consolidated Financial Statements (unaudited).

Condensed Consolidated Statements of Operations (Unaudited)

	Three Months Ended March 31,		Six Months Ended March 31,	
	2006	2005	2006	2005
	(In thousands, except per share amounts)			
Revenues:				
Sales	\$47,605	\$40,259	\$ 89,958	\$ 76,583
Pawn service charges	15,453	14,682	31,967	31,351
Payday loan service charges	1,103	7,828	2,255	16,118
Credit service fees	14,451	--	29,873	--
Other	329	329	658	674
	-----	-----	-----	-----
Total revenues	78,941	63,098	154,711	124,726
Cost of goods sold	28,337	23,901	53,998	45,814
	-----	-----	-----	-----
Net revenues	50,604	39,197	100,713	78,912
Operating expenses:				
Operations	27,908	23,988	54,221	46,691
Payday loan bad debt and direct transaction expenses	390	1,495	1,122	3,104
Credit service bad debt and direct transaction expenses	1,935	--	5,739	--
Administrative	6,695	5,796	13,517	11,663
Depreciation	2,119	2,054	4,225	3,924
Amortization	17	17	34	34
	-----	-----	-----	-----
Total operating expenses	39,064	33,350	78,858	65,416
	-----	-----	-----	-----
Operating income	11,540	5,847	21,855	13,496
Interest expense, net	41	275	263	614
Equity in net income of unconsolidated affiliate	(673)	(636)	(1,188)	(1,096)
Loss on sale / disposal of assets	23	6	8	43
	-----	-----	-----	-----
Income before income taxes	12,149	6,202	22,772	13,935
Income tax expense	4,422	2,233	8,289	5,017
	-----	-----	-----	-----
Net income	\$ 7,727	\$ 3,969	\$ 14,483	\$ 8,918
	=====	=====	=====	=====
Net income per common share:				
Basic	\$ 0.59	\$ 0.32	\$ 1.12	\$ 0.72
	=====	=====	=====	=====
Diluted	\$ 0.56	\$ 0.29	\$ 1.06	\$ 0.66
	=====	=====	=====	=====
Weighted average shares outstanding:				
Basic	13,067	12,402	12,977	12,383
Diluted	13,838	13,755	13,646	13,542

See Notes to Interim Condensed Consolidated Financial Statements (unaudited).

Condensed Consolidated Statements of Cash Flows (Unaudited)

	Six Months Ended March 31,	
	----- 2006	2005 -----
	(In thousands)	
Operating Activities:		
Net income	\$ 14,483	\$ 8,918
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	4,259	3,958
Payday loan loss provision	879	2,449
Deferred taxes	(95)	--
Net loss on sale or disposal of assets	8	43
Share-based compensation	891	294
Income from investment in unconsolidated affiliate	(1,188)	(1,096)
Changes in operating assets and liabilities:		
Service charges and fees receivable, net	3,279	860
Inventory	7	496
Prepaid expenses, other current assets, and other assets, net	(2,028)	(1,313)
Accounts payable and accrued expenses	(2,444)	(1,522)
Customer layaway deposits	459	203
Deferred gains and other long-term liabilities	(167)	(180)
Federal income taxes	421	(1,772)
	-----	-----
Net cash provided by operating activities	18,764	11,338
Investing Activities:		
Pawn loans made	(85,782)	(75,809)
Pawn loans repaid	53,718	48,815
Recovery of pawn loan principal through sale of forfeited collateral	46,337	39,164
Payday loans made	(10,189)	(30,942)
Payday loans repaid	9,437	28,074
Additions to property and equipment	(4,385)	(4,247)
Acquisitions, net of cash acquired	(1,590)	--
Dividends from unconsolidated affiliate	601	542
Proceeds from sale of assets	15	--
	-----	-----
Net cash provided by investing activities	8,162	5,597
Financing Activities:		
Proceeds from exercise of stock options and warrants	1,947	139
Net payments on bank borrowings	(7,000)	(18,175)
	-----	-----
Net cash used in financing activities	(5,053)	(18,036)
	-----	-----
Change in cash and equivalents	21,873	(1,101)
Cash and equivalents at beginning of period	4,168	2,506
	-----	-----
Cash and equivalents at end of period	\$ 26,041	\$ 1,405
	=====	=====
Non-cash Investing and Financing Activities:		
Pawn loans forfeited and transferred to inventory	\$ 46,122	\$ 35,991
Foreign currency translation adjustment	\$ 321	\$ 439
Issuance of common stock to 401(k) plan	\$ --	\$ 72

See Notes to Interim Condensed Consolidated Financial Statements (unaudited).

EZCORP, INC. AND SUBSIDIARIES  
NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)  
MARCH 31, 2006

NOTE A: BASIS OF PRESENTATION

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with generally accepted accounting principles for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of management, all adjustments considered necessary for a fair presentation have been included. Such adjustments are of a normal, recurring nature except for those related to an acquired business (described in Note C) and the adoption of a new accounting principle regarding share-based payments (described in Note J). The accompanying financial statements should be read with the Notes to Consolidated Financial Statements included in the Company's Annual Report on Form 10-K for the year ended September 30, 2005 ("Fiscal 2005"). The balance sheet at September 30, 2005 has been derived from the audited financial statements at that date but does not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements.

The Company's business is subject to seasonal variations, and operating results for the three-month and six-month periods ended March 31, 2006 (the "Fiscal 2006 Second Quarter" and the "Fiscal 2006 Year-to-Date Period") are not necessarily indicative of the results of operations for the full fiscal year.

NOTE B: SIGNIFICANT ACCOUNTING POLICIES

**CONSOLIDATION:** The consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries. All significant inter-company accounts and transactions have been eliminated in consolidation. The Company accounts for its 28.7% interest in Albemarle & Bond Holdings, plc using the equity method.

**PAWN LOAN REVENUE RECOGNITION:** Pawn service charges are recorded using the interest method for all pawn loans the Company deems to be collectible. The Company bases its estimate of collectible loans on several factors, including recent redemption rates, historical trends in redemption rates, and the amount of loans due in the following three months. Unexpected variations in any of these factors could increase or decrease the Company's estimate of collectible loans, affecting the Company's earnings and financial condition. If a pawn loan is not repaid, the forfeited collateral (inventory) is valued at the lower of cost (pawn loan principal) or market value (net realizable value) of the property. Sales revenue and the related cost are recorded when this inventory is sold.

**PAYDAY LOAN REVENUE RECOGNITION:** The Company accrues service charges on the percentage of payday loans the Company deems to be collectible using the interest method. Accrued service charges related to defaulted loans are deducted from service charge revenue upon loan default, and increase service charge revenue upon subsequent collection.

**PAYDAY LOAN BAD DEBT AND DIRECT TRANSACTION EXPENSES:** The Company considers a loan defaulted if the loan has not been repaid or renewed by the maturity date. Although defaulted loans may be collected later, the Company charges defaulted loan principal to bad debt upon default, leaving only active loans in the reported balance. Subsequent collections of principal are recorded as a reduction of bad debt at the time of collection. The Company's payday loan net defaults, included in payday loan bad debt and direct transaction expenses, were \$0.4 million and \$0.9 million, representing 5.0% and 5.8% of loans made for the Fiscal 2006 Second Quarter and the Fiscal 2006 Year-to-Date Period, respectively. In the comparable 2005 periods (the "Fiscal 2005 Second Quarter" and the "Fiscal 2005 Year-to-Date Period"), payday loan net defaults were \$1.2 million and \$2.5 million, representing 2.9% of loans made in both the three-month and six-month periods. Excluding the benefit of a \$0.9 million sale of older bad debt in December 2004, net defaults for the Fiscal 2005 Year-to-Date Period were \$3.4 million, or 3.9% of loans made. The Company includes direct transaction expenses in this financial statement line item. These include Tele-Track charges, electronic debit fees, and other bank fees. These expenses tend to vary directly with transaction volume.

**PAYDAY LOAN ALLOWANCE FOR LOSSES:** The Company also provides an allowance for losses on active payday loans and related service charges receivable, based on recent loan default experience and expected seasonal variations. Changes in the principal valuation allowance are charged to bad debt expense in the Company's statement of operations. Changes in the service charge receivable valuation allowance are charged to payday loan service charge revenue.

**CREDIT SERVICE REVENUE RECOGNITION:** The Company earns credit service fees when it assists customers in obtaining a loan from an unaffiliated lender. The Company accrues credit service fees on the percentage of fees the Company expects to collect. Accrued fees related to defaulted loans are deducted from credit service fee revenue upon loan default, and increase credit service fee revenue upon subsequent collection.

**CREDIT SERVICE BAD DEBT AND DIRECT TRANSACTION EXPENSES:** As part of its credit services, the Company issues a letter of credit to enhance the creditworthiness of the Company's customers seeking loans from an unaffiliated lender. The letter of credit assures the lender that if the borrower defaults on his loan, the Company will pay the lender the principal and accrued interest owed it by the borrower, plus an insufficient funds fee if applicable, all of which the Company records as bad debt and then attempts to collect from the borrower. Upon demand, the Company pays all amounts due under the related letter of credit if the loan has not been repaid or renewed by the maturity date. Although amounts paid under letters of credit may be collected later, the Company charges those amounts to bad debt upon default. Subsequent recoveries under the letters of credit are recorded as a reduction of bad debt at the time of collection. The Company's credit service bad debt, included in credit service bad debt and direct transaction expenses, was \$1.9 million and \$5.6 million, representing 13% and 19% of credit service fee revenues for the Fiscal 2006 Second Quarter and Year-to-Date Period, respectively. The Company had no credit service bad debt in the fiscal 2005 periods, as it did not offer credit services in those periods. The Company includes direct transaction expenses in this financial statement line item. These include Tele-Track charges, electronic debit fees, and other bank fees. These expenses tend to vary directly with transaction volume.

**CREDIT SERVICE ALLOWANCE FOR LOSSES:** The Company also provides an allowance for losses it expects to incur under letters of credit for loans that are active at period-end but have not yet matured. Its allowance is based on recent loan default experience and expected seasonal variations, and includes all amounts it expects to pay to the unaffiliated lender upon loan default, including loan principal, accrued interest, and insufficient funds fees, net of the amounts it expects to subsequently collect from borrowers ("Expected LOC Losses"). Changes in the valuation allowance are charged to credit service bad debt expense in the Company's statement of operations. At March 31, 2006, the allowance for Expected LOC Losses was \$0.5 million. At that date, the Company's maximum exposure for losses on letters of credit, if all brokered loans defaulted and none was collected, was \$12.9 million. This amount includes principal, interest, and insufficient funds fees. Based on the expected loss and collection percentages, the Company also provides an allowance for the credit service fees it expects not to collect, and charges changes in the credit service fee receivable valuation allowance to credit service fee revenue.

**INVENTORY:** If a pawn loan is not repaid, the forfeited collateral (inventory) is recorded at cost (pawn loan principal). The Company does not record loan loss allowances or charge-offs on the principal portion of pawn loans. In order to state inventory at the lower of cost (specific identification) or market (net realizable value), the Company provides an allowance for shrinkage and excess, obsolete, or slow-moving inventory. The allowance is based on the type and age of merchandise as well as recent sales trends and margins. At March 31, 2006, March 31, 2005, and September 30, 2005, the valuation allowance deducted from the carrying value of inventory was \$2.5 million, \$2.1 million, and \$1.9 million (7.6%, 7.1%, and 5.8% of gross inventory), respectively. Changes in the inventory valuation allowance are recorded as cost of goods sold.

**INTANGIBLE ASSETS:** Goodwill and other intangible assets having indefinite lives are not subject to amortization, but are tested for impairment annually on July 1, or more frequently if events or changes in circumstances indicate that the assets might be impaired. The Company recognized no impairment of its intangible assets in the Fiscal 2006 or Fiscal 2005 Second Quarter. Intangible assets with definite lives are amortized over their estimated useful lives.

**VALUATION OF TANGIBLE LONG-LIVED ASSETS:** The Company assesses the impairment of tangible long-lived assets whenever events or changes in circumstances indicate that the carrying value may not be recoverable. Factors that could trigger an impairment review include the following: significant underperformance relative to historical or projected future cash flows; significant changes in the manner of use of the assets or the strategy for the





overall business; and significant negative industry trends. When management determines that the carrying value of tangible long-lived assets may not be recoverable, impairment is measured based on the excess of the assets' carrying value over the estimated fair value. No impairment of tangible long-lived assets has been recognized in the Fiscal 2006 or 2005 Year-to-Date Periods.

**INCOME TAXES:** The provision for federal income taxes has been calculated based on the Company's estimate of its effective tax rate for the full fiscal year. As part of the process of preparing the consolidated financial statements, the Company is required to estimate income taxes in each jurisdiction in which it operates. This process involves estimating the actual current tax liability together with assessing temporary differences in recognition of income for tax and accounting purposes. These differences result in deferred tax assets and liabilities, which are included in the Company's consolidated balance sheet. Management must then assess the likelihood that the deferred tax assets will be recovered from future taxable income. In the event the Company were to determine that it would not be able to realize all or part of its net deferred tax assets in the future, a valuation allowance would be charged to the income tax provision in the period such determination was made. Likewise, should the Company determine that it would be able to realize its deferred tax assets in the future in excess of its net recorded amount, a decrease to a valuation allowance would increase income in the period such determination was made. The Company evaluates the realizability of its deferred tax assets quarterly by assessing the need for a valuation allowance, if any. As of March 31, 2006, March 31, 2005 and September 30, 2005, the Company had no valuation allowance on its deferred tax assets.

**SHARE-BASED COMPENSATION:** Prior to October 1, 2005, the Company accounted for its share-based employee compensation plans under the recognition and measurement provisions of Accounting Principles Board Opinion No. 25, "Accounting for Stock Issued to Employees" and related interpretations ("APB 25"), as permitted by Statement of Financial Accounting Standards ("SFAS") No. 123, "Accounting for Stock-Based Compensation." For periods prior to October 1, 2005, share-based employee compensation cost was recognized in the Statement of Operations only for restricted stock grants and options granted at prices below market price on the date of grant. Effective October 1, 2005, the Company adopted the fair value recognition provisions of SFAS No. 123(R), as described in Note J, "Share-based Compensation."

**PROPERTY AND EQUIPMENT:** Property and equipment is shown net of accumulated depreciation of \$71.5 million, \$63.1 million and \$67.2 million at March 31, 2006, March 31, 2005, and September 30, 2005, respectively.

**SEGMENTS:** The Company accounts for its operations in accordance with SFAS No. 131, "Disclosures about Segments of an Enterprise and Related Information." No segment disclosures have been made as the Company considers its business activities as a single segment.

Certain prior year balances have been reclassified to conform to the Fiscal 2006 presentation.

#### NOTE C: ACQUISITION

On December 5, 2005, the Company acquired all outstanding stock of Texas Diamond & Gold, a single-store pawn company for \$1.6 million. The results of Texas Diamond & Gold have been consolidated with that of the Company since the acquisition date. Goodwill of \$0.6 million was recorded as part of this acquisition. Pro forma results of operations have not been presented because the effects of this acquisition were not material to the Company.

#### NOTE D: EARNINGS PER SHARE

Basic earnings per share are computed on the basis of the weighted average number of shares of common stock outstanding during the period. Diluted earnings per share are computed on the basis of the weighted average number of shares of common stock plus the effect of dilutive potential common shares outstanding during the period using the treasury stock method. Dilutive potential common shares include outstanding stock options, warrants, and restricted stock awards.

Components of basic and diluted earnings per share are as follows (in thousands, except per share amounts):

	Three Months Ended March 31,		Six Months Ended March 31,	
	2006	2005	2006	2005
Net income (A)	\$ 7,727	\$ 3,969	\$14,483	\$ 8,918
Weighted average outstanding shares of common stock (B)	13,067	12,402	12,977	12,383
Dilutive effect of stock options, warrants, and restricted stock	771	1,353	669	1,159
Weighted average common stock and common stock equivalents (C)	13,838	13,755	13,646	13,542
Basic earnings per share (A/B)	\$ 0.59	\$ 0.32	\$ 1.12	\$ 0.72
Diluted earnings per share (A/C)	\$ 0.56	\$ 0.29	\$ 1.06	\$ 0.66

Anti-dilutive options, warrants, and restricted stock grants have been excluded from the computation of diluted earnings per share because the related exercise price was greater than the average market price of the common shares and, therefore, the effect would be anti-dilutive.

#### NOTE E: INVESTMENT IN UNCONSOLIDATED AFFILIATE

The Company owns 13,276,666 common shares of Albemarle & Bond Holdings, plc ("A&B"), or approximately 29% of the total outstanding shares. The investment is accounted for using the equity method. Since A&B's fiscal year ends three months prior to the Company's fiscal year, the income reported by the Company for its investment in A&B is on a three-month lag. In accordance with United Kingdom securities regulations, A&B files only semi-annual financial reports, for its fiscal periods ending December 31 and June 30. The income reported for the Company's Fiscal 2006 Year-to-Date Period represents its percentage interest in the results of A&B's operations from July 1, 2005 to December 31, 2005.

Below is summarized financial information for A&B's most recently reported results (using average exchange rates for the periods indicated):

	Six Months Ended December 31,	
	2005	2004
	(in thousands)	
Turnover (gross revenues)	\$26,391	\$23,399
Gross profit	18,207	16,243
Profit after tax (net income)	4,134	3,799

#### NOTE F: CONTINGENCIES

From time to time, the Company is involved in litigation and regulatory actions. Currently, the Company is a defendant in several actions. While the ultimate outcome of these actions cannot be determined, after consultation with counsel, the Company believes the resolution of these actions will not have a material adverse effect on the Company's financial condition, results of operations, or liquidity. However, there can be no assurance as to the ultimate outcome of these actions.

#### NOTE G: COMPREHENSIVE INCOME

Comprehensive income includes net income and other revenues, expenses, gains and losses that are excluded from net income but are included as a component of total stockholders' equity. Comprehensive income for the Fiscal 2006 Second Quarter was \$7.6 million and comprehensive income for the Fiscal 2006 Year-to-Date Period was \$14.2 million. For the comparable 2005 periods, comprehensive income was \$4.4 million and \$9.4 million, respectively. The difference between comprehensive income and net income results primarily from the effect of foreign currency translation adjustments determined in accordance with SFAS No. 52, "Foreign Currency Translation." The accumulated balance of foreign currency activity excluded from net income is presented as "Accumulated other comprehensive income" in the Condensed Consolidated Balance Sheets, and

amounted to \$0.4 million (\$0.6 million, net of tax of \$0.2 million) at March 31, 2006.

NOTE H: LONG-TERM DEBT

At March 31, 2006, the Company had no outstanding debt. The Company's credit agreement provides for a \$40 million revolving credit facility, secured by the Company's assets, and matures April 1, 2007. The Company may choose either a Eurodollar rate or the agent bank's base rate. Interest accrues at the Eurodollar rate plus 150 to 275 basis points or the agent bank's base rate plus 0 to 125 basis points, depending on the leverage ratio computed at the end of each quarter. The Company also pays a commitment fee of 37.5 basis points annually on the unused amount of the revolving facility. Terms of the agreement require, among other things, that the Company meet certain financial covenants. Payment of dividends and additional debt are allowed but restricted.

NOTE I: GOODWILL AND OTHER INTANGIBLE ASSETS

The Company accounts for goodwill and other intangible assets in accordance with SFAS No. 142, "Goodwill and Other Intangible Assets." Under the provisions of SFAS No. 142, goodwill and other intangible assets having indefinite lives are not subject to amortization but are tested for impairment annually or more frequently if events or changes in circumstances indicate that the assets might be impaired. No indicators of impairment were identified in any period presented above.

The following table presents the balance of each major class of indefinite-lived intangible asset at the specified dates:

	March 31, 2006	March 31, 2005	September 30, 2005
	-----	-----	-----
	(In thousands)		
Pawn licenses	\$1,500	\$1,500	\$1,500
Goodwill	631	--	--
	-----	-----	-----
Total	\$2,131	\$1,500	\$1,500
	=====	=====	=====

The following table presents the gross carrying amount and accumulated amortization for each major class of definite-lived intangible asset at the specified dates:

	March 31, 2006		March 31, 2005		September 30, 2005	
	Carrying	Accumulated	Carrying	Accumulated	Carrying	Accumulated
	Amount	Amortization	Amount	Amortization	Amount	Amortization
	-----	-----	-----	-----	-----	-----
	(In thousands)					
License application fees	\$ 345	\$(242)	\$ 345	\$(211)	\$ 345	\$(226)
Real estate finders' fees	554	(302)	554	(285)	554	(294)
Non-compete agreements	388	(267)	388	(248)	388	(258)
	-----	-----	-----	-----	-----	-----
Total	\$1,287	\$(811)	\$1,287	\$(744)	\$1,287	\$(778)
	=====	=====	=====	=====	=====	=====

Total amortization expense from definite-lived intangible assets for the Fiscal 2006 Second Quarter and Fiscal 2006 Year-to-Date Period was approximately \$17,000 and \$34,000, respectively. The amortization was unchanged from the same periods of Fiscal 2005. The following table presents the Company's estimate of amortization expense for definite-lived intangible assets for each of the five succeeding fiscal years as of October 1, 2005 (in thousands):

Fiscal Year	Amortization Expense
-----	-----
2006	\$67
2007	67
2008	66
2009	57
2010	42

As acquisitions and dispositions occur in the future, amortization expense may

vary from these estimates.

NOTE J: SHARE-BASED COMPENSATION

Prior to October 1, 2005, the Company accounted for its share-based employee compensation plans under the recognition and measurement provisions of APB 25, as permitted by SFAS No. 123. For periods prior to October 1, 2005, share-based employee compensation cost was recognized in the Statement of Operations for only restricted stock grants and options granted at prices below market price on the date of grant. Effective October 1, 2005, the Company adopted the fair value recognition provisions of SFAS No. 123(R), "Share-based Payment," using the modified prospective transition method. Under that transition method, compensation cost recognized in all periods subsequent to September 30, 2005 includes (a) compensation cost for all share-based payments granted prior to, but not yet vested as of October 1, 2005, based on the grant date fair value estimated in accordance with the original provisions of SFAS No. 123, and (b) compensation cost for all share-based payments granted on or after October 1, 2005, based on the grant-date fair value estimated in accordance with the provisions of SFAS No. 123(R). The fair value of grants is amortized to compensation expense on a straight-line basis over the vesting period for both cliff vesting and graded vesting grants. The grant-date fair value of options is estimated using the Black-Scholes-Merton option-pricing model and is amortized to expense over the options' vesting periods. In accordance with the modified prospective transition provisions, results for prior periods have not been restated, and pro forma results are disclosed below for the pre-adoption period. The Company's net income includes the following compensation costs related to our share-based compensation arrangements:

	Three Months Ended March 31,		Six Months Ended March 31,	
	2006	2005	2006	2005
	(in thousands)			
Gross compensation costs				
Stock options	\$300	\$ --	\$ 855	\$ --
Restricted stock	19	147	38	294
Total gross compensation costs	\$319	\$147	\$ 893	\$ 294
Income tax benefits				
Stock options	\$ --	\$ --	\$ (95)	\$ --
Restricted stock	(7)	(52)	(14)	(104)
Total income tax benefits	\$ (7)	\$(52)	\$(109)	\$(104)
Net compensation expense	\$312	\$ 95	\$ 784	\$ 190

All options and restricted stock relate to the Company's Class A Non-voting Common Stock.

Our independent directors have been granted non-qualified stock options that vest one year from grant and expire in ten years. Non-qualified and incentive stock options have been granted to our officers and employees under our 1991, 1998, and 2003 Incentive Plans. Most options have a contractual life of ten years and provide for graded vesting over five years, but some provide for cliff vesting. Certain of the options granted to officers also provide for accelerated vesting upon a change in control or upon the achievement of certain income targets and/or new store opening targets. Outstanding options have been granted with strike prices ranging from \$2.00 per share to \$16.06 per share. These were granted at or above the market price at the time of grant, and had no intrinsic value on the grant date.

On September 17, 2003, the Compensation Committee of the Board of Directors approved an award of 125,000 shares of restricted stock to the Chairman of the Board. The market value of the restricted stock on the award date was \$0.8 million, which was amortized over the two-year restriction period that expired September 17, 2005. During the Fiscal 2005 Second Quarter and Fiscal 2005 Year-to-Date Period, respectively, \$0.1 million and \$0.2 million of this cost was amortized to expense.

On January 15, 2004, the Compensation Committee of the Board of Directors approved an award of 60,000 shares of restricted stock to the Company's Chief Executive Officer. The shares will vest on January 1, 2009, provided he remains continuously employed by the Company through the vesting date. The shares are subject to earlier vesting based on the occurrence of certain objectives. The market value of the restricted stock on the award date was \$0.6 million, which

was being amortized over a three-year period based on the Company's initial expectation that earlier vesting objectives would be met. One-third of the shares vested January 15, 2005 based on the attainment of the goals for accelerated vesting. Effective October 1, 2005, the Company determined it no longer believed the

requirements would be met for accelerated vesting of the remaining unvested shares. Accordingly, the remaining unamortized deferred compensation of \$0.2 million is being amortized ratably over the vesting period ending January 1, 2009. During the Fiscal 2006 and 2005 Second Quarters, respectively, \$19,000 and \$49,000 was amortized to expense for this grant. During the Fiscal 2006 and 2005 Year-to-Date Periods, respectively, \$38,000 and \$98,000 was amortized to expense for this grant. These restricted shares are not included in the Summary of Option Plans' Activity table below.

We measure the fair value of restricted stock awards ("RSAs") based upon the market price of the underlying common stock as of the grant date. If the Company were to begin to pay dividends, the estimated fair value of future RSA grants would be reduced by the present value of expected dividends, discounted using the prevailing risk-free interest rate at the grant date. The following RSA activity has occurred under our existing plans:

	Shares	Weighted Average Grant-Date Fair Value per share
	-----	-----
Restricted Stock Awards:		
Non-vested balance at October 1, 2005	40,000	\$9.77
Granted	--	--
Vested	--	--
Forfeited	--	--
	-----	-----
Non-vested balance at December 31, 2005	40,000	\$9.77
Granted	--	--
Vested	--	--
Forfeited	--	--
	-----	-----
Non-vested balance at March 31, 2006	40,000	\$9.77
	=====	=====

As of March 31, 2006, there was \$0.2 million of unrecognized compensation cost related to RSAs. The Company expects to recognize this cost over a weighted average period of 2.8 years.

The following table summarizes the impact of adopting SFAS No. 123(R) on the noted items:

	Three Months Ended March 31, 2006		Six Months Ended March 31, 2006	
	Intrinsic Value Method	Fair Value Method	Intrinsic Value Method	Fair Value Method
	-----	-----	-----	-----
	(In thousands, except per share amounts)			
Income before income taxes	\$12,449	\$12,149	\$23,627	\$22,772
Net income	\$ 8,042	\$ 7,727	\$15,258	\$14,483
Earnings per share:				
Basic	\$ 0.62	\$ 0.59	\$ 1.18	\$ 1.12
Diluted	\$ 0.58	\$ 0.56	\$ 1.11	\$ 1.06
Cash flow provided by operating activities	\$10,924	\$10,924	\$18,764	\$18,764
Cash flow used in financing activities	\$ 1,882	\$ 1,882	\$(5,053)	\$(5,053)

Prior to the adoption of SFAS No. 123(R), the Company presented all tax benefits of deductions resulting from the exercise of stock options as operating cash flows in the Statement of Cash Flows. SFAS No. 123(R) requires the cash flows resulting from excess tax benefits (the tax benefits resulting from tax deductions in excess of the compensation cost recognized for those options) to be classified as financing cash flows. There were no such cash flows in the periods presented.



A summary of the option plans' activity for the most recently reported period follows:

SUMMARY OF OPTION PLANS' ACTIVITY

	Shares	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term (years)	Aggregate Intrinsic Value (thousands)
	-----	-----	-----	-----
Outstanding at September 30, 2005	1,799,900	\$ 7.80		
Granted	--	--		
Forfeited	(29,560)	\$ 9.07		
Expired	--	--		
Exercised	(15,450)	\$ 4.19		
	-----	-----		
Outstanding at December 31, 2005	1,754,890	\$ 7.81		
Granted	--	--		
Forfeited	(5,000)	\$10.61		
Expired	--	--		
Exercised	(294,450)	\$ 6.38		
	-----	-----		
Outstanding at March 31, 2006	1,455,440	\$ 8.08	5.6	\$31,199
Vested and Expected to Vest at March 31, 2006	1,358,820	\$ 8.03	5.4	\$29,197
Vested at March 31, 2006	921,300	\$ 7.57	5.1	\$20,222

The Black-Scholes-Merton option valuation model was developed for use in estimating the fair value of traded options, which have no vesting restrictions and are fully transferable. In addition, this option valuation model requires the input of highly subjective assumptions including the expected stock price volatility. In applying the Black-Scholes-Merton option valuation model, the Company used the following weighted average assumptions for the Fiscal 2005 periods:

	Three Months Ended, March 31, 2005	Six Months Ended, March 31, 2005
	-----	-----
Risk-free interest rate	3.67%	3.48%
Dividend yield	0%	0%
Volatility factor of the expected market price of the Company's common stock	92.13%	91.75%
Expected life of the options	5.5 years	5.5 years
Weighted average grant date fair value of options granted	\$10.81	\$7.39

No options were granted in the Fiscal 2006 Second Quarter or Year-to-Date Period. The Company considered the contractual life of the options and the past behavior of employees in estimating the expected life of options granted. The estimated expected life cannot exceed the contractual term, and cannot be less than the vesting term. The volatility factor was estimated using the actual volatility of the Company's stock over the most recently completed time period equal to the estimated life of each option grant. Although no adjustment was made in the period presented above, the Company considers excluding from its volatility factor discrete events which have had a significant effect on its historical volatility but have a remote chance of recurring.

As of March 31, 2006, the unamortized fair value of share-based awards to be amortized over their remaining vesting periods was approximately \$3.0 million. The weighted average period over which these costs will be amortized is 2.7 years.

The total intrinsic value of stock options exercised was \$4.4 million in the Fiscal 2006 Second Quarter, and \$4.6 million in the Fiscal 2006 Year-to-Date Period. The total intrinsic value of stock options exercised was \$0.9 million in the Fiscal 2005 Second Quarter and Year-to-Date Period.

At March 31, 2006, 102,200 shares were available for future grant under the 2003 Incentive Plan, which covers stock options, warrants, and restricted stock awards. Awards that expire or are canceled without delivery of shares under the 2003 Incentive Plan generally become available for issuance. The Company issues new shares to satisfy stock option exercises.

Stock option and warrant exercises resulted in the issuance of 294,810 shares of Class A Non-voting Common Stock in the Fiscal 2006 Second Quarter, and 310,260 shares in the Fiscal 2006 Year-to-Date Period. The proceeds from the exercises totaled \$1.9 million in the Fiscal 2006 Second Quarter and \$1.95 million in the Fiscal 2006 Year-to-Date Period.

Stock option and warrant exercises resulted in the issuance of 58,658 shares of Class A Non-voting Common Stock in the Fiscal 2005 Second Quarter, and 61,458 shares in the Fiscal 2005 Year-to-Date Period for total proceeds of \$133,000 and \$139,000, respectively.

The following table illustrates the effect on net income and earnings per share if the Company had applied the fair value recognition provisions of SFAS No. 123 to options granted under the Company's stock option plans in periods prior to adoption of SFAS No. 123(R). For purposes of this pro forma disclosure, the value of the options is estimated using the Black-Scholes-Merton option-pricing formula and is amortized to expense over the options' vesting periods:

	Three Months Ended March 31, 2005	Six Months Ended March 31, 2005
	-----	-----
	(In thousands, except per share amounts)	
Net income, as reported	\$3,969	\$8,918
Add: share-based employee compensation included in reported net income, net of related tax effects	95	191
Deduct: total share-based employee compensation expense determined under fair value based method for all awards, net of related tax effects	(259)	(518)
Pro forma net income	----- \$3,805 =====	----- \$8,591 =====
Earnings per share - basic:		
As reported	\$ 0.32	\$ 0.72
Pro forma	\$ 0.31	\$ 0.69
Earnings per share - diluted:		
As reported	\$ 0.29	\$ 0.66
Pro forma	\$ 0.28	\$ 0.63

At March 31, 2006, warrants to purchase 22,036 shares of Class A Non-voting Common Stock and 4,074 shares of Class B Voting Common Stock at \$6.17 per share were outstanding. The warrants are not mandatorily redeemable, and are exercisable at the option of the holder through July 25, 2009.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The discussion in this section of this report contains forward-looking statements that involve risks and uncertainties. The Company's actual results could differ materially from those discussed herein. Factors that could cause or contribute to such differences include, but are not limited to, those discussed in this section and those discussed elsewhere in this report.

Second Quarter Ended March 31, 2006 vs. Second Quarter Ended March 31, 2005

The following table sets forth selected, unaudited, consolidated financial data with respect to the Company for the three-month periods ended March 31, 2006 and 2005 ("Fiscal 2006 Second Quarter" and "Fiscal 2005 Second Quarter," respectively):

	Three Months Ended March 31, (a)		% or Point Change (b)
	2006	2005	
Net revenues:			
Sales	\$47,605	\$40,259	18.2%
Pawn service charges	15,453	14,682	5.3%
Payday loan service charges	1,103	7,828	(85.9)%
Credit service fees	14,451	--	100%
Other	329	329	0.0%
	-----	-----	
Total revenues	78,941	63,098	25.1%
Cost of goods sold	28,337	23,901	18.6%
	-----	-----	
Net revenues	\$50,604	\$39,197	29.1%
	=====	=====	
Other data:			
Gross margin on sales	40.5%	40.6%	(0.1) pts.
Average annual inventory turnover	3.5x	3.2x	0.3x
Average inventory per pawn location at quarter end	\$ 109	\$ 96	13.5%
Average pawn loan balance per pawn location at quarter end	\$ 139	\$ 143	(2.8)%
Average yield on pawn loan portfolio	149%	144%	5 pts.
Pawn loan redemption rate	79%	79%	--
Signature loan bad debt as a percentage of signature loan revenues	14%	15%	(1) pt.
Expenses and income as a percentage of net revenues (%):			
Operations	55.1	61.2	(6.1) pts.
Payday loan bad debt and direct transaction expenses	0.8	3.8	(3.0) pts.
Credit service bad debt and direct transaction expenses	3.8	--	3.8 pts.
Administrative	13.2	14.8	(1.6) pts.
Depreciation and amortization	4.2	5.3	(1.1) pts.
Interest expense, net	0.1	0.7	(0.6) pts.
Income before income taxes	24.0	15.8	8.2 pts.
Net income	15.3	10.1	5.2 pts.
Stores in operation:			
Beginning of period	523	445	
New openings	22	27	
Sold, combined, or closed	(1)	--	
	-----	-----	
End of period	544	472	
	=====	=====	
Average number of stores during the period	530	456	
Composition of ending stores:			
EZPAWN locations	281	280	
EZMONEY signature loan locations adjoining EZPAWNs	165	135	
EZMONEY signature loan locations - free standing	98	57	
	-----	-----	
Total stores in operation	544	472	
	=====	=====	
EZPAWN locations offering signature loans	83	121	
Total locations offering signature loans	346	313	

(a) In thousands, except percentages, inventory turnover and store count.

(b) In comparing the period differences between dollar amounts or per store counts, a percentage change is used. In comparing the period differences between two percentages, a percentage point (pt.) change is used.



Six Months Ended March 31, 2006 vs. Six Months Ended March 31, 2005

The following table sets forth selected, unaudited, consolidated financial data with respect to the Company for the six-month periods ended March 31, 2006 and 2005 ("Fiscal 2006 Year-to-Date Period" and "Fiscal 2005 Year-to-Date Period," respectively):

	Six Months Ended March 31, (a)		% or Point Change (b)
	2006	2005	
Net revenues:			
Sales	\$ 89,958	\$ 76,583	17.5%
Pawn service charges	31,967	31,351	2.0%
Payday loan service charges	2,255	16,118	(86.0)%
Credit service fees	29,873	--	100%
Other	658	674	(2.4)%
	-----	-----	
Total revenues	154,711	124,726	24.0%
Cost of goods sold	53,998	45,814	17.9%
	-----	-----	
Net revenues	\$100,713	\$ 78,912	27.6%
	=====	=====	
Other data:			
Gross margin on sales	40.0%	40.2%	(0.2) pts.
Average annual inventory turnover	3.3x	3.0x	0.3x
Average inventory per pawn location at period end	\$ 109	\$ 96	13.5%
Average pawn loan balance per pawn location at period end	\$ 139	\$ 143	(2.8)%
Average yield on pawn loan portfolio	140%	143%	(3) pts.
Pawn loan redemption rate	77%	78%	(1) pt.
Signature loan bad debt as a percentage of signature loan revenues	20%	15%	5 pts.
Expenses and income as a percentage of net revenues (%):			
Operations	53.8	59.2	(5.4) pts.
Payday loan bad debt and direct transaction expenses	1.1	3.9	(2.8) pts.
Credit service bad debt and direct transaction expenses	5.7	--	5.7 pts.
Administrative	13.4	14.8	(1.4) pts.
Depreciation and amortization	4.2	5.0	(0.8) pts.
Interest expense, net	0.3	0.8	(0.5) pts.
Income before income taxes	22.6	17.7	4.9 pts.
Net income	14.4	11.3	3.1 pts.
Stores in operation:			
Beginning of period	514	405	
New openings	30	67	
Acquired	1	--	
Sold, combined or closed	(1)	--	
	-----	-----	
End of period	544	472	
	=====	=====	
Average number of stores during the period	523	439	
Composition of ending stores:			
EZPAWN locations	281	280	
EZMONEY signature loan locations adjoining EZPAWNS	165	135	
EZMONEY signature loan locations - free standing	98	57	
	-----	-----	
Total stores in operation	544	472	
	=====	=====	
EZPAWN locations offering signature loans	83	121	
Total locations offering signature loans	346	313	

(a) In thousands, except percentages, inventory turnover and store count.

(b) In comparing the period differences between dollar amounts or per store counts, a percentage change is used. In comparing the period differences between two percentages, a percentage point (pt.) change is used.

EFFECT OF ADOPTING A NEW ACCOUNTING PRINCIPLE FOR SHARE-BASED COMPENSATION

Prior to October 1, 2005, the Company accounted for its share-based employee compensation plans under the recognition and measurement provisions of Accounting Principles Board Opinion No. 25, "Accounting for Stock Issued to Employees" and related interpretations ("APB 25"), as permitted by Statement of Financial Accounting Standards ("SFAS") No. 123, "Accounting for Stock-based Compensation." For periods prior to October 1, 2005, share-based employee compensation cost was recognized in the Statement of Operations for only restricted stock grants and options granted at prices below market price on the date of grant. Effective October 1, 2005, the Company adopted the fair value recognition provisions of SFAS No. 123(R), "Share-based Payment," using the modified prospective transition method. Under that transition method, compensation cost recognized in all periods subsequent to September 30, 2005 includes (a) compensation cost for all share-based payments granted prior to, but not yet vested as of October 1, 2005, based on the grant date fair value estimated in accordance with the original provisions of SFAS No. 123, and (b) compensation cost for all share-based payments granted on or after October 1, 2005, based on the grant-date fair value estimated in accordance with the provisions of SFAS No. 123(R). The grant-date fair value of options is estimated using the Black-Scholes-Merton option-pricing model and is amortized to expense over the options' vesting periods. In accordance with the modified prospective transition provisions, results for prior periods have not been restated. The Company's net income includes the following compensation costs related to our share-based compensation arrangements:

	Three Months Ended March 31,		Six Months Ended March 31,	
	2006	2005	2006	2005
	(in thousands)			
Gross compensation costs				
Stock options	\$300	\$ --	\$ 855	\$ --
Restricted stock	19	147	38	294
Total gross compensation costs	\$319	\$147	\$ 893	\$ 294
Income tax benefits				
Stock options	\$ --	\$ --	\$ (95)	\$ --
Restricted stock	(7)	(52)	(14)	(104)
Total income tax benefits	\$ (7)	\$(52)	\$(109)	\$(104)
Net compensation expense	\$312	\$ 95	\$ 784	\$ 190
	=====	=====	=====	=====

At March 31, 2006, the unamortized fair value of share-based awards to be amortized over their remaining vesting periods was approximately \$3 million. The weighted average period over which these costs will be amortized is 2.7 years. Based on current outstanding options, the Company expects to recognize share-based compensation expense of approximately \$0.3 million in each of the remaining two quarters of Fiscal 2006. The expense recognized in the first quarter of Fiscal 2006 was higher than the amount expected for the next two quarters due to the acceleration of vesting of certain options in that quarter, in accordance with their terms.

OVERVIEW

The Company is primarily a lender or provider of credit services to individuals who do not have cash resources or access to credit to meet their short-term cash needs. In 281 EZPAWN locations (as of March 31, 2006), the Company offers non-recourse loans collateralized by tangible personal property, commonly known as pawn loans. At these locations, the Company also sells merchandise, primarily collateral forfeited from its pawn lending operations, to consumers looking for good value. In 263 EZMONEY stores and 83 EZPAWN locations (as of March 31, 2006), the Company offers short-term non-collateralized loans, often referred to as payday loans, or fee-based credit services to customers seeking loans (collectively, "signature loans").

The income earned on pawn lending is pawn service charge revenue. While allowable service charges vary by state and loan size, a majority of the Company's loans are in amounts that permit pawn service charges of 20% per month, or 240% annually. The Company's average pawn loan amount ranges between \$70 and \$85 but varies depending on the valuation of each item pawned. The loan term ranges between 60 and 120 days, consisting of the regulated term and grace period.



In August and November 2005, the Company began reducing the loan term on pawn loans from 90 to 60 days in 67 and 148 of its pawn locations, respectively. Forty-three locations had previously made the change. The Company believes this change reduced its pawn portfolio approximately 15% for the loans in these stores that were between 60 and 90 days old, with very little or no impact on earned pawn service charge revenues. This change also created a one-time doubling of forfeitures as loans made 90 and 60 days earlier simultaneously forfeited for a 30-day period, resulting in a higher level of inventory available for sale (beginning inventory plus forfeitures and purchases). In the 67 stores converted in August 2005, the Company experienced this doubling of forfeitures as loans matured during the quarter ended December 31, 2005. In the 148 stores converted in November 2005, the Company experienced this doubling of forfeitures as loans matured during the quarter ended March 31, 2006. As a result, inventory available for sale increased over the prior year period 11% and 16% for the December and March quarters.

In its pawnshops, the Company acquires inventory for its retail sales through pawn loan forfeitures and, to a lesser extent, through purchases of customers' merchandise. The realization of gross profit on sales of inventory depends primarily on the Company's assessment of the resale value at the time the property is either accepted as loan collateral or purchased. Improper assessment of the resale value in the lending or purchasing process can result in the realization of a lower margin or reduced marketability of the property.

On July 15, 2005, the EZMONEY stores located in Texas ceased marketing payday loans and began providing fee-based credit services to consumers in obtaining loans from an unaffiliated lender. At March 31, 2006, 225 of the Company's 263 EZMONEY stores and 51 of the Company's 281 pawn stores offered credit services. The Company does not participate in the loans made by the lender, but typically earns a fee of 20% of the loan amount for assisting the customer in obtaining credit and by enhancing the borrower's creditworthiness through the issuance of a letter of credit. The Company also offers an optional service to improve or establish customers' credit histories by reporting their payments to an external credit-reporting agency. The average loan obtained by the Company's credit service customers is approximately \$460 and the term is generally less than 30 days, averaging about 18 days.

The Company earns payday loan service charge revenue on its payday loans. In 70 of its locations, the Company makes payday loans in compliance with state law. Through December 2005, the Company also marketed and serviced payday loans made by County Bank of Rehoboth Beach ("County Bank"), a federally insured Delaware bank in some of its locations. After origination of the loans, the Company could purchase a 90% participation in the loans made by County Bank and marketed by the Company. As of December 31, 2005, County Bank no longer maintains a payday loan program. Most of these locations now provide credit services to consumers in obtaining loans from an unaffiliated lender. The average payday loan amount is approximately \$390 and the term is generally less than 30 days, averaging about 20 days. The service charge per \$100 loaned ranges from \$15 to \$20 for a 7 to 23-day period.

In the Fiscal 2006 Second Quarter compared to the Fiscal 2005 Second Quarter, the Company saw significant growth in its signature loan contribution and an increase in the gross profit on sales. Somewhat offsetting this was higher operating costs, primarily due to newly opened stores, and administrative costs. The Company's net income improved to \$7.7 million in the Fiscal 2006 Second Quarter from \$4.0 million in the Fiscal 2005 Second Quarter.

## RESULTS OF OPERATIONS

Second Quarter Ended March 31, 2006 vs. Second Quarter Ended March 31, 2005

The following discussion compares the results of operations for the Fiscal 2006 Second Quarter to the Fiscal 2005 Second Quarter. The discussion should be read in conjunction with the accompanying financial statements and related notes.

The Company's Fiscal 2006 Second Quarter pawn service charge revenue increased 5.3%, or \$0.8 million from the Fiscal 2005 Second Quarter to \$15.5 million. This increase was due to a five percentage point improvement in loan yields to 149% and a 1.9% higher average pawn loan balance during the Fiscal 2006 Second Quarter. During the last twelve months, the Company raised its loan values on gold jewelry in response to an increase in gold market values and similar changes by its competitors. This contributed approximately \$0.5 million to the increase in pawn service charges in the Fiscal 2006 Second Quarter. Although the average pawn loan balance was higher, the ending pawn loan balance was 2.6% lower than at March 31, 2005. The higher yield and lower ending pawn portfolio



resulted largely from the conversion of 148 pawn stores from offering 90-day loan terms to offering 60-day terms, as discussed above.

In the Fiscal 2006 Second Quarter, 114.5% (\$17.7 million) of recorded pawn service charge revenue was collected in cash offset by a \$2.2 million decrease in accrued pawn service charges receivable. In the comparable Fiscal 2005 Second Quarter, 111.9% (\$16.4 million) of recorded pawn service charge revenue was collected in cash offset by a \$1.7 million decrease in accrued pawn service charges receivable. This pattern is consistent with the seasonal nature of the pawn lending business. The accrual of pawn service charges is dependent on the size of the loan portfolio and the Company's estimate of collectible loans in its portfolio at the end of each quarter. Consistent with prior year treatment, the Company decreased its estimate of collectible loans at March 31, 2006 in anticipation of lower loan redemptions following the income tax refund season.

Sales increased \$7.3 million in the Fiscal 2006 Second Quarter compared to the Fiscal 2005 Second Quarter, to \$47.6 million. The increase was primarily due to a \$5.5 million increase in same store merchandise sales and a \$1.6 million increase in jewelry scrapping sales driven by increased gold prices. The increase in merchandise sales is largely due to the higher levels of loan forfeitures available for sale during the Fiscal 2006 Second Quarter compared to the Fiscal 2005 Second Quarter. As described above, 148 stores shortened their pawn loan term from 90 days to 60 days in the Fiscal 2006 Second Quarter. This created a one-time doubling of pawn loan forfeitures for a thirty-day period in the affected stores. This doubling of loan forfeitures and a higher average pawn loan balance produced the higher levels of inventory available for sale. The table below summarizes the sales volume, gross profit, and gross margins on the Company's sales:

	Quarter Ended March 31,	
	2006	2005
	-----	-----
	(Dollars in millions)	
Merchandise sales	\$39.0	\$33.3
Jewelry scrapping sales	8.6	7.0
	-----	-----
Total sales	\$47.6	\$40.3
Gross profit on merchandise sales	\$16.3	\$14.3
Gross profit on jewelry scrapping sales	\$ 3.0	\$ 2.0
Gross margin on merchandise sales	41.7%	43.0%
Gross margin on jewelry scrapping sales	35.1%	29.1%
Overall gross margin	40.5%	40.6%

The Fiscal 2006 Second Quarter overall gross margin on sales decreased 0.1 of a percentage point from the Fiscal 2005 Second Quarter to 40.5%. This resulted primarily from a 1.3 percentage point decrease in margins on merchandise sales due to less efficient liquidation of aged general merchandise in the Fiscal 2006 Second Quarter and the resulting increase in the inventory valuation reserve. During the Fiscal 2006 Second Quarter, the inventory valuation allowance was increased \$0.4 million. In the comparable Fiscal 2005 Second Quarter, the inventory valuation allowance was increased \$0.1 million. Changes in the inventory valuation allowance are recorded in cost of goods sold, directly impacting the Company's gross margins. Offsetting the decrease in margins on merchandise sales was a 6.0 percentage point increase in margins on jewelry scrapping sales. Inventory shrinkage, included in the merchandise cost of goods sold, improved to 1.0% of merchandise sales in the Fiscal 2006 Second Quarter, compared to 1.5% in the Fiscal 2005 Second Quarter.

In the Fiscal 2006 Second Quarter, the Company raised its retail prices on gold jewelry in response to higher gold values. The Company also increased the amount it paid to purchase jewelry from customers and loaned on jewelry, which resulted in a higher cost of goods as those loans defaulted and the collateral was sold. The net effect increased gross profit on merchandise sales approximately \$0.2 million and jewelry scrapping sales approximately \$1.4 million. The increase in gross profit from jewelry scrapping sales was partially offset by a decrease in the total gold weight scrapped in the Fiscal 2006 Second Quarter compared to the Fiscal 2005 Second Quarter.

Signature loan data are as follows:

	Quarter Ended March 31,	
	2006	2005
	-----	-----
	(Dollars in thousands)	
Service charge revenue	\$15,554	\$ 7,828
Bad debt:		
Net defaults, including interest and insufficient funds fees on brokered loans	(2,568)	(1,209)
Change in valuation allowance	626	(15)
Other related costs, net of insufficient funds fees collected	(215)	48
	-----	-----
Net bad debt	(2,157)	(1,176)
Direct transaction expenses	(168)	(319)
Operating expenses at EZMONEY stores	(6,318)	(2,819)
Depreciation and amortization at EZMONEY stores	(308)	(140)
Collection and call center costs (included in administrative expense)	(383)	(393)
	-----	-----
Contribution to operating income	\$ 6,220	\$ 2,981
	=====	=====
Average signature loan balance outstanding during quarter (a)	\$14,600	\$ 7,819
Signature loan balance at end of quarter (a)	\$13,547	\$ 7,711
Participating locations at end of quarter	346	313
Signature loan bad debt, as a percent of service charge revenue	14%	15%
Direct transaction expenses, as a percent of service charge revenue	1%	4%
Net default rate (a) (b)	3.3%	2.9%

(a) Signature loan balances include payday loans recorded on the Company's balance sheet and the principal portion of active brokered loans outstanding from independent lenders, the balance of which is not included on the Company's balance sheet.

(b) Principal defaults net of collections, as a percentage of signature loans made and renewed.

The Contribution to operating income presented above includes the effect of incremental operating expenses at EZMONEY stores. Shared operating costs at adjoined EZMONEY stores, such as rent and labor, have been excluded from these figures.

Signature loan service charge revenue increased 99% from the Fiscal 2005 Second Quarter primarily due to higher average loan balances at existing stores and the addition of new EZMONEY stores. In the Fiscal 2006 Second Quarter, 104.3% (\$16.2 million) of recorded signature loan service charge revenue was collected in cash, offset by a \$0.7 million decrease in accrued signature loan service charges receivable, as is seasonally expected. In the comparable Fiscal 2005 Second Quarter, 102.4% (\$8.0 million) of recorded signature loan service charge revenue was collected in cash, offset by a \$0.2 million decrease in accrued signature loan service charges receivable.

Although signature loan bad debt increased in dollar terms, it improved to 14% of related revenues in the Fiscal 2006 Second Quarter, compared to 15% in the Fiscal 2005 Second Quarter. Direct transaction expenses also improved to 1% of related revenues, from 4% in the Fiscal 2005 Second Quarter. The higher transaction expenses in the prior year period related primarily to loans offered by County Bank, which the Company no longer markets.

The Company provides a valuation allowance for expected losses on signature loans and the related fees receivable. Due to the short-term nature of these loans, the Company uses recent net default rates and anticipated seasonal changes in the default rate as the basis for its valuation allowance. At March 31, 2006, the valuation allowance was 26% of signature loan fees receivable (4.8% of the outstanding signature loan principal and fees receivable), compared to 29% of signature loan fees receivable (4.9% of the outstanding signature loan principal and fees receivable) at March 31, 2005.

Operations expense improved to 55.1% of net revenues (\$27.9 million) in the Fiscal 2006 Second Quarter from 61.2% of net revenues (\$24.0 million) in the Fiscal 2005 Second Quarter. Of the total dollar increase of \$3.9 million, \$3.5 million related to the growth in EZMONEY stores.

Administrative expenses in the Fiscal 2006 Second Quarter were \$6.7 million compared to \$5.8 million in the Fiscal 2005 Second Quarter, a decrease of 1.6 percentage points when measured as a percent of net revenue. The dollar increase was due primarily to a \$0.7 million increase in administrative labor and benefits and a \$0.2 million increase in stock compensation recognized as a result of adopting SFAS No. 123(R), as described above.

Depreciation and amortization expense was \$2.1 million in Second Quarter of Fiscal 2006 and 2005. Depreciation on new assets placed in service was offset by the reduction of depreciation on assets that became fully depreciated in the period.

In the Fiscal 2006 Second Quarter, interest expense decreased to \$41,000 from \$275,000 in the Fiscal 2005 Second Quarter. The Company had no debt throughout the Fiscal 2006 Second Quarter, compared to an average debt balance of \$14.5 million and an ending debt balance of \$6.8 million in the Fiscal 2005 Second Quarter. Although the Company had no debt outstanding in the Fiscal 2006 Second Quarter, it paid a \$37,500 commitment fee on its line of credit, and amortized \$88,000 of deferred financing costs. These amounts are recorded as interest expense. These expenses were partially offset by interest earned on invested cash. The Company's deferred financing costs are now fully amortized; however, the Company is obligated to pay \$37,500 in commitment fee quarterly until its credit agreement matures April 1, 2007.

The Fiscal 2006 Second Quarter income tax expense was \$4.4 million (36.4% of pretax income) compared to \$2.2 million (36.0% of pretax income) for the Fiscal 2005 Second Quarter. The increase in effective tax rate between these periods is due to the recognition of non-deductible expense for incentive stock options (from the SFAS No. 123(R) adoption) expected for the year. This was offset by a decrease in expected state taxes and the smaller impact other non-deductible items are expected to have on increased earnings in the year ending September 30, 2006.

Operating income for the Fiscal 2006 Second Quarter increased \$5.7 million from the Fiscal 2005 Second Quarter to \$11.5 million, primarily due to the \$3.2 million greater contribution from signature loans, the \$2.9 million increase in gross profit from sales, and the \$0.8 million increase in pawn service charges, offset by a \$0.9 million increase in administrative expenses. After a \$2.2 million increase in income taxes related to the increased earnings and other smaller items, net income improved to \$7.7 million in the Fiscal 2006 Second Quarter from \$4.0 million in the Fiscal 2005 Second Quarter.

Six Months Ended March 31, 2006 vs. Six Months Ended March 31, 2005

The following discussion compares the results of operations for the Fiscal 2006 Year-to-Date Period to the Fiscal 2005 Year-to-Date Period. The discussion should be read in conjunction with the accompanying financial statements and related notes.

The Company's Fiscal 2006 Year-to-Date Period pawn service charge revenue increased 2.0%, or \$1.6 million from the Fiscal 2005 Year-to-Date Period to \$32.0 million. This increase was due to a 4.1% increase in the average pawn loan balance during the period, offset by a three percentage point decrease in loan yields, to 140%. During the last twelve months, the Company raised its loan values on gold jewelry in response to an increase in gold market values and similar changes by its competitors. This contributed approximately \$1.3 million to the increase in pawn service charges in the Fiscal 2006 Year-to-Date Period. Although the average pawn loan balance was higher, the ending pawn loan balance was 2.6% lower than at March 31, 2005. The lower ending pawn portfolio resulted largely from the Fiscal 2006 conversion of 215 pawn stores from offering 90-day loan terms to offering 60-day terms, as discussed above.

In the Fiscal 2006 Year-to-Date Period, 109.1% (\$34.9 million) of recorded pawn service charge revenue was collected in cash, offset by a \$2.9 million decrease in accrued pawn service charges receivable. In the Fiscal 2005 Year-to-Date Period, 103.1% (\$32.3 million) of recorded pawn service charge revenue was collected in cash offset by a \$1.0 million decrease in accrued pawn service charges receivable. This pattern is consistent with the seasonal nature of the pawn lending business. The ending pawn service charge accrual in the Fiscal 2006 Year-to-Date Period was also affected by the shorter loan term offered in 215 pawn stores. The accrual of pawn service charges is dependent on the size of the loan portfolio and the Company's estimate of collectible loans in its portfolio at the end of each quarter. Consistent with prior year treatment, the Company decreased its estimate of collectible loans at March 31, 2006 in anticipation of lower loan redemptions following the income tax refund season.

Sales increased \$13.4 million in the Fiscal 2006 Year-to-Date Period compared to the Fiscal 2005 Year-to-Date Period, to \$90.0 million. The increase was primarily due to a \$9.1 million increase in same store merchandise sales and a \$4.0 million increase in jewelry scrapping sales, driven by increased gold prices. The increase in merchandise sales is largely due to the higher levels of loan forfeitures available for sale during the Fiscal 2006 Year-to-Date Period compared to the Fiscal 2005 Year-to-Date Period. As described above, 215 stores shortened their pawn loan term from 90 days to 60 days in the Fiscal 2006 Year-to-Date Period. This created a one-time doubling of pawn loan forfeitures for a thirty-day period in the affected stores. This doubling of loan forfeitures and a higher average pawn loan balance produced the higher levels of inventory available for sale. The table below summarizes the sales volume, gross profit, and gross margins on the Company's sales:

	Six Months Ended March 31,	
	----- 2006	2005 -----
	(Dollars in millions)	
Merchandise sales	\$74.7	\$65.3
Jewelry scrapping sales	15.3	11.3
	-----	-----
Total sales	\$90.0	\$76.6
Gross profit on merchandise sales	\$31.1	\$27.6
Gross profit on jewelry scrapping sales	\$ 4.8	\$ 3.2
Gross margin on merchandise sales	41.7%	42.2%
Gross margin on jewelry scrapping sales	31.5%	28.4%
Overall gross margin	40.0%	40.2%

The Fiscal 2006 Year-to-Date Period overall gross margin on sales decreased 0.2 of a percentage point from the Fiscal 2005 Year-to-Date Period to 40.0%. The 0.5 of a percentage point decrease in merchandise sales margins was largely offset by a 3.1 percentage point increase in the gross margin on jewelry scrapping sales. Included in the Fiscal 2006 Year-to-Date cost of goods sold is a \$0.7 million increase in the inventory valuation allowance, compared to a \$0.5 million increase in the comparable Fiscal 2005 Year-to-Date Period. Inventory shrinkage, included in the merchandise cost of goods sold, improved to 1.1% of merchandise sales in the Fiscal 2006 Year-to-Date Period, compared to 1.6% in the Fiscal 2005 Year-to-Date Period.

In the Fiscal 2006 Year-to-Date Period, the Company raised its retail prices on gold jewelry in response to higher gold values. The Company also increased the amount it paid to purchase jewelry from customers and loaned on jewelry, which resulted in a higher cost of goods as those loans defaulted and the collateral was sold. The net effect increased gross profit on merchandise sales approximately \$0.4 million and jewelry scrapping sales approximately \$1.8 million.

Signature loan data are as follows:

	Six Months Ended March 31,	
	----- 2006	2005 -----
	(Dollars in thousands)	
Service charge revenue	\$ 32,128	\$16,118
Bad debt:		
Net defaults, including interest and insufficient funds fees on brokered loans	(6,821)	(3,447)
Change in valuation allowance	867	93
Sale of older bad debt (c)	--	905
Other related costs, net of insufficient funds fees collected	(577)	87
	-----	-----
Net bad debt	(6,531)	(2,362)
Direct transaction expenses	(330)	(742)
Operating expenses at EZMONEY stores	(12,508)	(5,140)
Depreciation and amortization at EZMONEY stores	(563)	(243)
Collection and call center costs (included in administrative expense)	(755)	(732)
	-----	-----
Contribution to operating income	\$ 11,441	\$ 6,899
	=====	=====
Average signature loan balance outstanding during period (a)	\$ 14,000	\$ 7,555
Signature loan balance at end of period (a)	\$ 13,547	\$ 7,711
Participating locations at end of period	346	313
Signature loan bad debt, excluding sale of older bad debt, as a percent of service charge revenue (c)	20%	20%
Signature loan bad debt, as a percent of service charge revenue	20%	15%
Direct transaction expenses, as a percent of service charge revenue	1%	5%
Net default rate (a) (b)	4.2%	2.9%
Net default rate, excluding sale of older bad debt (a) (b) (c)	4.2%	3.9%

(a) Signature loan balances include payday loans recorded on the Company's balance sheet and the principal portion of active brokered loans outstanding from independent lenders, the balance of which is not included on the Company's balance sheet.

(b) Principal defaults net of collections, as a percentage of signature loans made and renewed.

(c) Older bad debts were originated between fiscal 2001 and fiscal 2004.

The Contribution to operating income presented above includes the effect of incremental operating expenses at EZMONEY stores. Shared operating costs at adjoined EZMONEY stores, such as rent and labor, have been excluded from these figures.

Signature loan service charge revenue increased 99% from the Fiscal 2005 Year-to-Date Period primarily due to higher average loan balances at existing stores and the addition of new EZMONEY stores. In the Fiscal 2006 Year-to-Date Period, 101.1% (\$32.5 million) of recorded signature loan service charge revenue was collected in cash, offset by a \$0.4 million decrease in accrued signature loan service charges receivable. In the comparable Fiscal 2005 Year-to-Date Period, 99.4% (\$16.0 million) of recorded signature loan service charge revenue was collected in cash, and 0.6% (\$0.1 million) was due to an increase in accrued signature loan service charges receivable.

Signature loan bad debt remained unchanged at 20% of related revenues in the Fiscal 2006 Year-to-Date Period, compared to the Fiscal 2005 Year-to-Date Period excluding the sale of older bad debt. In December 2004, the Company sold its older bad debt (originated between fiscal 2001 and fiscal 2004) to an outside agency for net proceeds of approximately \$0.9 million. Including the benefit of this sale, signature loan bad debt was 15% of related revenues in the Fiscal 2005 Year-to-Date Period. Generally on a weekly basis, the Company now sells bad debt as it ages beyond 60 days. The Company believes that, in today's market, selling this debt is more efficient than other alternatives.

Signature loan direct transaction expenses improved to 1% of related revenues, from 5% in the Fiscal 2005 Year-to-Date Period. The higher transaction expenses in the prior year period related primarily to loans offered by County Bank, which the Company no longer markets.



The Company provides a valuation allowance for expected losses on signature loans and the related fees receivable. Due to the short-term nature of these loans, the Company uses recent net default rates and anticipated seasonal changes in the default rate as the basis for its valuation allowance. At March 31, 2006, the valuation allowance was 26% of signature loan fees receivable (4.8% of the outstanding signature loan principal and fees receivable), compared to 29% of signature loan fees receivable (4.9% of the outstanding signature loan principal and fees receivable) at March 31, 2005.

Operations expense improved to 53.8% of net revenues (\$54.2 million) in the Fiscal 2006 Year-to-Date Period from 59.2% of net revenues (\$46.7 million) in the Fiscal 2005 Year-to-Date Period. Of the total dollar increase of \$7.5 million, \$7.4 million related to the growth in EZMONEY stores.

Administrative expenses in the Fiscal 2006 Year-to-Date Period were \$13.5 million compared to \$11.7 million in the Fiscal 2005 Year-to-Date Period, a decrease of 1.4 percentage points when measured as a percent of net revenue. The dollar increase was due primarily to a \$1.4 million increase in administrative labor and benefits and a \$0.6 million increase in stock compensation recognized as a result of adopting SFAS No. 123(R), as described above.

Depreciation and amortization expense was \$4.3 million in the Fiscal 2006 Year-to-Date Period compared to \$4.0 million in the Fiscal 2005 Year-to-Date Period. Depreciation on new assets placed in service, primarily related to the construction of new EZMONEY stores, exceeded the reduction of depreciation on assets that became fully depreciated or were retired in the period.

In the Fiscal 2006 Year-to-Date Period, interest expense decreased to \$0.3 million from \$0.6 million in the Fiscal 2005 Year-to-Date Period. The Company had an average outstanding debt balance of \$3.0 million in the Fiscal 2006 Year-to-Date Period and ended debt-free, compared to an average debt balance of \$18.3 million and ending debt of \$6.8 million in the prior year period. The Company is obligated to pay \$37,500 in commitment fee quarterly until its credit agreement matures April 1, 2007.

The Fiscal 2006 Year-to-Date Period income tax expense was \$8.3 million (36.4% of pretax income) compared to \$5.0 million (36.0% of pretax income) for the Fiscal 2005 Year-to-Date Period. The increase in effective tax rate between these periods is due to the recognition of non-deductible expense for incentive stock options (from the SFAS No. 123(R) adoption) expected for the year. This was offset by a decrease in expected state taxes and the smaller impact other non-deductible items are expected to have on increased earnings in the year ending September 30, 2006.

Operating income for the Fiscal 2006 Year-to-Date Period increased \$8.4 million from the Fiscal 2005 Year-to-Date Period to \$21.9 million, primarily due to the \$5.2 million increase in gross profit from sales, the \$4.5 million greater contribution from signature loans, and the \$0.6 million increase in pawn service charges, offset by a \$1.9 million increase in administrative expenses. After a \$3.3 million increase in income taxes related to the increased earnings and other smaller items, net income improved to \$14.5 million in the Fiscal 2006 Year-to-Date Period from \$8.9 million in the Fiscal 2005 Year-to-Date Period.

#### LIQUIDITY AND CAPITAL RESOURCES

In the Fiscal 2006 Year-to-Date Period, the Company's \$18.8 million cash flow from operations consisted of (i) net income plus several non-cash items, aggregating to \$19.2 million, offset by (ii) \$0.4 million of changes in operating assets and liabilities. In the Fiscal 2005 Year-to-Date Period, the Company's \$11.3 million cash flow from operations consisted of (i) net income plus several non-cash items, aggregating to \$14.5 million, offset by (ii) \$3.2 million of changes in operating assets and liabilities, primarily accrued expenses, federal income taxes, prepaid expenses, and other assets.

The Company's investing activities provided \$8.2 million of cash during the Fiscal 2006 Year-to-Date Period, consisting primarily of the \$14.3 million excess of pawn loan repayments and principal recovery through the sale of forfeited collateral over pawn loans made and the \$0.6 million of dividends received from an unconsolidated affiliate. Partially offsetting this was \$4.4 million invested in property and equipment, \$1.6 million used to acquire a pawn store, and \$0.8 million invested in payday loans net of repayments. Cash flows from operations and investing activities, as well as \$1.9 million received from the exercise of stock options and warrants, funded the \$7.0 million debt reduction during the Fiscal 2006 Year-to-Date Period, and increased the cash on hand by \$21.9 million.

Below is a summary of the Company's cash needs to meet its future aggregate contractual obligations (in thousands):

Contractual Obligations	Payments due by Period				
	Total	Less than 1 year	1-3 years	3-5 years	More than 5 years
Long-term debt obligations	\$ --	\$ --	\$ --	\$ --	\$ --
Interest and commitment fee on long-term obligations	186	186	--	--	--
Capital lease obligations	--	--	--	--	--
Operating lease obligations	98,675	15,362	26,634	19,906	36,773
Purchase obligations	--	--	--	--	--
Other long-term liabilities	--	--	--	--	--
<b>Total</b>	<b>\$98,861</b>	<b>\$15,548</b>	<b>\$26,634</b>	<b>\$19,906</b>	<b>\$36,773</b>

In addition to the contractual obligations in the table above, the Company is obligated under letters of credit issued to unaffiliated lenders as part of its credit service operations. At March 31, 2006, the Company's maximum exposure for losses on letters of credit, if all brokered loans defaulted and none was collected, was \$12.9 million. This amount includes principal, interest, and insufficient funds fees.

In the remaining six months of the fiscal year ending September 30, 2006, the Company also plans to open an additional 80 to 90 EZMONEY stores for an expected aggregate capital expenditure of approximately \$3.0 million, plus the funding of working capital and start-up losses at these stores. While the Company anticipates that these new stores will increase future earnings, it expects they will have a negative effect on earnings and cash flow in their first year of operation.

The Company had no debt outstanding at March 31, 2006. The Company's credit agreement provides for a \$40 million revolving credit facility, secured by the Company's assets, and matures April 1, 2007. Under the terms of the agreement, the Company had the ability to borrow \$28.0 million at March 31, 2006, after allowing for \$12.0 million in the principal portion of letters of credit issued under its credit service program. Terms of the agreement require, among other things, that the Company meet certain financial covenants. Payment of dividends and additional debt are allowed but restricted. Although the Company had no outstanding debt at March 31, 2006, it remains contractually obligated to pay the line of credit commitment fee, including \$36,000 accrued commitment fee at March 31, 2006. These amounts are included in the contractual obligations table above, assuming the current outstanding balance, interest rate, and commitment fee will be applicable through the maturity of the credit agreement on April 1, 2007. The outstanding debt balance fluctuates based on cash needs and the interest rate varies in response to the Company's leverage ratio.

The Company anticipates that cash flow from operations, cash on hand, and availability under its revolving credit agreement will be adequate to fund its contractual obligations, planned store growth, capital expenditures, and working capital requirements during the coming year.

#### SEASONALITY

Historically, service charge revenues are highest in the Company's first fiscal quarter (October through December) due to improving loan redemption rates coupled with a higher average loan balance following the summer lending season. Sales generally are highest in the Company's first and second fiscal quarters (October through March) due to the holiday season and the impact of tax refunds. Sales volume can be heavily influenced by the timing of decisions to scrap excess jewelry inventory, which generally occurs during low jewelry sales periods (May through October). The net effect of these factors is that net revenues and net income typically are highest in the first and second fiscal quarters. The Company's cash flow typically is greatest in its second fiscal quarter primarily due to a high level of loan redemptions and sales in the income tax refund season.



## USE OF ESTIMATES AND ASSUMPTIONS

Management's Discussion and Analysis of Financial Condition and Results of Operations is based upon the Company's condensed consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States for interim financial information. The preparation of these financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses, and related disclosure of contingent assets and liabilities. On an on-going basis, management evaluates its estimates and judgments, including those related to revenue recognition, inventory, allowance for losses on signature loans, long-lived and intangible assets, income taxes, contingencies and litigation. Management bases its estimates on historical experience, observable trends, and various other assumptions that are believed to be reasonable under the circumstances. Management uses this information to make judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ materially from the estimates under different assumptions or conditions.

### ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The following discussion about the Company's market risk disclosures involves forward-looking statements. Actual results could differ materially from those projected in the forward-looking statements. The Company is exposed to market risk related to changes in foreign currency exchange rates and gold values. The Company also is exposed to regulatory risk in relation to its credit services and payday loans. The Company does not use derivative financial instruments.

The Company's earnings and financial position may be affected by changes in gold values and the resulting impact on pawn lending and jewelry sales. The proceeds of scrap sales and the Company's ability to liquidate excess jewelry inventory at an acceptable margin are dependent upon gold values. The impact on the Company's financial position and results of operations of a hypothetical change in gold values cannot be reasonably estimated. For further discussion, readers should see "Risk Factors" in Part II, Item 1A of this quarterly report on Form 10-Q.

The Company's earnings and financial position are affected by foreign exchange rate fluctuations related to its equity investment in A&B. A&B's functional currency is the U.K. pound. The U.K. pound exchange rate can directly and indirectly impact the Company's results of operations and financial position in several ways. For example, a devalued pound could result in an economic recession in the U.K., which in turn could impact A&B's and the Company's results of operations and financial position. The impact on the Company's results of operations and financial position of a hypothetical change in the exchange rate between the U.S. dollar and the U.K. pound cannot be reasonably estimated due to the interrelationship of operating results and exchange rates. The translation adjustment representing the weakening in the U.K. pound during the quarter ended December 31, 2005 (included in the Company's March 31, 2006 results on a three-month lag as described above) was approximately a \$160,000 decrease, net of tax effect, to stockholders' equity. On March 31, 2006, the U.K. pound strengthened to 1.00 to 1.7398 U.S. dollars from 1.7208 at December 31, 2005. No assurance can be given as to the future valuation of the U.K. pound and how further movements in the pound could affect future earnings or the financial position of the Company.

#### FORWARD-LOOKING INFORMATION

This Quarterly Report on Form 10-Q, including Management's Discussion and Analysis of Financial Condition and Results of Operations, includes "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. The Company intends that all forward-looking statements be subject to the safe harbors created by these laws. All statements other than statements of historical information provided herein are forward-looking and may contain information about financial results, economic conditions, trends, planned store openings, and known uncertainties. These statements are often, but not always, made through the use of words or phrases such as "may," "should," "could," "predict," "potential," "believe," "expect," "anticipate," "seek," "estimate," "intend," "plan," "projection," "outlook," "expect," and similar expressions. All forward-looking statements are based on current expectations regarding important risk factors. Many of these risks and uncertainties are beyond the Company's control, and in many cases, the Company cannot predict all of the risks and uncertainties that could cause its actual results to differ materially from those expressed in the forward-looking statements. Actual results could differ materially from those expressed in the forward-looking statements, and readers should not regard those statements as a representation by the Company or any other person that the results expressed in the statements will be achieved. Important risk factors that could cause results or events to differ from current expectations are described in Item 1A, "Risk Factors," of this Quarterly Report on Form 10-Q and in the section entitled "Risk Factors" in our Annual Report on Form 10-K for the year ended September 30, 2005. These factors are not intended to be an all-encompassing list of risks and uncertainties that may affect the operations, performance, development and result of the Company's business. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof. The Company undertakes no obligation to release publicly the results of any revisions to these forward-looking statements which may be made to reflect events or circumstances after the date hereon, including without limitation, changes in the Company's business strategy or planned capital expenditures, store growth plans, or to reflect the occurrence of unanticipated events.

#### ITEM 4. CONTROLS AND PROCEDURES

##### (a) Evaluation of Disclosure Controls and Procedures.

Under the supervision and with the participation of the Company's Chief Executive Officer and Chief Financial Officer, management of the Company has evaluated the effectiveness of the design and operation of the Company's disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934) as of March 31, 2006 ("Evaluation Date"). Based upon that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that, as of the Evaluation Date, the Company's disclosure controls and procedures are effective to ensure that information required to be disclosed by the Company in reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in Securities and Exchange Commission rules and forms.

##### (b) Changes in Internal Controls

There were no changes in the Company's internal controls that occurred during the Company's last fiscal quarter that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II

ITEM 1. LEGAL PROCEEDINGS

From time to time, the Company is involved in litigation and regulatory actions. Currently, the Company is a defendant in several actions. While the ultimate outcome of these actions cannot be determined, after consultation with counsel, the Company believes the resolution of these actions will not have a material adverse effect on the Company's financial condition, results of operations, or liquidity. However, there can be no assurance as to the ultimate outcome of these actions.

ITEM 1A. RISK FACTORS

Important risk factors that could cause results or events to differ from current expectations are described in Part I, Item 1A, "Risk Factors" of the Company's Annual Report on Form 10-K for the year ended September 30, 2005. These factors are supplemented by those discussed under "Quantitative and Qualitative Disclosures about Market Risk" in Part I, Item 3 of this Quarterly Report on Form 10-Q, in Part II, Item 7A of the Company's Annual Report on Form 10-K for the year ended September 30, 2005, and in the following item:

- - THE COMPANY'S EARNINGS AND FINANCIAL POSITION ARE AFFECTED BY CHANGES IN GOLD VALUES AND THE RESULTING IMPACT ON PAWN LENDING AND JEWELRY SALES; A SIGNIFICANT OR SUDDEN CHANGE IN GOLD VALUES MAY HAVE A MATERIAL IMPACT ON THE COMPANY'S EARNINGS. Sales proceeds and the Company's ability to liquidate excess jewelry inventory at an acceptable margin are dependent upon gold values. The Company periodically changes its lending guidelines on gold jewelry as gold values change and in response to other market factors, such as competitor loan values. The impact on the Company's financial position and results of operations of a hypothetical change in gold values cannot be reasonably estimated because the market and competitive response to changes in gold values is not known; however, changes in gold values would likely lead to changes in sales, sales margins, and pawn service charge revenues.

ITEM 6. EXHIBITS

(a) Exhibit Number -----	Description -----
10.97	Credit Services and Loan Administration Agreement dated April 11, 2006 between Texas EZPAWN, L.P. and NCP Finance Limited Partnership
10.98	Guaranty dated April 11, 2006 from EZCORP, Inc. to NCP Finance Limited Partnership
10.99	Credit Services Organization and Lender Agreement dated April 12, 2006 between Texas EZMONEY, L.P. and Integrity Texas Funding, L.P.
10.100	Credit Services Organization and Lender Agreement dated November 9, 2005 between Texas EZPAWN, L.P. and Integrity Texas Funding, L.P.
10.101	Credit Services Organization and Lender Agreement dated November 30, 2005 between EZPAWN Florida, Inc. and Integrity Florida Funding, L.P.
31.1	Certification of Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2	Certification of Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1	Certification of Chief Executive Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2	Certification of Chief Financial Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

EZCORP, INC.  
(Registrant)

Date: May 10, 2006

By: /s/ DAN N. TONISSEN

-----  
(Signature)

Dan N. Tonissen  
Senior Vice President,  
Chief Financial Officer & Director

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CREDIT SERVICES AND LOAN ADMINISTRATION AGREEMENT  
TEXAS

THIS CREDIT SERVICES AND LOAN ADMINISTRATION AGREEMENT (the "Agreement") is made and entered into as of this 11th day of April, 2006, by and between NCP FINANCE LIMITED PARTNERSHIP, an Ohio limited partnership ("Lender"), and TEXAS EZPAWN, L.P., a Texas limited partnership ("CSO").

## RECITALS

WHEREAS, the parties desire to enter into this Agreement for the purpose of setting forth the terms and conditions which will govern certain business activities and transactions to be provided by CSO and Lender to Borrowers (as defined below) and prospective Borrowers seeking credit services and loans.

WHEREAS, CSO has developed a credit services program pursuant to Chapter 393 of the Texas Finance Code under which CSO will provide credit services including but not limited to assisting Borrowers in obtaining loans. Lender makes unsecured loans to Borrowers at an interest rate not to exceed 10% per annum pursuant to Chapter 302 of the Texas Finance Code. The CSO desires to offer its CSO Program to Borrowers who may be interested in the Loan Program. The duties and obligations of the CSO and Lender relating to the CSO Program and the Loan Program are set forth herein.

NOW, THEREFORE, in consideration of the mutual promises set forth herein and for other good and valuable consideration, Lender and CSO agree as follows:

1. Definitions. Except as may be explicitly stated otherwise herein, the following terms shall have the following meanings ascribed to them below:

"Advertising Materials" means all materials and methods used by CSO in the performance of its marketing and promotion obligations under this Agreement, including, without limitation, brochures, letters, print advertisements, the Internet, television and radio communications and other advertising, promotional and similar materials.

"Borrowers" mean those persons who are borrowers with respect to the Loans.

"CSO Program" means the credit services program of CSO for providing credit services to Borrowers, including the issuance of a letter of credit on behalf of each Borrower to enhance their credit for Loans and brokering Loans for Borrowers to Lender pursuant to this Agreement and to the Program Guidelines in the State of Texas.

"Loans" mean small, short-term, unsecured consumer loans with an interest rate not to exceed 10% per annum made by Lender pursuant to this Agreement with the assistance of CSO pursuant to the Program Guidelines to consumers in the State of Texas.

"Loan Program" means the lending program of Lender for the origination and consummation of Loans pursuant to this Agreement.

"Program Guidelines" means those guidelines established pursuant to Section 7 below for the administration of the CSO Program and the Loan Program.

"Program Materials" means all promissory notes, documents, and materials and methods used in connection with the performance of the parties' obligations under this Agreement, including without limitation applications, disclosures and agreements required by the Rules, promissory notes, privacy policies, collection materials, and the like, but excluding Advertising Materials.

"Regulatory Authorities" means any local, state, or federal regulatory authority having jurisdiction or exercising regulatory or similar oversight with respect to Lender, CSO, or Third Party Service Providers (except that nothing herein shall be deemed to constitute an acknowledgement by any party hereto that any Regulatory Authority has jurisdiction or exercises regulatory or similar oversight with respect to the Loans, the CSO Program and/or the Loan Program or any party hereto with respect to the performance of their respective obligations hereunder).

"Rules" means all local, state, and federal statutes, regulations, or ordinances applicable to the acts of Lender, CSO, or a Third Party Service Provider as they relate to the CSO Program and/or the Loan Program; any order, decision, injunction, or similar pronouncement of any court, tribunal, or arbitration panel issued with respect to Lender, CSO, or a Third Party Service Provider in connection with this Agreement or the CSO Program and/or the Loan Program; and any regulations, policy statements, and any similar pronouncement of a Regulatory Authority applicable to the acts of Lender, CSO, or a Third Party Service Provider as they relate to this Agreement or the CSO Program and the Loan Program, if any.

"Third Party Service Provider" means any contractor or service provider directly or indirectly retained by Lender or CSO, who provides or renders services in connection with the CSO Program and/or the Loan Program.

## 2. General Description of the Loan Program and the CSO Program.

(a) Loan Program. The parties agree that the Loan Program shall consist of the origination, funding, and collection of Loans in accordance with the Program Guidelines to Borrowers at such locations in the State of Texas as CSO may designate from time to time. The parties agree that Lender shall have sole responsibility for establishing credit and underwriting criteria for the Loans, making the decisions as to whether or not to make Loans to prospective Borrowers, funding the Loans, and, subject to the timely performance of CSO's obligations hereunder, managing the Loan Program in accordance with Lender's express obligations under this Agreement and the Program Guidelines. Except as expressly provided below, (a) nothing herein shall be deemed to commit Lender to originate or fund any particular level or number of Loans, and (b) Lender makes no representation as to the amount of funding it will be able to raise for the Loans; provided, however, Lender hereby commits that it will



have no less than \$15,000,000 available to fund Loans that satisfy the Lender's underwriting criteria for making such Loans.

(b) CSO Program. The parties agree that CSO's responsibility under the CSO Program shall be to act as a "credit services organization" (as defined under Chapter 393 of the Texas Finance Code) on behalf of consumers in accordance with the laws of the State of Texas and as such CSO shall have the right to charge each Borrower a fee (a "CSO Fee") for providing credit services to and brokering a Loan on behalf of such Borrower. CSO shall not share with Lender, and Lender shall not accept, any portion of any CSO Fee obtained from a Borrower. The services CSO provides to each Borrower shall be governed by a Credit Services Disclosure Statement ("CSO Disclosure Statement") and a Credit Services Agreement between CSO and each Borrower (each a "CSO Contract"). CSO, in CSO's sole discretion, shall be solely responsible for determining the amount of the CSO Fee, the disclosures set forth in the CSO Disclosure Statement and the terms and conditions of each CSO Contract and CSO shall determine, in CSO's sole discretion, whether or not it is appropriate to offer any particular consumer the opportunity to apply for a Loan. Additionally, nothing herein shall be deemed to commit CSO to broker any particular level or number of applicants for Loans and CSO makes no representation as to the number of Loan applications CSO will submit to Lender on behalf of prospective Borrowers. Furthermore, nothing herein shall be deemed to require CSO to submit to Lender the application of any prospective Borrower to whom CSO has determined not to provide credit services or for whom CSO has determined not to issue a stand-by letter of credit.

(c) Commencement Date. The parties shall endeavor to begin the CSO Program and the Loan Program, and to commence providing credit services and making the Loans hereunder, not later than May 31, 2006.

3. Duties and Responsibilities of Lender. Lender shall perform and discharge the following duties and responsibilities:

- (a) Develop (and from time to time as it determines appropriate, modify) and notify CSO of credit and underwriting criteria determined by Lender, in Lender's sole discretion, to be reasonable and prudent for the Loan Program and the Loans.
- (b) Make a determination, in Lender's sole discretion, as to whether or not to extend a Loan to a prospective Borrower (which determination shall be made on a case by case basis, pursuant to scoring systems or other criteria or models established by Lender).
- (c) Extend credit to Borrowers in the form of Loans and fund the Loans.
- (d) Disburse the proceeds of Loans to Borrowers in the manner set out in the Program Guidelines.
- (e) Manage the Loan Program in accordance with Lender's express obligations under this Agreement and under the Program Guidelines and manage the portfolio of Loans using commercially reasonable standards of care, skill and attention, in each case subject to the timely performance by CSO of CSO's obligations under this Agreement and the Program Guidelines.

- (f) Promptly deliver to CSO all communications received from Borrowers or applicants who are denied a Loan (including, without limitation, information requests and bankruptcy filings) to the extent CSO reasonably needs the same in order to service the Loans as Lender's special limited agent and to perform its other obligations hereunder.
- (g) Generate adverse action notices and other communications that may be required under the Rules to persons who apply for but are denied a Loan, subject to CSO's responsibility as a special limited agent to deliver and manage such adverse action notices as described in the Program Guidelines.
- (h) Refrain from suggesting to any Borrower or prospective Borrowers that Loans are made or approved by CSO or that CSO can improve such person's likelihood of obtaining a Loan.
- (i) Relieve Borrowers from any further payment obligations to Lender with respect to Loans which are paid in full, whether by the Borrowers (through payments remitted to CSO, which in turn are required to be remitted to Lender on behalf of the Borrowers) or in accordance with Section 5 hereof.

4. Duties and Responsibilities of CSO. CSO shall perform and discharge the following duties and responsibilities:

- (a) Develop (and from time to time as it determines appropriate, modify) its credit and underwriting criteria for CSO's credit services, in CSO's sole discretion, to be reasonable and prudent for the CSO Program.
- (b) Make a determination, in CSO's sole discretion, as to whether or not to extend credit services and specifically issue a stand-by letter of credit (each a "LOC") to a prospective Borrower (which determination shall be made on a case by case basis, pursuant to scoring systems or other criteria or models established by CSO).
- (c) Perform certain servicing functions in connection with this Agreement under the Loan Program to the limited extent provided in this Agreement and the Program Guidelines.
- (d) Market and promote the CSO Program and the Loan Program and solicit potential Borrowers in the manner set out in Section 8 below.
- (e) Provide information at each of CSO's locations subject to this Agreement that identifies Lender (either specifically, or generically, as a third-party lender) as the lender of the Loans and such other information as Lender and CSO may mutually agree from time to time, with each party acting in good faith and in a commercially reasonable manner.
- (f) Provide certain disclosures and agreements to each Borrower, including a CSO Disclosure Statement and a CSO Contract, in the manner described in the Program Guidelines.
- (g) Administer the application process for Loans, solicit applications, and assist potential Borrowers in completing applications.

- (h) Transmit Loan applications to the Underwriting System (as defined in Section 11, as instructed by Lender.
- (i) Receive evaluations of Loan applications and the resulting Loan approval or denial decisions from the Underwriting System and forward such decisions to the applicable applicants.
- (j) Print from the LMS and deliver Loan documentation from Lender to Borrowers.
- (k) Deliver Lender's drafts payable to Borrowers for the disbursement of Lender's Loan proceeds to Borrowers.
- (l) As part of its credit services obligations to Borrower, receive from Borrowers payments due to Lender under the Loans, forward to Lender, in the manner specified in Section 6 below, any Loan payments delivered to CSO by Borrowers, and deliver payment receipts to Borrowers. The funds from these payments shall belong to and shall be held in trust for Lender or the recipient designated by Lender.
- (m) Reflect all Loan transactions and track Loan balances on a loan management system ("LMS") and accounting system to be maintained by CSO pursuant to the requirements of Section 11 below.
- (n) Comply with all registration, bonding and other requirements of such Chapter 392 of the Texas Finance Code, and any regulations promulgated thereunder, and with federal laws and regulations applicable to fair debt collection practices, to the extent that any such statutes or regulations are applicable to CSO's activities.
- (o) Ensure that Program Materials used in connection with the CSO Program comply with the Rules applicable thereto.
- (p) As part of the CSO Program and in compliance with the Fair Credit Reporting Act, report to consumer credit reporting agencies Borrowers' credit information and history related to the CSO Program the Loan Program and the Loans.

5. Defaulted Loans. A Loan shall default upon the occurrence of any of the following: (a) the Borrower fails to make any payment when due, (b) the Borrower makes any statement or representation in connection with obtaining a Loan which is false, (c) the Borrower fails to keep any promise or agreement it made to the Lender in any promissory note evidencing a Loan, or (d) the CSO Contract related to such Loan is cancelled for any reason prior to the Lender receiving payment in full on such Loan. Pursuant to each CSO Contract, and regardless of whether the CSO Contract is cancelled, CSO agrees to issue on behalf of each CSO-approved Borrower, and for the benefit of Lender, a LOC for the prompt payment of all amounts due to Lender under each Loan made under the Loan Program. The LOC shall be equal to the amount of principal and interest owed as of the Loan due date and fees accrued and outstanding as of the time Lender makes demand under the LOC, which shall be either (1) at the close of business on the day the Loan defaults, for defaults for which there is no cure period, or (2) immediately after (A) any applicable cure or collection period

expires as provided in the Program Guidelines, (B) the Borrower does not renew, extend or repay in full the Loan and (C) the initiation of an electronic funds transfer on behalf of the Lender does not result in the Loan being paid in full. Each defaulted Loan paid in full by CSO under a LOC shall be marked as "satisfied", as provided in the Program Guidelines.

6. Settlement. The parties agree to settle all amounts due from one party to the other pursuant to this Agreement and the Program Guidelines daily, on each business day on which Lender's and CSO's corporate offices are open for business. Any payment due from one party to the other under this Agreement and the Program Guidelines shall be made by an automatic clearinghouse transfer with next day settlement. Within twenty (20) days after the end of each calendar month, the parties shall prepare a recap and reconciliation of all of the settlements made during that month, and if the reconciliation reveals that one party owes the other an amount necessary to correct an inaccuracy in the previous settlement process, that amount shall be paid immediately. The settlement obligations of the parties under this Agreement and the Program Guidelines shall survive the termination of this Agreement and will remain in effect as long as any Loans remain on the books of Lender. Lender acknowledges and agrees that if it issues its draft to a Borrower for the disbursement of Loan proceeds to that Borrower and CSO then honors that draft, the amount of the draft shall be considered due and owing from Lender to CSO on the date that CSO honors the draft. Pursuant to the requirements of Section 11 below, CSO shall capture and record all relevant data concerning any Loan transaction and prepare appropriate reports and summaries as may be necessary to effect settlement hereunder, facilitate the review and analysis of all Loan activity, and permit Lender to reflect such Loan transactions on its books and records.

7. Program Guidelines. Lender and CSO will mutually agree upon the Program Guidelines in writing from time to time. Except as provided in Section 9 below, the parties may modify the then current Program Guidelines only by means of a written agreement signed by duly authorized representatives of both parties. Both parties agree to act in good faith and in a commercially reasonable manner in connection with the establishment and modification, if any, of the Program Guidelines. The parties agree to perform their duties and responsibilities under this Agreement in accordance with the provisions of the Program Guidelines, as they may be modified from time to time.

8. Program Materials; Advertising Materials; Trade Names and Trademarks. The parties shall each be responsible for preparing their own respective Program Materials; provided, however, prior to the use of any Program Materials prepared by one party, the other party shall be entitled to review and approve such Program Materials in the manner described below. Each party agrees that it will not use any Program Materials unless such Program Materials have been approved in advance by the other party hereto. CSO shall be solely responsible for the creative, design, form, content and development of proposed Advertising Materials concerning advertising and marketing of Loans and solicitation of potential Borrowers. The content of all Advertising Materials shall be subject to the prior review and approval of Lender with respect to compliance with legal and regulatory matters and issues only, in the manner described below. The nature of the Advertising Materials, the scope of their dissemination, and the total expenditures to be made on Advertising Materials for the CSO Program and the Loan Program shall be determined by CSO in its reasonable discretion, and CSO shall pay all expenses concerning the production, use, and dissemination of Advertising Materials. Notwithstanding anything herein to the contrary, each party agrees

that it will respond in writing to any request from the other party for an approval of any Advertising Materials or Program Materials within five (5) business days following such other party's receipt of such materials and any such materials shall be deemed approved by such other party upon the earlier to occur of (a) the actual approval of such materials, or (b) upon the expiration of the above-described five (5) business day period if the party whose approval is being sought fails to timely approve or disapprove such materials within such five (5) business day period. If a party disapproves any proposed Program Materials or Advertising Materials within the required time frame, such party will detail its reasons for such disapproval in such party's written disapproval notice to the other party. A party hereto may at any time retract or modify any approval previously given by it with respect to any Program Materials or Advertising Materials if such action is necessary in order to remain in compliance with the Rules; provided, however, no party shall retract or modify a previously granted approval if there has been no intervening change in the Rules which would require such retraction or modification. Each of Lender and CSO acknowledges that approved Program Materials and/or Advertising Materials may contain trade names, trademarks, or service marks of CSO and Lender, and Lender or CSO, as the case may be, shall have no authority to use any such names or marks of the other party separate and apart from their use in the Program Materials or Advertising Materials. The parties shall use Program Materials and Advertising Materials only for the purpose of implementing the provisions of this Agreement and shall not use Program Materials or Advertising Materials in any manner that would violate the Rules or any provision of the Program Guidelines.

9. Loan Terms and Charges; CSO Terms and Fees. All underwriting criteria, Loan terms and all interest, fees, and other charges associated with the Loans, exclusive of any CSO Fees, shall be established by Lender and shall be reflected in the Program Guidelines. Notwithstanding the foregoing, however, Lender shall have the right to modify any underwriting criteria, Loan term, interest rate, fee, or other charge (exclusive of any CSO Fees), from time to time, including, without limitation, if Lender determines that such modification is necessary in order to remain in compliance with the Rules. The terms and conditions of the CSO Disclosure Statements, CSO Contracts and the amount of any CSO Fees shall be established by CSO, shall comply with the Rules and shall be reflected in the Program Guidelines. Notwithstanding the foregoing, however, CSO shall have the right to modify any CSO Disclosure Statements, CSO Contracts and the amount of any CSO Fees, from time to time, including, without limitation, if CSO determines that such modification is necessary in order to remain in compliance with the Rules. In the event that either party becomes aware that any underwriting criteria, Loan terms, interest, fee or other charge associated with the Loans, any terms and conditions of the CSO Disclosure Statements and the CSO Contracts or the amount of any CSO Fee, or any activity of CSO as a third party debt collector is not in compliance with the Rules, the party becoming aware of the same shall notify the other party of such non-compliance and each party hereto agrees to cooperate in good faith with each other, and to diligently take commercially reasonable steps, as may be necessary in order to promptly correct any such non-compliance.

10. Third Party Service Providers. A party hereto shall not, whether directly or indirectly, retain any Third Party Service Provider to assist it in performing its duties hereunder except with the prior written consent of the other party hereto, which consent shall not be unreasonably withheld or delayed. In seeking the approval to retain a Third Party Service Provider, the party requesting such approval shall provide to the other party such

information concerning the proposed Third Party Service Provider as such other party may reasonably request. A party may condition its willingness to approve a proposed Third Party Service Provider upon obtaining a written commitment from such Third Party Service Provider to comply with the terms of this Agreement and the Program Guidelines, to submit to audits and inspections by either party hereto, and to indemnify the parties hereto upon such terms and conditions as the parties hereto may reasonably require. CSO shall be responsible for supervising any Third Party Service Providers retained by CSO. Lender shall be responsible for supervising any Third Party Service Providers retained by Lender.

11. LMS and Accounting System. CSO agrees to develop and maintain, at its sole cost and expense, a comprehensive LMS and accounting system to accurately and immediately reflect all Loan transactions and track all Loan balances and which will satisfy the information requirements of CSO, Lender and Regulatory Authorities having jurisdiction over the CSO Program and/or the Loan Program, if any, and will permit Lender to access such system. CSO shall provide Lender on a periodic basis with an electronic file with data concerning all Loans originated hereunder to assist Lender in incorporating such information into its internal accounting, record keeping, and audit systems. Upon termination of this Agreement for any reason CSO shall continue to provide the accounting and LMS functions described herein for the Loans for the benefit of Lender and maintain the LMS and accounting system described herein for such purpose for up to one (1) year following termination of this Agreement. Lender agrees to develop and maintain, at its sole cost and expense, a computer system which is designed to receive Loan applications and evaluate such applications using Lender's underwriting criteria (the "Underwriting System"). To the extent necessary and appropriate to ensure compatibility with CSO's LMS systems, CSO and Lender shall collaborate on the development of the software for the Underwriting System and the hardware connections by which CSO's computer systems shall communicate with the Underwriting System.

12. CSO's Representations and Warranties. CSO makes the following warranties and representations to Lender, all of which shall survive the execution and termination of this Agreement for any reason:

- (a) This Agreement is valid, binding and enforceable against CSO in accordance with its terms, and CSO has received all necessary corporate approvals to enter into this Agreement and to perform its obligations hereunder. Except for CSO's surety bonds and Credit Services Organization Registration Statements required pursuant to Chapter 393 of the Texas Finance Code, CSO is not required to obtain the approval of, or be licensed by, any Regulatory Authority to lawfully perform their respective obligations hereunder.
- (b) CSO is a limited partnership duly formed, validly existing, and in good standing under the laws of the state of Texas and is authorized and registered to do business Texas. CSO does not conduct business in, and is not licensed or registered to do business in, any states other than Texas. Each location of CSO from which CSO will provide credit services hereunder is registered and bonded as required for credit services organizations under Section 393 of the Texas Finance Code and will remain so registered and bonded throughout the term of this Agreement.

- (c) CSO has the full organizational power and authority to execute and deliver this Agreement and perform all of its obligations hereunder.
- (d) The provisions of this Agreement and the performance of each of CSO's obligations hereunder do not conflict with CSO's certificate of limited partnership, limited partnership agreement, or any agreement, contract, lease, or obligation to which CSO is a party or by which CSO is bound.
- (e) The general partner of CSO has approved the terms and conditions of this Agreement and have determined that entering into this Agreement is in the best interests of CSO.
- (f) This Agreement, the Program Guidelines and the provisions of each of them comply with and are enforceable under the Rules, and the operation of the Loan Program and the CSO Program in accordance with this Agreement and the Program Guidelines will not violate any of the Rules.
- (g) Neither CSO nor any principal thereof has been or is the subject of any of the following:
  - (i) Criminal conviction (other than misdemeanor traffic offenses);
  - (ii) IRS lien;
  - (iii) Enforcement agreement, memorandum of understanding, cease and desist order, administrative penalty, or similar agreement concerning lending matters;
  - (iv) Administrative or enforcement proceeding or material investigation commenced by the Securities Exchange Commission, state securities regulatory authority, Federal Trade Commission, or any other state or federal Regulatory Authority (excluding routine examinations conducted by a Regulatory Authority and excluding communications received in the ordinary course of business from any Regulatory Authority such as communications concerning consumer complaints or communications related to immaterial issues); or
  - (v) Restraining order, decree, injunction, or judgment in any proceeding or lawsuit alleging fraud or deceptive practices or illegal activity on the part of CSO or any principal thereof.

For purposes of this Subsection 12(g) the word "principal" of CSO shall include (i) any person directly or indirectly owning a ten percent or more equity interest of CSO, (ii) any officer or director of CSO, and (iii) any other person having the power or authority to control CSO's business.

13. Lender's Representations and Warranties. Lender makes the following warranties and representations to CSO, all of which shall survive the execution and termination of this Agreement for any reason:

- (a) This Agreement is valid, binding and enforceable against Lender in accordance with its terms, and Lender has received all necessary approvals to enter into this Agreement and to perform its obligations hereunder.
- (b) Lender is a limited partnership duly formed, validly existing, and in good standing under the laws of the state of Ohio and is authorized and registered to do business in Texas and in each state in which the Loans are being offered and in each state in which the nature of its activities makes such authorization, registration, or licensing necessary or required. Lender is not affiliated with CSO or any affiliate of CSO.
- (c) Lender has the full organizational power and authority to execute and deliver this Agreement and perform all of its obligations hereunder.
- (d) The provisions of this Agreement and the performance of each of Lender's obligations hereunder do not conflict with Lender's Certificate of Limited Partnership, Limited Partnership Agreement, or any agreement, contract, lease, or obligation to which Lender is a party or by which Lender is bound.
- (e) The Board of Directors of Lender's general partner has approved the terms and conditions of this Agreement and has determined that the entering of this Agreement by Lender is in the best interests of Lender.
- (f) Neither Lender nor any principal thereof has been or is the subject of any of the following:
  - (i) Criminal conviction (other than misdemeanor traffic offenses);
  - (ii) IRS lien;
  - (iii) Enforcement agreement, memorandum of understanding, cease and desist order, administrative penalty, or similar agreement concerning lending matters;
  - (iv) Administrative or enforcement proceeding or investigation commenced by the Securities Exchange Commission, state securities regulatory authority, Federal Trade Commission, or any other state or federal Regulatory Authority (excluding routine examinations conducted by a Regulatory Authority and excluding communications received in the ordinary course of business from any Regulatory Authority such as communications concerning consumer complaints or communications related to immaterial issues); or
  - (v) Restraining order, decree, injunction, or judgment in any proceeding or lawsuit alleging fraud or deceptive practices or illegal activity on the part of Lender or any principal thereof.

For purposes of this Subsection 13(f) the word "principal" of Lender shall include (i) any person directly or indirectly owning a ten percent or more equity interest of Lender, (ii) any officer or



director of Lender, and (iii) any other person having the power or authority to control Lender's business.

14. Ownership of Customer Information. Lender and CSO shall jointly and severally own all consumer names, addresses, and telephone numbers and all account and other information, including payment information, regarding consumers and Loan applicants who have been declined and all records, data, and information pertaining to the foregoing (collectively, "Customer Information") and shall take all steps necessary and appropriate to maintain the confidentiality of Customer Information; provided, however, that neither party will use any of such Customer Information except to the extent permitted by the Program Guidelines and the privacy policies of each of CSO and Lender set forth in the documents described in the Program Guidelines. Notwithstanding the foregoing, without the need for obtaining Lender's consent, CSO shall be free to use Customer Information for purposes of marketing, offering, selling, brokering, underwriting and providing other products and services, including, without limitation, other loan products and services that may be offered to consumers by CSO, any Third Party Service Provider of CSO or any other lenders through the distribution channels of CSO and any Third Party Service Provider of CSO, provided that, in all cases, however, any use by CSO of any such Customer Information shall comply with (i) all applicable Rules and (ii) the above-described privacy policies of both CSO and Lender and in the event any such Customer Information is used in connection with marketing, offering, selling, brokering, underwriting or providing loans made by any party other than CSO, Lender agrees that such other lender may jointly own such Customer Information with CSO and Lender, so long as such other lender has a privacy policy no less restrictive than Lender's privacy policy described in the Program Guidelines and agrees in writing to comply with such privacy policy and the privacy policies of CSO and Lender. In addition, notwithstanding that Lender has an ownership interest in the Customer Information, Lender agrees that it will not use the Customer Information to market any other products or services to the Borrowers or to Loan applicants who have been declined without the prior written consent of CSO. Notwithstanding anything herein to the contrary, CSO shall be the sole owner of all CSO Disclosure Statements and all CSO Contracts and any information contained therein. The rights and obligations of the parties under this Section 14 shall indefinitely survive the termination of this Agreement.

15. Term. This Agreement shall remain in effect until terminated pursuant to the provisions of this Section 15 or Section 16 below. Each party hereto shall have the right to terminate this Agreement immediately upon written notice to the other party hereto, if (i) the terminating party determines in its reasonable discretion that the activities of the parties under this Agreement or the CSO Program and/or the Loan Program are illegal under, prohibited by or not permitted under any of the Rules; (ii) any Regulatory Authority having jurisdiction over the CSO Program and/or the Loan Program, CSO or the Lender requires the terminating party to terminate this Agreement; (iii) the terminating party determines in its reasonable discretion that continued operation of the CSO Program and/or the Loan Program may materially adversely affect the ongoing operations of the terminating party or those of the terminating party's affiliates (provided that, in the event of a termination of this Agreement pursuant to this clause (iii), the terminating party shall provide the other party with a written explanation of the basis for such termination); or (iv) the terminating party determines in its reasonable discretion that continued operation of the CSO Program and/or the Loan Program may materially adversely affect the relationship between the terminating

party or any of its affiliates and any Regulatory Authority having jurisdiction over any of them. Each party hereto shall have the right to terminate this Agreement upon ninety (90) days prior written notice to the other with or without cause, which termination shall be effective on the 90th day after the giving of notice in accordance with this sentence.

In addition, if Lender modifies any Loan term, interest rate, fee, or other charge pursuant to Section 9 above, or if Lender materially modifies any underwriting criteria for the Loans pursuant to Section 9 above, CSO may terminate this Agreement upon thirty (30) days prior written notice to Lender if CSO determines in its reasonable discretion that such modification by Lender would render it economically infeasible for CSO to continue to perform its duties and responsibilities hereunder or that such modification would cause any aspect of the CSO Program and/or the Loan Program to be in violation of any Rule.

Notwithstanding termination of this Agreement, the parties' obligations with respect to outstanding Loans shall remain in effect for so long as such Loans remain outstanding.

#### 16. Termination Upon Default.

- (a) Either party shall have the right to terminate this Agreement upon occurrence of one or more of the following events:
  - (i) failure by the other party to observe or perform that party's obligations to the other hereunder or to comply with any provision of this Agreement, so long as the failure or nonperformance is not due to the actions of the terminating party;
  - (ii) in the event any representation, warranty, statement or certificate furnished to either party by the other in connection with this Agreement, or any separate material statement or document delivered or to be delivered hereunder by either party to the other, is materially false, misleading, or inaccurate as of the date made or delivered; and
  - (iii) in the event a party hereto (or an affiliate of such party) defaults under any other agreement executed between the parties hereto (and/or any of their respective affiliates) and such default continues beyond any applicable notice and cure period provided for such default under such other agreement.
- (b) The Agreement may be terminated pursuant to Subsection 16(a)(i) above only if the default continues for a period of thirty (30) days after the defaulting party receives written notice from the other party specifying the default in the case of a non-monetary default, or ten (10) days after the default in the case of a failure to pay any amount when due hereunder.
- (c) In addition to any other right to terminate this Agreement, a party may terminate this Agreement if the other party hereto, or such other party's principals (as defined in Sections 12 or 13 above, as the case may be) is the subject of any of the following or if any of the following occurs with respect to such other party or such other party's principals: insolvency,

inability to pay its debts as they become due, the filing of a voluntary bankruptcy petition, the filing of an involuntary bankruptcy petition which is not dismissed within thirty (30) days after filing thereof, dissolution or termination of its existence as a going concern, or the appointment of a receiver for any part of its property.

17. Indemnification.

- (a) CSO's Indemnification Obligations. CSO shall indemnify and hold Lender and its partners and affiliates harmless against any and all claims, demands, liabilities, losses, penalties, fines, judgments, damages or expenses (including, without limitation, legal fees, court costs, accounting fees and class action costs) (collectively, "Damages") accruing or arising out of (i) any breach by CSO of its obligations under this Agreement or the inaccuracy of any warranty or representation of CSO set forth in this Agreement; (ii) the act or omission of CSO or its employees, agents or representatives; (iii) any act or omission of any Third Party Service Provider retained by CSO, the inaccuracy of any warranty or representation made for the benefit of Lender by any Third Party Service Provider retained by CSO, or the breach of any obligation owed to Lender by any Third Party Service Provider retained by CSO; (iv) any claim or determination that the Loans or the activities of the parties hereunder are illegal under or prohibited by any of the Rules and any other claim asserted by or on behalf of Borrowers or a Regulatory Authority with respect to the Loans, or (v) any examination or audit conducted by a Regulatory Authority as provided in Section 21. Nothing herein, however, shall be construed to require CSO to indemnify Lender for any Damages directly arising out of any Lender Breach (hereinafter defined) or the fraud, gross negligence or willful misconduct of Lender. The term "Lender Breach" shall mean the breach by Lender of any of its obligations expressly set forth herein, including the negligent breach by Lender of its obligation to maintain the confidentiality of Customer Information; provided, however, any breach by Lender arising out of or related to the failure of Lender to comply with the Rules shall not be deemed a Lender Breach unless and until Lender fails to comply with its obligations under the last sentence of Section 9 hereof.
- (b) Lender's Indemnification Obligations. Lender shall indemnify and hold CSO and its partners and affiliates harmless against any and all Damages accruing or arising out of (i) any Lender Breach or the inaccuracy of any warranty or representation of Lender set forth in this Agreement; (ii) the willful act or omission of Lender or its employees, agents or representatives, or (iii) any act or omission of any Third Party Service Provider retained by Lender, the inaccuracy of any warranty or representation made for the benefit of CSO by any Third Party Service Provider retained by Lender, or the breach of any obligation owed to CSO by any Third Party Service Provider retained by Lender. Nothing herein, however, shall be construed to require Lender to indemnify CSO for any Damages directly arising out of any breach by CSO of its obligations

under this Agreement or the breach of any obligation of a Third Party Service Provider retained by CSO or the negligence or willful misconduct of CSO or any Third Party Service Provider retained by CSO.

- (c) Indemnification Procedures. Each party shall promptly notify the other of any suit or threat of suit of which that party becomes aware which may give rise to a right to indemnification under this Agreement but in any event within 30 days of the discovery of such claim; provided, however, that the failure of a party alleging a right of indemnity hereunder to provide prompt notice to the other shall relieve the indemnifying party of its obligations hereunder only to the extent that the indemnifying party can prove that such failure to provide prompt notice actually and materially prejudiced the rights of such party. The indemnifying party shall promptly reimburse the indemnified party for all Damages incurred by the indemnified party (including Damages incurred in advance of the final disposition of the underlying claim), shall bear all expenses in defending any such claim or matter, and shall be entitled to participate in the settlement or defense of any matter for which the other party seeks indemnity hereunder and, if the indemnifying party elects, to take over and control the defense and settlement thereof utilizing counsel of its choice in consultation with the indemnified party (in which case the indemnified party shall have the right to employ separate counsel of its choice, but the fees and expenses of such counsel shall be at the expense of the indemnified party). In all cases, the indemnifying and indemnified parties shall cooperate and assist each other in all reasonable respects in the defense and settlement of any such action.
- (d) Obligation to Refund Advanced Damages. In the event that either party reimburses the other for Damages pursuant to the indemnification provisions of this Section 17, in advance of the final disposition of the underlying claim, and if it is ultimately determined by settlement or pursuant to the dispute resolution provisions hereof that such Damages directly arose out of an occurrence that did not require such indemnification under Section 17(a) or 17(b), as applicable, then the reimbursed party agrees to repay to the other party any such Damages for which it received advanced reimbursement to which it was not entitled hereunder. All Damages required to be repaid under this Section 17(d) shall be repaid within 5 business days following the above-described ultimate determination.
- (e) Survival. This Section 17 shall survive any termination or expiration of this Agreement.

18. Expenses. Except as expressly provided to the contrary in this Agreement, each party shall be responsible for all expenses incurred by it in the performance of its obligations under this Agreement, including any expenses incurred by it in performing its respective duties set forth in Sections 3 or 4 above, as the case may be.

19. Scope of Relationship. The parties agree that the relationship established by this Agreement is non-exclusive. Without limiting the foregoing and subject to the provisions of Sections 14 and 20 of this Agreement, each party hereto is expressly permitted, without the need for obtaining any further consent or approval from the other party hereto, to market, offer, sell, broker, underwrite and/or provide other products and services, including, without limitation, any other loan products and services and specifically including, without limitation, any loan products and services similar in scope and nature to the Loans and the related services contemplated by the Program Guidelines, through any of their respective distribution channels and the distribution channels of their respective Third Party Service Providers, including, without limitation, any of such distribution channels through which Loans are offered pursuant to this Agreement.

20. Confidential Information. In performing their obligations pursuant to this Agreement, each party may have access to and receive disclosure of certain confidential information about the other party or parties, including, without limitation, the names and addresses of a party's customers or members, marketing plans and objectives, research and test results, and other information which is confidential and the property of the party disclosing the information ("Confidential Information"). The parties agree that the term Confidential Information shall include this Agreement, the Program Guidelines, and the Program Materials, as the same may be amended and modified from time to time. Confidential Information shall not include information in the public domain or which is independently developed by the other party. Lender and CSO agree that Confidential Information shall be used by each party solely in the performance of its obligations under this Agreement. Each party shall receive Confidential Information in confidence and shall not disclose Confidential Information to any third party, except as may be permitted hereunder or under the Program Materials, or as may be necessary to perform its obligations hereunder, or as may be otherwise agreed in writing by the party furnishing the information, or as required by the Rules or any Regulatory Authority. Notwithstanding anything herein to the contrary, nothing herein shall prohibit either party hereto from entering into agreements with any other party that include program guidelines and program materials that may or may not be the same as, or substantially similar to, the Program Guidelines and Program Materials. Upon request or upon any expiration or termination of this Agreement, each party shall return to the other party or destroy (as the latter may instruct) all of the latter's Confidential Information in the former's possession which is in any written or other recorded form, including data stored in any computer medium; provided, however, that a party may retain the Confidential Information of the other party (but subject to the requirements of this Section 20) to the extent that such party needs access to such information to continue to perform any of its obligations hereunder or to broker or service Loans or otherwise perform obligations owed by such party to another party. Notwithstanding the foregoing, to the extent there are any inconsistencies between this Section 20 and Section 14 above, the provisions of Section 14 above shall control.

21. Regulatory Examinations and Financial Information. Each party agrees to submit to any examination which may be required by any Regulatory Authority with audit and examination authority over the other party, to the fullest extent that such Regulatory Authority may require and to the fullest extent provided by law. Each party (either directly or by the use of accountants or other agents or representatives) may audit, inspect, and review the other party's files, records, and books with respect to the Loans and compliance

with the CSO Program and/or the Loan Program. Each party agrees to submit such information as the other party may from time to time reasonably request in order to ascertain the submitting party's compliance with the requirements of this Agreement and compliance with the CSO Program and/or the Loan Program. Each party agrees to submit to operational audits and audits of such party's electronic data processing functions, as the other party may reasonably request from time to time. The auditing party will promptly submit the results of such audits to the audited party. Any such audit shall be performed at the auditing party's sole cost and expense. The parties acknowledge and agree that, as and to the extent provided by law, Lender shall be responsible to Borrowers, prospective Borrowers, and Regulatory Authorities having jurisdiction over Lender and/or the CSO Program and/or the Loan Program for compliance with the Rules as they may apply to the Loans and the Program Materials, but subject to the full performance by CSO of its obligations hereunder and the accuracy of CSO's warranties and representations set forth herein concerning compliance with the Rules. CSO acknowledges that in discharging its compliance obligations under the Rules Lender shall rely on the full performance by CSO of its duties and obligations hereunder and the accuracy of CSO's warranties and representations set forth herein.

22. Relationship of Parties; No Authority to Bind. Lender and CSO agree they are independent contractors to each other in performing their respective obligations hereunder. Nothing in this Agreement or in the working relationship established and developed hereunder shall be deemed or is intended to be deemed, nor shall it cause, Lender and CSO to be treated as partners, joint ventures, joint associates for profit or general agent and principal. Neither party shall have any authority to bind the other party to any agreement except to the extent expressly permitted herein. In each and every instance, the acts that this Agreement authorizes CSO to perform for or on Lender's behalf shall solely constitute CSO a special limited agent of Lender to assist Borrowers in obtaining Loans from Lender, and certain incidental acts related thereto. In no event may CSO act as Lender's general agent or represent to others that it may act as Lender's general agent. Except as expressly set forth in this Agreement to the contrary, no actions or failure to act on the part of a party hereto shall be construed to imply the existence of any authority not expressly granted herein. Except as expressly provided herein or in the Program Guidelines, CSO is not authorized to, and shall not make or amend any contract, incur any debt or liability, or extend any credit or enter into any obligation on behalf of Lender; modify or amend any document evidencing a Loan (a "Loan Document"), extend the time for making any payment which may become due under any Loan; or waive any of Lender's rights or privileges under any agreement made by Lender. CSO understands and agrees that CSO's name shall not appear on any Loan Document as the maker of a Loan and that CSO shall not have any participation in the credit decision to make or provide a Loan, a Loan renewal or a Loan refinance or any participation in any act pertaining to the funding of a Loan, a Loan renewal or a Loan refinance. CSO shall refer to Lender any inquiries concerning the accuracy, interpretation, or legal effect of any Loan Document. CSO shall not negotiate the terms of any Loan Document on behalf of Lender. CSO shall not represent to anyone that CSO has the authority or power to do any of the foregoing and shall make no representations concerning Lender's transactions except as expressly authorized in writing. Lender shall not have any authority or control over any of the property interests or employees of CSO, nor shall Lender have any authority or control over any of the property interests or employees of those affiliates of CSO that own and operate stores at which potential Borrowers are offered the opportunity to complete and submit applications for Loans. As used herein, the term "Loan Document" shall not include

any agreements that CSO or any affiliate of CSO may enter into directly with any party that governs the agreement of CSO or an affiliate of CSO to attempt to broker a Loan on behalf of any Borrower or any party who applies for, but is denied, a Loan.

23. Governing Law; Arbitration. This Agreement shall be construed and performed in accordance with the laws of the state of Texas. At the request of either party, any dispute between the parties relating to this Agreement shall be submitted to binding arbitration under the Commercial Arbitration Rules of the American Arbitration Association, provided, however, that a party seeking specific performance hereunder pursuant to Section 30 below may pursue such remedy in court. Unless otherwise agreed to by both parties, the location for any arbitration proceedings concerning this Agreement shall be in Montgomery County, Ohio. In the event that a party initiates a lawsuit in court concerning an arbitrable claim, controversy or dispute, such party shall pay the other party for the costs, including attorneys' fees that the other party incurs to obtain an order from the court to stay or dismiss the lawsuit or otherwise compel arbitration. The arbitrator shall be authorized to award such relief as is allowed by law. Except as provided below, each party shall be responsible for its own attorneys' fees incurred during the course of the arbitration, as well as the costs of any witnesses or other evidence such party produces or causes to be produced. The award of the arbitrator shall include findings of fact and conclusions of law. Except as required by law, such award shall be kept confidential, and shall be final, binding, and conclusive on the parties. Judgment on the award may be entered by any court of competent jurisdiction. The prevailing party in the resolution of any dispute ("Dispute Resolution") concerning this Agreement, any provision hereof or any actual or alleged breach shall be entitled to its reasonable attorneys' fees, including investigation and costs of discovery, and other costs connected with such Dispute Resolution, in addition to all other recovery or relief. The prevailing party shall be that party receiving substantially the relief sought or successfully defending substantially the position maintained in the Dispute Resolution, whether or not brought to final award or judgment. The parties agree that in the event of any litigation hereunder, including litigation brought pursuant to Section 30 below, the exclusive venue and place of jurisdiction for such litigation shall be in the State Courts or the Federal District Courts situated in Montgomery County, Ohio, and each party hereto specifically consents and submits to the personal jurisdiction of such courts.

24. Severability. If any provision of this Agreement is held to be illegal, invalid or unenforceable under present or future laws effective during the term hereof, such provision shall be fully severable and this Agreement shall be construed and enforced as if such illegal, invalid or unenforceable provision never comprised a part hereof; and the remaining provisions hereof shall remain in full force and effect and shall not be affected by the illegal, invalid or unenforceable provision or by its severance herefrom. Furthermore, in lieu of such illegal, invalid or unenforceable provision, there shall be added automatically as part of this Agreement a provision as similar in its terms to such illegal, invalid or unenforceable provision as may be possible and be legal, valid and enforceable.

25. Guaranty. CSO shall enlist EZCORP, Inc., a Delaware corporation and CSO's parent company (the "Guarantor"), to guaranty CSO's Obligations (as defined in the Guaranty, hereafter defined) under this Agreement pursuant to a separate guaranty agreement (the "Guaranty") in form and substance reasonably satisfactory to Lender.

26. Successors and Third Parties. This Agreement and the rights and obligations hereunder shall bind and inure to the benefit of the parties hereto and their successors and assigns. Except as expressly provided herein with respect to Third Party Service Providers, the obligations, rights and benefits hereunder are specific to the parties and shall not be delegated or assigned without the prior written consent of the other party, which shall not be unreasonably withheld. As a condition to an assignment of any obligations, rights or benefits hereunder, the assignee of such rights and benefits must agree to be bound by the terms of this Agreement pursuant to an assignment document executed by such assignee, in form and substance reasonably satisfactory to both Lender and CSO. Nothing in this Agreement is intended to create or grant any right, privilege, or other benefit to or for any person or entity other than the parties hereto. Notwithstanding anything in this Agreement to the contrary, the parties acknowledge that Lender can freely assign its rights with respect to the Loans (including, without limitation, its rights under Section 5 hereof) without CSO's prior written consent, provided that the assignee satisfies the conditions set forth in this Section 26.

27. Notices. All notices, requests, and approvals required or permitted by this Agreement shall be in writing and addressed/directed to the other party at the address/facsimile number below or at such other address of which the notifying party hereafter receives notice in conformity with this Section 27. All such notices, requests, and approvals shall be deemed given upon the earlier of facsimile transmission or actual receipt thereof:

To Lender: NCP Finance Limited Partnership  
100 East Third Street, 5th Floor  
Dayton, Ohio 45402  
Fax: (937) 586-9474  
Attention: Brenda K. Stampfli

To CSO: Texas EZPAWN, L.P.  
1901 Capital Parkway  
Austin, TX 78746  
Fax: (512) 314-3463  
Attention: General Counsel.

28. Waiver. Neither party hereto shall be deemed to have waived any of its rights, powers or remedies hereunder except in an express writing signed by an authorized agent or representative of the party to be charged with such waiver.

29. Counterparts. This Agreement may be executed and delivered by the parties hereto in any number of counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument. Any signature on this Agreement may be a facsimile signature and all parties agree that any signature delivered by facsimile shall be treated as an original signature to any such document.

30. Specific Performance. Certain rights which are subject to this Agreement are unique and are of such a nature as to be inherently difficult or impossible to value monetarily. In the event of a breach of this Agreement by either party, an action at law for damages or other remedies at law would be inadequate to protect the unique rights and interests of the parties. Accordingly, the terms of this Agreement shall be enforceable in a



court of equity by a decree of specific performance or injunction. Such remedies shall, however, be cumulative and not be exclusive and shall be in addition to any other remedy which the parties may have.

31. Further Assurances. From time to time, the parties will execute and deliver to the other such additional documents and will provide such additional information as either may reasonably require carrying out the terms of this Agreement.

32. Inability to Perform. In the event that either party to this Agreement is unable to timely perform its duties or obligations hereunder or under the Loan as a result of riots, acts of God, strikes, lockouts, material or labor shortages, state or national emergency, acts of the public enemy, terrorist activity, criminal activity, governmental restrictions, laws, regulations, decree or order, systems failures or other unforeseen event, CSO and Lender shall reasonably cooperate and work together to resolve and take such actions reasonably necessary to protect the business operations of the other including, but not limited to temporary modifications, deviations, alterations to the CSO Program, the Loan Program, Program Guidelines, and Program Materials as may be necessary.

33. Entire Agreement. This Agreement, and the documents executed and delivered pursuant hereto, constitute the entire agreement between the parties, and may be amended or modified only by a writing signed by duly authorized representatives of each party and dated subsequent to the date hereof. This Agreement shall supersede and merge all prior communications, representations, or agreements, either oral or written, between the parties hereto with respect to the subject matter hereof, except where survival of prior written agreements is expressly provided for herein.

[THE REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK.]

IN WITNESS WHEREOF, this Agreement is executed by the parties' authorized officers and representatives and shall be effective as of the date first above written.

LENDER:

NCP FINANCE LIMITED PARTNERSHIP,  
an Ohio limited partnership

By: NMCAPITAL, INC.,  
an Ohio corporation,  
its General Partner

By: /s/ Lee Schear  
-----  
Lee Schear, President

CSO:

TEXAS EZPAWN, L.P.  
a Texas limited partnership, by and  
through its general partner, Texas  
EZPAWN Management, Inc.

By: /s/ Daniel N. Tonissen  
-----  
Daniel N. Tonissen,  
Senior Vice President

## GUARANTY

THIS GUARANTY is made as of April 11, 2006, by EZCORP, INC., a Delaware corporation (hereinafter referred to as "Guarantor"), to and for the benefit of NCP FINANCE LIMITED PARTNERSHIP, an Ohio limited partnership (hereinafter referred to as "Lender").

## RECITALS

Texas EZPAWN, L.P. ("CSO"), a Texas limited partnership and a subsidiary of Guarantor, has, on even date herewith, entered into a Credit Services Agreement (the "CSA") with Lender. As a condition to entering into the CSA, Lender is requiring Guarantor to guaranty the obligations of CSO under the CSA as further described herein.

NOW, THEREFORE, in consideration of the premises recited above and of One Dollar (\$1.00) in hand paid by CSO to Guarantor, and of other good and valuable consideration, the receipt and sufficiency of all of which are hereby acknowledged by Guarantor; and for the purpose of inducing Lender to enter into the CSA; and as long as CSO continues to be obligated to Lender in any manner whatsoever pursuant to the CSA, Guarantor:

1. Unconditionally and absolutely guarantees the due and punctual payment of all amounts due and payable from CSO to Lender under the CSA, including, but not limited to, all stand-by letter of credit payment obligations, daily settlement payment obligations (as applicable) and indemnification payment obligations of CSO set forth in the CSA (all of which amounts payable being herein called the "Obligations").
2. Agrees that this Guaranty shall be a continuing guaranty, shall be binding upon Guarantor, and upon its successors and assigns, and shall remain in full force and effect, and shall not be discharged, impaired or affected by (a) the existence or continuance of any of the Obligations; (b) the validity or invalidity of any document or agreement evidencing the Obligations or any of them; (c) the existence or continuance of CSO as a legal entity; (d) any waiver, indulgence, alteration, substitution, exchange, change in, modification or other disposition of any of the Obligations, all of which CSO is hereby expressly authorized to make from time to time without notice to Guarantor; (e) the acceptance by Lender of any security for, or other guarantors upon, all or any part of the Obligations; or (f) any defense (other than the payment of the Obligations in accordance with their terms) that Guarantor may or might have to its undertakings, liabilities and obligations hereunder, each and every such defense being hereby waived by Guarantor; and in order to hold Guarantor liable hereunder, there shall be no obligation on the part of Lender, or anyone, at any time, to proceed against CSO, its properties or estates, or to proceed against any other guarantor, or to resort to any collateral, security, property, liens or other rights or remedies whatsoever.
3. Agrees that Lender shall have the right to enforce this Guaranty against Guarantor for and to the full amount of the Obligations, with or without enforcing or attempting to enforce this Guaranty against any other guarantor, and whether or not other proceedings or steps are pending or have been taken or have been concluded to enforce or otherwise realize upon the obligations or security of CSO or any other guarantor; and the payment of any amount or amounts by Guarantor, pursuant to its obligations hereunder, shall not entitle Guarantor,

either at law or otherwise, to any right, title or interest (whether by way of subrogation or otherwise) in and to any of the Obligations, unless and until the full amount of the Obligations has been fully paid.

- 4. Waives diligence, presentment, protest, notice of dishonor, demand for payment, extension of time of payment, notice of acceptance of this Guaranty, nonpayment at maturity and indulgences and notices of every kind, and consents to any and all forbearance and extensions of the time of payment of the Obligations, and further consents to any and all changes in the terms, covenants and conditions thereof hereafter made or granted; it being the intention that Guarantor shall remain liable under this Guaranty until the Obligations shall have been fully repaid to Lender, notwithstanding any act, omission or thing which might otherwise operate as a legal or equitable discharge of Guarantor.
- 5. Agrees that this Guaranty shall inure to the benefit of and may be enforced by Lender and its successors and assigns.
- 6. Agrees, as does Lender by the acceptance hereof, that this Guaranty shall be governed by the laws of the State of Texas and that any dispute or controversy whatsoever arising hereunder shall be resolved by arbitration pursuant to the applicable provisions set forth in the CSA or any other dispute resolution procedures which CSO and Lender may agree upon in writing, all of which are hereby consented and agreed to by Guarantor and Lender.

Guarantor has executed this instrument as of the day and year first above written.

GUARANTOR:

EZCORP, INC.  
a Delaware corporation

By: /s/ Daniel N. Tonissen

-----  
Daniel N. Tonissen, Senior Vice  
President

STATE OF TEXAS        )  
                          ) SS:  
COUNTY OF TRAVIS    )

On this 11th day of April, 2006, before me personally appeared the undersigned, Daniel N. Tonissen, who acknowledged himself to be the Senior Vice President of EZCORP, Inc., a Delaware corporation (the "Corporation"), and that he, as such officer, being authorized so to do, executed the foregoing instrument for the purposes therein contained by signing the name of the Corporation by himself as Senior Vice President.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

/s/ Connie Kondik

-----  
Notary Public

Name:

-----  
My commission expires: -----

## CREDIT SERVICES ORGANIZATION AND LENDER AGREEMENT

This Credit Services Organization and Lender Agreement (as amended, modified or restated from time to time, this "Agreement") is made and entered into as of April 12, 2006, by and between Integrity Texas Funding, L.P. dba Integrity Funding, a Texas limited partnership (the "Lender"), and Texas EZMONEY, L.P., a Texas limited partnership (the "CSO").

## RECITALS

The parties desire to enter into this Agreement for the purpose of setting forth the terms and conditions which will govern certain business activities and transactions to be provided by the parties to consumers seeking credit services and loans ("Consumers").

The CSO has developed a credit services program pursuant to Chapter 393 of the Texas Finance Code (the "CSO Program") under which the CSO will provide certain credit services including, but not limited to, assisting Consumers in obtaining Loans (as defined below) from the Lender.

The Lender makes unsecured loans at an interest rate not to exceed ten percent (10.00%) per annum (the "Loans") pursuant to Chapter 302 of the Texas Finance Code to Consumers. The CSO desires to offer the CSO Program to Consumers who may be interested in the CSO Program and Loans. The duties and obligations of the CSO and the Lender relating to the CSO Program and Loans are set forth herein.

## AGREEMENT

In consideration of the foregoing and of the mutual promises contained in this Agreement, the CSO and the Lender agree as follows:

## 1. The CSO Program.

(a) The parties agree that, in accordance with the written guidelines as established from time to time by CSO for the CSO Program, CSO may broker the Loans to Lender from such locations in the State of Texas and such other markets as may from time to time be agreed upon by the parties in writing.

(b) The CSO shall establish and operate retail locations where Consumers for credit services and Loans may submit applications for such credit services and Loans ("Applications").

(c) CSO shall deliver to Consumers all disclosures required by applicable law for the credit services and Loans.

(d) The CSO may establish and evaluate its own underwriting criteria for purposes of its issuance of a letter of credit for Consumers seeking its credit services as a credit enhancement for the Loans. The CSO shall not establish underwriting criteria for the Lender.

(e) At the Consumer's request and upon approval by the CSO of the Consumer's Application, the CSO will timely provide to Lender all information provided by Consumers and requested by Lender including the CSO's decision whether it will issue a Letter of Credit.

(f) The CSO will arrange for the Consumer's completion and execution of the CSO Disclosure, the CSO Agreement, Credit Services and Loan Application, and, upon the Lender's approval of a Consumer's Application, the Lender's Loan Agreement and Disclosure between the Lender and the Consumer (the "Note") and Lender's payment draft for the Loan proceeds.

(g) The CSO as part of its credit services will provide Consumer with a copy of the CSO Disclosure, CSO Agreement, and the Loan Agreement and Disclosure.

(h) Until such time as Lender is able to electronically scan or image executed Lender loan documents and instruments evidencing the Loans, as more fully described in the Lending Guidelines (the "Loan Documents") into the loan management system as part of the Lender's loan file for each Customer, CSO as special limited agent shall hold for Lender and subject to Lender's instructions all of the Loan Documents. Lender may at any time take possession and control over the Loan Documents or enter the CSO's business premises during normal business hours to inspect or take possession and control over the Loan Documents. All documents obtained or prepared by the CSO related to the credit services including the letters of credit shall be owned by the CSO. All Loan Documents shall be owned by the Lender. The originals or true and complete copies of all Loan Documents or legible reproductions thereof, as requested by Lender, shall be delivered by CSO to the Lender within a reasonable period time after receipt by CSO of Lender's written request.

(i) The Lender's rights to draw on a Letter of Credit are set forth in the Letter of Credit.

(j) The CSO has the exclusive right to market, offer, promote the CSO Program and Loans and solicit Consumers for the CSO Program and Loans at such CSO locations owned and operated by CSO in the State of Texas as CSO may designate from time to time. CSO shall disclose in its marketing of its credit services that Loans are made by a third party lender. Any marketing or solicitation materials, including letters, internet websites and e-mails, television and radio commercials, newspapers, magazines and the like, in which Lender's name or trade names is used in conjunction with the CSO Credit Services and Loans shall be submitted to and approved by Lender prior to use of such marketing or solicitation materials. Lender agrees not to unreasonably withhold such approval. CSO shall ensure that such marketing and solicitation efforts shall be in full compliance with law and applicable policies of Lender.

(k) As special limited agent, CSO shall timely deliver, as required by law, Lender's adverse action notices to all rejected Credit Services and Loan Applicants for Loans.

(l) Lender agrees and authorizes CSO as part of the CSO Program to report a consumer's credit information and history related to the CSO Program, Lender Loan Program, or a Loan to a consumer credit reporting agency in compliance with Fair Credit Reporting Act.

(m) CSO shall be under no obligation or commitment to provide credit services or offer, broker, or arrange loans at any particular location, level, or number of applicants and makes no representations in those respects to Lender.

## 2. The Loans

(a) The Lender in its sole discretion shall determine all of the conditions, terms and features of the Loans, including, without limitation, fees and charges, interest rates not to exceed ten percent (10.00%) per annum, credit limits, credit standards and all other terms and

conditions of the Loans as more fully described in the Lending Guidelines. Notwithstanding the foregoing, Lender shall have no right to determine the fees and other compensation to be paid to CSO by a Consumer in connection with the CSO services. Lender agrees that it will make Loans to all Consumers who submit application through CSO and who meet the credit standards established by Lender for Loans from time to time. Neither Lender, nor CSO, nor their respective employees shall suggest to Consumers that Loans are made or approved by CSO or that CSO (or any employee of CSO) can improve a Consumer's prospect of obtaining a Loan.

(b) Lender solely is responsible for ensuring that the Loan Documents comply with all applicable laws.

(c) Lender will advise CSO of Lender's underwriting criteria and terms for the Loans.

(d) Lender represents that it will independently make an evaluation of the creditworthiness of a Consumer in deciding whether to make a Loan to such Consumer.

(e) Upon approval of an Application for a Loan, Lender will enter into the Note with the Consumer, the execution of which will be assisted by the CSO.

(f) Lender shall cause adverse action notices and other communications that may be required by law to persons who apply for but are denied a Loan, subject to CSO's responsibility to deliver and manage such adverse action notices as described herein or in the Lending Guidelines.

(g) Lender shall promptly deliver to CSO all communications received from a Consumer who are denied a Loan (including, without limitation, information requests and bankruptcy filings) to the extent CSO reasonably needs the same in order to perform its credit services and other obligations hereunder.

(h) Lender shall be under no obligation or commitment to make or fund loans at any particular level or number of applicants and makes no representations in those respects to CSO; provided however, Lender hereby commits to CSO that it will have no less than \$15,000,000.00 available to fund Loans that satisfy the Lender's underwriting criteria for making such Loans.

3. Approval, Making, and Funding of Loans. Based on the information provided by a Consumer to the CSO and Lender in an Application, CSO shall be solely responsible for determining whether to provide credit services including issuing the Letter of Credit to a Consumer and Lender shall be solely responsible for determining whether to make a loan to a Consumer. CSO is not required to submit an Application to Lender where CSO has independently determined not to provide the Consumer credit services and not to issue the Letter of Credit. For any Application received by Lender, Lender shall review the Application and advise CSO of its decision to approve or reject the Credit Services and Loan Application. Lender shall advance to Consumer the entire proceeds of any Loan, via cash, check, draft or similar payment instrument. Lender acknowledges and agrees that if it disburses the proceeds of a Loan in the form of check, draft, or similar payment instrument to a Consumer and CSO then honors that check, draft, or similar payment instrument, the amount of such check, draft or similar payment instrument shall be considered due and owing from Lender to CSO on the date that CSO honors the check, draft or similar payment instrument.

#### 4. Settlement and Reporting of Loans.

(a) On each business day in which the CSO is open for business, except as otherwise provided herein, CSO will make available to Lender through the loan management system reports and data related to the Loans made, payments received, defaults, and collections

performed on the immediately preceding business day. CSO shall be responsible for settling and remitting to Lender via ACH credit or wire transfer as soon as practical any monies due Lender received by CSO from Consumers. Lender shall be responsible for settling and remitting to CSO via ACH credit or wire transfer as soon as practical any monies due CSO. The payment obligations of the parties under this Agreement and the Lending Guidelines shall survive the termination of this Agreement and will remain in effect as long as any Loans remain on the books of Lender. CSO shall capture and record all relevant data concerning any Loan transaction and prepare appropriate report and summaries as may be necessary to effect settlement hereunder and make available to Lender such data, reports, and summaries as Lender may reasonably deem necessary to maintain effective internal controls and to monitor results under this Agreement

(b) During the term of this Agreement and for a reasonable period thereafter, the parties agree that they will give each other reasonable access to their books and records related to the CSO Program, Loans, and any other relevant business activities and any other information reasonably requested of the other to allow the requesting party to maintain effective internal controls, monitor the CSO Program and Loan results, prepare financial statements and reports as may be required by generally accepted accounting practices, law, state and federal regulators including, but not limited to the Securities and Exchange Commission

#### 5. Collection of Payments by CSO

(a) Lender hereby authorizes the CSO as a special limited agent to receive payments from Consumers due under the Loans for remittance to Lender. The parties agree that all payments received by the CSO from Consumers relieve Consumers from any further payment obligations to Lender for any such payments received by CSO. The CSO shall not be acting as a general agent or fiduciary for and on account of the interests of Lender. Any payments received by CSO from a Consumer regarding a Loan from Lender shall be deemed binding upon Lender, and CSO is designated a special limited agent of Lender for that purpose and CSO is authorized to issue payment receipts that are binding upon Lender.

(b) Lender agrees to open a deposit account (the "Operating Account") with a federally insured financial institution acceptable to Lender and in Lender's name into which CSO will periodically remit to Lender, as mutually agreed to by the parties all payments on the Loans received by CSO.

(c) CSO agrees to receive and remit any payments it receives in connection with the Loans in accordance with mutually acceptable policies and procedures utilizing CSO's loan management system.

(d) CSO shall keep full and complete records and accounts of all transactions with respect to the Loan payments remitted to the Operating Account and all collections received on account of the Loans.

(e) CSO agrees, upon request of Lender, to forward all Loan Documents relating to Loans in the possession of CSO to Lender or Lender's designee for servicing and otherwise to cooperate fully with Lender or such substitute servicer in the orderly and prompt transfer of servicing of such Loans. Lender agrees that, upon delivery of such Loan Documents to Lender or Lender's designee, CSO shall be released from and have no further duties with regard to the retention of such Loan Documents.

(f) In the event a Consumer fails to pay any sums in accordance with the Loan Documents, Lender has the right immediately upon default to make demand under any



stand-by letter of credit issued by the CSO to ensure the Consumer's repayment of the Loan pursuant to the terms of any such letter of credit.

6. Lending Guidelines. Lending Guidelines means those guidelines established from time to time by Lender for the development, implementation, and administration of the Loans.. Both parties agree to act in good faith and in a commercially reasonable manner in connection with the implementation and administration of the Lending Guidelines.

#### 7. Independence of the Parties

(a) This Agreement contemplates the CSO and Lender acting independently of each other with respect to their respective decisions to provide credit services or make Loans.

(b) This Agreement shall not be construed as creating or evidencing any general agency between the parties. Neither party is authorized to act on behalf of the other except to the limited extent specified herein or any other relationship.

(c) The CSO shall mark its books and records to indicate clearly the Lender's ownership interest in any Loans and the Loan Documents.

(d) In each and every instance, the acts that this Agreement authorizes CSO to perform for or on Lender's behalf shall solely constitute CSO as special agent of Lender to assist Consumer's in obtaining a Loan from Lender, and certain incidental acts related thereto. In no event may CSO act as Lender's general agent or represent to others that it may act as Lender's general agent. Lender shall have no authority to act for or bind CSO.

(e) It is the intention of CSO and Lender to comply with applicable law and to operate independently of each other in their respective capacities as credit service organization and lender. In the event that any provision of this Agreement would require an act that applicable law disallows in order for the CSO and Lender to operate lawfully as an independent credit service organization and lender, then such provision shall be modified so as to conform to applicable law.

(f) Neither the existence of this Agreement, nor its execution, is intended to be, nor shall it be construed to be, the formation of a partnership, association, or joint venture between Lender and CSO. CSO is the special limited agent of Lender solely for the purposes set forth in this Agreement. Neither party is granted any right or authority to assume or to create any obligation or responsibility, express or implied, on behalf of or in the name of the other Party, except as expressly provided in this Agreement. Each Party shall be responsible only for its obligations and liabilities as set forth in this Agreement.

(g) In connection with CSO's performance of its obligations under this Agreement, it is expressly agreed that (i) Lender shall not hold any ownership or leasehold interest in any business location of CSO or any personal property located therein, except for the Lender Loan Documents and cash or instruments reflecting Loan repayments as may be located at such business locations from time to time, (ii) no employee of Lender shall work in any CSO business location, and (iii) Lender shall exercise no authority or control over CSO's employees or methods of operation except as expressly provided in this Agreement.

#### 8. Compliance With Law and Regulation.

(a) In performing its services hereunder, CSO shall at all times and in all material respects comply with all local, state, and federal statutes or ordinances applicable to the acts of Lender or CSO, as they related to the CSO Program or the Loans; any order, decision, injunction, or similar pronouncement of any court, tribunal, or arbitration panel issued with

respect to Lender or CSO in connection with the CSO Program or the Loans; and any regulations, policy statements, and any similar pronouncement of any regulatory authority applicable and binding on the acts of Lender or CSO as they relate to the CSO Program or the Loans (collectively, the "Rules").

(b) The performance of each of the parties under this Agreement is subject to all the Rules and each party hereby covenants to comply with the Rules and the lawful and reasonable actions or requests of duly authorized state and federal regulatory authorities in connection with the matters contemplated by this Agreement. If any party becomes aware of any change in law or regulation affecting the performance of obligations by any party under this Agreement, it shall promptly thereafter provide written notice of the same to the other party, provided that the failure to provide such notice shall not relieve any party of its obligation to comply with applicable law and regulation as it may change from time to time.

(c) In the event either party becomes aware that any underwriting criteria, loan terms, interest, fee or other charge associated with the CSO Program, the Lending Guidelines, or the Loan Documents are not in compliance with the Rules governing same, the party becoming aware of the same shall notify the other party of such non-compliance and each party agrees to cooperate in good faith with each other, and to diligently take commercially reasonable steps, as may be necessary in order to promptly correct any such non-compliance.

(d) The parties, whether jointly or severally, shall not discriminate against any Consumer in the credit application process on any "prohibited basis" as such term is defined in the federal Equal Credit Opportunity Act and Regulation B of the Board of Governors of the Federal Reserve System and any other applicable State or Federal Law.

9. Financial Covenants of EZCORP. CSO is an affiliate of EZCORP, Inc ("EZCORP"). As security for performance of its stand by letter of credit obligations to Lender on behalf of Consumers under CSO's CSO Program, EZCORP covenants and agrees that during the term of this Agreement that it will:

(a) Maintain at all times total stockholders' equity, as defined by GAAP, of not less than \$75,000,000.00;

(b) Maintain a Leverage Ratio at the end of each fiscal quarter of not greater than 3.25 to 1.00; and

(c) Notify Lender within five (5) business days after the filing of its quarterly or annual reports with the Securities and Exchange Commission ("SEC"), if EZCORP is in violation of a covenant under its credit agreement with Wells Fargo Bank (Agent and Issuing Bank), and such violation is not cured or waived at the time of filing its quarterly reports (10-Q) or annual reports (10-K) with the SEC such that it must be reported in EZCORP's periodic filings with the SEC. For the purpose of this paragraph, the terms used herein have the following meanings: (i) "Consolidated Net Income" means, at any particular time, the aggregate net income or loss of EZCORP determined on a consolidated basis as determined in accordance with GAAP; (ii) "CSO LC Liabilities" means, at any time, the sum of that portion of the aggregate amounts available to be drawn of all outstanding Consumers' letters of credit, equal to the principal amounts of the Consumer notes supported by such letters of credit; (iii) "EBITDA" means, for any period of determination, Consolidated Net Income, plus, to the extent that any of the following were deducted in calculating such Consolidated Net Income, interest expense, tax expenses, and depreciation and amortization. EBITDA will exclude all extraordinary items of income and loss, any gain or loss on the sale of assets, and any impairment of goodwill. In the event an acquisition is consummated prior to the end of a period for which EBITDA is calculated, but during the period covered by the calculation, EZCORP shall include the historical

EBITDA (as calculated in accordance with this definition) of the acquired company for the time period covered by the calculation; (iv) "Funded Debt" means, at any particular time, the sum of the following, calculated on a consolidated basis for EZCORP in accordance with GAAP: (A) all obligations for borrowed money, including but not limited to senior bank debt, senior notes and subordinated debt, (B) all obligations relating to the deferred purchase price of property and services, (C) the principal portion of all GAAP capital lease obligations, and (D) all obligations under a guarantee of borrowed money, or any other type of direct or contingent obligation; (v) "GAAP" means accounting principles generally accepted in the United States of America; and (v) "Leverage Ratio" means, as of any fiscal quarter end, the ratio of (a) Funded Debt, minus CSO LC Liabilities (to the extent included in Funded Debt) to (b) EBITDA, in each case for such fiscal quarter and the prior three fiscal quarters.

10. General Liability Insurance. During the term of this Agreement, CSO shall maintain at its expense a general comprehensive liability policy with a financially sound and reputable insurer. Such general comprehensive liability policies shall provide coverage limits of not less than \$1,000,000. Upon receipt of Lender's written request, CSO shall provide copies of such insurance policies to Lender and provide to Lender such evidence as it may reasonably request concerning the continued existence of such coverages during the term of this Agreement.

11. Modification and Waiver. Lender reserve the right to modify the Lending Guidelines and the Loans with Consumer as Lender determines in its sole discretion but no such acts on the part of the Lender shall diminish, modify, alter, or impair rights of the CSO unless the Lender has obtained the CSO's prior written consent.

12. Default and Enforcement. CSO or Lender may institute such arbitration proceedings against Consumers as are authorized by the CSO Agreement, the Application, and Loan Documents reasonably deemed by CSO or Lender to be necessary or appropriate to collect a Loans or a Consumer's obligations to reimburse CSO under a Letter of Credit, to enforce the Loan Documents and to protect the respective rights of Lender and CSO. Lender and CSO shall bear their own costs and expenses, including the attorneys' fees of such proceedings. The parties agree to cooperate with each other in such collection and enforcement proceedings against Consumers.

13. Availability of Records and Facilities of CSO. During the term of this Agreement and for a period of three (3) years thereafter, upon reasonable notice to CSO and at the request of Lender, CSO shall make available for review and examination by Lender, its premises, facilities, staff and such books and records of CSO relating to the Loans as Lender may reasonably request for purposes of Lender's, its auditors' or such agency's financial accounting or regulatory examination purposes. Any such review, inspection or examination shall take place during CSO's normal business hours. Lender shall have the right, at least annually during the term of this Agreement, at Lender's sole cost and expense, to conduct audits and/or compliance reviews of the services provided hereunder, and the records generated thereunder; provided that such audits and reviews shall be conducted during normal business hours in a manner which does not unreasonably interfere with CSO's normal business operations. Upon termination of this Agreement CSO shall deliver to Lender the originals or copies of all Loan Documents and consumer records in its possession in forms reasonably acceptable to Lender.

14. Inability to Perform. In the event that either party to this Agreement or a Customer is unable to timely perform its duties or obligations hereunder or under the Loan Documents as a result of riots, acts of God, strikes, lockouts, material or labor shortages, state or national emergency, acts of the public enemy, terrorist activity, criminal activity, governmental restrictions, laws, regulations, decree or order, systems failures or other unforeseen event, CSO and Lender shall reasonably cooperate and work together to resolve and take such actions reasonably necessary to protect the Customer and business operations of the other including but not limited to temporary modifications, deviations, alterations to the CSO Program, Lending Guidelines, and Loan Documents as may be necessary.

15. Termination.

(a) This Agreement shall have an indefinite term.

(b) Either party may terminate this Agreement immediately on the material breach by the other of the terms hereof or obligations hereunder if the non-breaching party gives the breaching party written notice of and describing the breach; but, if the breach is curable, the breaching party shall be given not less than thirty (30) days from the date of the giving of such notice to cure such default to the reasonable satisfaction of the non-breaching party.

(c) Either party may terminate this Agreement upon the earlier of (1) ninety (90) days prior written notice; or (2) earlier if required by law, regulatory action, judicial determination or similar tribunal or governmental body or agency if applicable laws or regulations governing the CSO Program or the making of Loans make (or are claimed by a regulatory agency to make) the continued operation of the CSO Program and/or Loan Program of questionable legality, either generally or in a material but specific fashion, or should any such regulatory or governmental body or agency, court of competent jurisdiction, or arbitrator or other tribunal take or threaten to take action, such as the issuance of a cease and desist order, against either party which would bar either or both parties from continuing to perform its or their obligations under this Agreement.

(d) CSO may terminate this Agreement upon ninety (90) days prior written notice if the Rules governing the CSO Program or the making of Loans change or are enforced or interpreted in such a way (i) as to materially impact the profitability of the CSO Program and/or the Loans; or (ii) that continued operation of the CSO Program and/or the Loans would place CSO at a competitive disadvantage in the marketplace, in CSO's sole discretion.

(e) In the event that Lender alters, modifies, or amends the Lending Guidelines that in CSO's sole opinion, is undesirable for CSO's continued operation or takes any actions or makes any determinations pursuant to paragraph 9 above, then CSO may terminate this Agreement on ninety 90 days prior written notice unless the parties are otherwise able to reach a mutual resolution and/or compromise.

(f) In addition to any other right to terminate this Agreement, a party may terminate this Agreement if the other party hereto, or such other party's principals are the subject of any of the following or if any of the following occurs with respect to such other party or such other party's principals: insolvency, inability to pay its debts as they become due, the filing of a voluntary bankruptcy petition, the filing of an involuntary bankruptcy petition which is not dismissed within thirty (30) days after filing thereof, dissolution or termination of its existence as a going concern, or the appointment of a receiver for any part of its property.

16. Confidentiality, Ownership of Customer Information.

(a) The parties agree and acknowledge that the Consumers referred by CSO to Lender for Loans are customers of both parties. Lender agrees that it will not solicit Consumers

for any other product or service offered by Lender or others nor divulge, except in accordance with applicable law or regulation the names or other identification information regarding the customers to others except with CSO's prior written consent and then only in accordance with the Privacy Policy contained in the Application. This restriction shall apply during the term and after termination of this Agreement.

(b) The parties agree and acknowledge that certain information regarding the Consumers is nonpublic personal information and will not be provided to third parties except as necessary to service, administer, process and enforce a transaction a Consumer requests or authorizes, marketing of other products and services by CSO and Lender, marketing or offering other products and services by CSO and any other third party, or as otherwise authorized by this Agreement and the Privacy Policy between CSO, Lender, and the Customer. The parties shall implement an effective security program to protect Consumers nonpublic personal information to ensure that the parties do not violate the Privacy Policy and applicable law. Such security program shall incorporate methods for the secure destruction of confidential information, such as Loan Documents and other records and documents no longer required to be maintained by either party.

(c) The parties shall jointly own all Consumers names, addresses, and telephone numbers and all account and other information, including payment information, regarding Consumers who have been denied and all records, data, and information pertaining to the foregoing (collectively, "Consumer Information"); provided, however, that neither party will use any such Consumer Information except to the extent permitted by the privacy policies of the parties set forth in the CSO Program, Lending Guidelines, and/or Loan Documents. Notwithstanding the foregoing, without the need for obtaining Lender's consent, CSO shall be free to use Consumer Information for purposes of marketing, offering, selling, brokering, underwriting and providing other products and services, including, without limitation, other loan products and services that may be offered to Consumers by CSO, any third party service provider of CSO or any other lenders through the distribution channels of CSO and any third party service provider of CSO, provided that, in all cases, however, any use by CSO of any such Consumer Information shall comply with all applicable laws and CSO's privacy policies. In addition, notwithstanding that Lender has an ownership interest in the Consumer Information, Lender agrees that it will not use the Consumer Information to market other products or services to the Consumers or to applicants who have been denied Loans without prior written consent of CSO. The rights and obligations of the parties under this Paragraph shall indefinitely survive the termination of this Agreement.

17. Arbitration. Unless otherwise agreed by the parties in writing and except for enforcement of any equitable remedies, any disputes, claims, or controversies that may arise in connection with, arising out of or relating to this Agreement or the rights and obligations herein, or the breach, validity, existence or termination hereof, or any dispute that relates in any way in whole or in part to the right of any party or any other indemnified person to indemnification pursuant to any provision of this Agreement, shall be submitted to binding arbitration in Austin, Texas in accordance with the Commercial Rules of Arbitration of the American Arbitration Association. There shall be one arbitrator who shall be selected in accordance with such rules and procedures. The arbitrator may order, in addition to the remedies provided in such rules, specific performance of this Agreement. Judgment on the award may be entered in any court having jurisdiction.

18. Assignment. CSO may sell or assign its rights and obligations under this Agreement, whether voluntarily or involuntarily, to an affiliate of EZCORP without the prior written consent of Lender. Lender may sell or assign its rights and obligations under this Agreement with the prior written consent of CSO, which shall not be unreasonably withheld or delayed.

19. Representations and Warranties. The parties make the following warranties and representations to each other, all of which shall survive the execution and termination, for any reason, of this Agreement:

(a) This Agreement is valid, binding and enforceable against each party in accordance with its terms and each party has received all necessary corporate approvals.

(b) CSO is a duly formed limited partnership and Lender is a duly formed limited partnership, validly existing, and in good standing under the laws of the state of its formation and is authorized, registered, and licensed to do business in Texas. Each location of CSO in Texas from which CSO will provide credit services hereunder is registered and bonded as required for credit services organizations under Section 393 of the Texas Finance Code and will remain so registered and bonded throughout the term of this Agreement.

(c) Each party has the full organizational power and authority to execute and deliver this Agreement and perform all of its obligations hereunder.

(d) The provisions of this Agreement and the performance by each party of its obligations hereunder do not conflict with any agreement, contract, lease, or obligation to which such party is a party or by which such party is bound.

#### 20. Miscellaneous.

(a) Neither the execution of this Agreement or the Loan Documents is intended to be, nor shall it be construed to be, the formation of an agency, partnership, or joint venture between Lender and CSO. CSO does not have the right or authority to act for or on behalf of or to otherwise bind Lender.

(b) This Agreement supersedes any negotiations, discussions or communications between Lender and CSO and constitutes the entire agreement of Lender and CSO with respect to the CSO and Loan Programs, the Loans, the Lender Loan Documents, the CSO Agreement, credit services, and Letter of Credit.

(c) Any written notice or demand to be given under this Agreement shall be duly and properly given if delivered personally and a receipt evidencing delivery thereof is obtained, if sent by private delivery service and a receipt evidencing delivery thereof is obtained, or if sent by confirmed facsimile transmission, to the party entitled to such notice or demand at the address set forth below, or at such other address as such party may, from time to time, specify in writing or if sent by confirmed facsimile transmission to the recipient's then current facsimile transmission number and shall be effective when actually received by such party:

To CSO:

Connie Kondik  
General Counsel  
Texas EZMONEY, L.P.  
1901 Capital Parkway  
Austin, Texas 78746

To Lender:

C. Dan Adams  
President and CEO  
809 E. Main Street  
Spartanburg, SC 29302

With a Copy to:

GARDERE WYNNE SEWELL, L.L.P.

1601 Elm Street, Suite 3000  
Dallas, TX 75201-4761  
Attention: Steven S. Camp

(d) Although CSO and Lender may use the same counsel when appropriate, nothing in this Agreement shall be deemed to prevent CSO and Lender from using separate counsel.

(e) This Agreement and the rights and duties described herein shall be governed by, and construed and interpreted in accordance with, the laws of the State of Texas without regard to its law on conflicts of law.

(f) Except as expressly provided to the contrary in this Agreement, each party shall be responsible for all expenses incurred by it in the performance of its obligations under this Agreement, including any expenses incurred by it in performing its respective duties hereunder.

(g) This Agreement may be executed by the parties hereto on separate counterparts, each of which is an original but all of which together shall constitute one and the same Agreement.

(h) This Agreement shall governed by the laws of the State of Texas and any action or litigation related to any claim, dispute or controversy arising out of this Agreement between the parties shall be brought in Travis County, Texas.

(i) Notice of Final Agreement. THIS AGREEMENT REPRESENTS THE FINAL AGREEMENT BETWEEN THE PARTIES, AND THE SAME MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS OR SUBSEQUENT ORAL AGREEMENTS BETWEEN THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES.

IN WITNESS WHEREOF, Lender and CSO, each intending to be legally bound hereby, have caused this Agreement to be executed by its duly authorized officer as of the date first written above.

CSO

LENDER

Texas EZMONEY, L.P., by and  
through its general partner, Payday  
Loan Management, Inc.

Integrity Texas Funding, L.P., through  
its general partner,  
-----

By: /s/ Daniel N. Tonissen  
-----

By: /s/ C. Dan Adams  
-----

Name: Daniel N. Tonissen  
Title: Sr. Vice-President  
DATE: APRIL 12, 2006

Name: C. Dan Adams  
Title: President  
DATE: APRIL 13, 2006

## CREDIT SERVICES ORGANIZATION AND LENDER AGREEMENT

This Credit Services Organization and Lender Agreement (as amended, modified or restated from time to time, this "Agreement") is made and entered into as of November 9, 2005, by and between Integrity Texas Funding, L.P. dba Integrity Funding, a Texas limited partnership (the "Lender"), and Texas EZPAWN, L.P., a Texas limited partnership (the "CSO").

## RECITALS

The parties desire to enter into this Agreement for the purpose of setting forth the terms and conditions which will govern certain business activities and transactions to be provided by the parties to consumers seeking credit services and loans ("Consumers").

The CSO has developed a credit services program pursuant to Chapter 393 of the Texas Finance Code (the "CSO Program") under which the CSO will provide certain credit services including, but not limited to, assisting Consumers in obtaining Loans (as defined below) from the Lender.

The Lender makes unsecured loans at an interest rate not to exceed ten percent (10.00%) per annum (the "Loans") pursuant to Chapter 302 of the Texas Finance Code to Consumers. The CSO desires to offer the CSO Program to Consumers who may be interested in the CSO Program and Loans. The duties and obligations of the CSO and the Lender relating to the CSO Program and Loans are set forth herein.

## AGREEMENT

In consideration of the foregoing and of the mutual promises contained in this Agreement, the CSO and the Lender agree as follows:

## 1. The CSO Program.

(a) The parties agree that, in accordance with the written guidelines as established from time to time by CSO for the CSO Program, CSO may broker the Loans to Lender from such locations in the State of Texas and such other markets as may from time to time be agreed upon by the parties in writing.

(b) The CSO shall establish and operate retail locations where Consumers for credit services and Loans may submit applications for such credit services and Loans ("Applications").

(c) CSO shall deliver to Consumers all disclosures required by applicable law for the credit services and Loans.

(d) The CSO may establish and evaluate its own underwriting criteria for purposes of its issuance of a letter of credit for Consumers seeking its credit services as a credit enhancement for the Loans. The CSO shall not establish underwriting criteria for the Lender.

(e) At the Consumer's request and upon approval by the CSO of the Consumer's Application, the CSO will timely provide to Lender all information provided by



Consumers and requested by Lender including the CSO's decision whether it will issue a Letter of Credit.

(f) The CSO will arrange for the Consumer's completion and execution of the CSO Disclosure, the CSO Agreement, Credit Services and Loan Application, and, upon the Lender's approval of a Consumer's Application, the Lender's Loan Agreement and Disclosure between the Lender and the Consumer (the "Note") and Lender's payment draft for the Loan proceeds.

(g) The CSO as part of its credit services will provide Consumer with a copy of the CSO Disclosure, CSO Agreement, and the Loan Agreement and Disclosure.

(h) Until such time as Lender is able to electronically scan or image executed Lender loan documents and instruments evidencing the Loans, as more fully described in the Lending Guidelines (the "Loan Documents") into the loan management system as part of the Lender's loan file for each Customer, CSO as special limited agent shall hold for Lender and subject to Lender's instructions all of the Loan Documents. Lender may at any time take possession and control over the Loan Documents or enter the CSO's business premises during normal business hours to inspect or take possession and control over the Loan Documents. All documents obtained or prepared by the CSO related to the credit services including the letters of credit shall be owned by the CSO. All Loan Documents shall be owned by the Lender. The originals or true and complete copies of all Loan Documents or legible reproductions thereof, as requested by Lender, shall be delivered by CSO to the Lender within a reasonable period time after receipt by CSO of Lender's written request.

(i) The Lender's rights to draw on a Letter of Credit are set forth in the Letter of Credit.

(j) The CSO has the exclusive right to market, offer, promote the CSO Program and Loans and solicit Consumers for the CSO Program and Loans at such CSO locations owned and operated by CSO in the State of Texas as CSO may designate from time to time. CSO shall disclose in its marketing of its credit services that Loans are made by a third party lender. Any marketing or solicitation materials, including letters, internet websites and e-mails, television and radio commercials, newspapers, magazines and the like, in which Lender's name or trade names is used in conjunction with the CSO Credit Services and Loans shall be submitted to and approved by Lender prior to use of such marketing or solicitation materials. Lender agrees not to unreasonably withhold such approval. CSO shall ensure that such marketing and solicitation efforts shall be in full compliance with law and applicable policies of Lender.

(k) As special limited agent, CSO shall timely deliver, as required by law, Lender's adverse action notices to all rejected Credit Services and Loan Applicants for Loans.

(l) Lender agrees and authorizes CSO as part of the CSO Program to report a consumer's credit information and history related to the CSO Program, Lender Loan Program, or a Loan to a consumer credit reporting agency in compliance with Fair Credit Reporting Act.

(m) CSO shall be under no obligation or commitment to provide credit services or offer, broker, or arrange loans at any particular location, level, or number of applicants and makes no representations in those respects to Lender.

## 2. The Loans

(a) The Lender in its sole discretion shall determine all of the conditions,

terms and features of the Loans, including, without limitation, fees and charges, interest rates not to exceed ten percent (10.00%) per annum, credit limits, credit standards and all other terms and conditions of the Loans as more fully described in the Lending Guidelines. Notwithstanding the foregoing, Lender shall have no right to determine the fees and other compensation to be paid to CSO by a Consumer in connection with the CSO services. Lender agrees that it will make Loans to all Consumers who submit application through CSO and who meet the credit standards established by Lender for Loans from time to time. Neither Lender, nor CSO, nor their respective employees shall suggest to Consumers that Loans are made or approved by CSO or that CSO (or any employee of CSO) can improve a Consumer's prospect of obtaining a Loan.

(b) Lender solely is responsible for ensuring that the Loan Documents comply with all applicable laws.

(c) Lender will advise CSO of Lender's underwriting criteria and terms for the Loans.

(d) Lender represents that it will independently make an evaluation of the creditworthiness of a Consumer in deciding whether to make a Loan to such Consumer.

(e) Upon approval of an Application for a Loan, Lender will enter into the Note with the Consumer, the execution of which will be assisted by the CSO.

(f) Lender shall cause adverse action notices and other communications that may be required by law to persons who apply for but are denied a Loan, subject to CSO's responsibility to deliver and manage such adverse action notices as described herein or in the Lending Guidelines.

(g) Lender shall promptly deliver to CSO all communications received from a Consumer who are denied a Loan (including, without limitation, information requests and bankruptcy filings) to the extent CSO reasonably needs the same in order to perform its credit services and other obligations hereunder.

(h) Lender shall be under no obligation or commitment to make or fund loans at any particular level or number of applicants and makes no representations in those respects to CSO; provided however, Lender hereby commits to CSO that it will have no less than \$15,000,000.00 available to fund Loans that satisfy the Lender's underwriting criteria for making such Loans.

3. Approval, Making, and Funding of Loans. Based on the information provided by a Consumer to the CSO and Lender in an Application, CSO shall be solely responsible for determining whether to provide credit services including issuing the Letter of Credit to a Consumer and Lender shall be solely responsible for determining whether to make a loan to a Consumer. CSO is not required to submit an Application to Lender where CSO has independently determined not to provide the Consumer credit services and not to issue the Letter of Credit. For any Application received by Lender, Lender shall review the Application and advise CSO of its decision to approve or reject the Credit Services and Loan Application. Lender shall advance to Consumer the entire proceeds of any Loan, via cash, check, draft or similar payment instrument. Lender acknowledges and agrees that if it disburses the proceeds of a Loan in the form of check, draft, or similar payment instrument to a Consumer and CSO then honors that check, draft, or similar payment instrument, the amount of such check, draft or similar payment instrument shall be considered due and owing from Lender to CSO on the date that CSO honors the check, draft or similar payment instrument.

#### 4. Settlement and Reporting of Loans.

(a) On each business day in which the CSO is open for business, except as otherwise provided herein, CSO will make available to Lender through the loan management system reports and data related to the Loans made, payments received, defaults, and collections performed on the immediately preceding business day. CSO shall be responsible for settling and remitting to Lender via ACH credit or wire transfer as soon as practical any monies due Lender received by CSO from Consumers. Lender shall be responsible for settling and remitting to CSO via ACH credit or wire transfer as soon as practical any monies due CSO. The payment obligations of the parties under this Agreement and the Lending Guidelines shall survive the termination of this Agreement and will remain in effect as long as any Loans remain on the books of Lender. CSO shall capture and record all relevant data concerning any Loan transaction and prepare appropriate report and summaries as may be necessary to effect settlement hereunder and make available to Lender such data, reports, and summaries as Lender may reasonably deem necessary to maintain effective internal controls and to monitor results under this Agreement

(b) During the term of this Agreement and for a reasonable period thereafter, the parties agree that they will give each other reasonable access to their books and records related to the CSO Program, Loans, and any other relevant business activities and any other information reasonably requested of the other to allow the requesting party to maintain effective internal controls, monitor the CSO Program and Loan results, prepare financial statements and reports as may be required by generally accepted accounting practices, law, state and federal regulators including, but not limited to the Securities and Exchange Commission

#### 5. Collection of Payments by CSO

(a) Lender hereby authorizes the CSO as a special limited agent to receive payments from Consumers due under the Loans for remittance to Lender. The parties agree that all payments received by the CSO from Consumers relieve Consumers from any further payment obligations to Lender for any such payments received by CSO. The CSO shall not be acting as a general agent or fiduciary for and on account of the interests of Lender. Any payments received by CSO from a Consumer regarding a Loan from Lender shall be deemed binding upon Lender, and CSO is designated a special limited agent of Lender for that purpose and CSO is authorized to issue payment receipts that are binding upon Lender.

(b) Lender agrees to open a deposit account (the "Operating Account") with a federally insured financial institution acceptable to Lender and in Lender's name into which CSO will periodically remit to Lender, as mutually agreed to by the parties all payments on the Loans received by CSO.

(c) CSO agrees to receive and remit any payments it receives in connection with the Loans in accordance with mutually acceptable policies and procedures utilizing CSO's loan management system.

(d) CSO shall keep full and complete records and accounts of all transactions with respect to the Loan payments remitted to the Operating Account and all collections received on account of the Loans.

(e) CSO agrees, upon request of Lender, to forward all Loan Documents relating to Loans in the possession of CSO to Lender or Lender's designee for servicing and otherwise to cooperate fully with Lender or such substitute servicer in the orderly and prompt transfer of servicing of such Loans. Lender agrees that, upon delivery of such Loan Documents

to Lender or Lender's designee, CSO shall be released from and have no further duties with regard to the retention of such Loan Documents.

(f) In the event a Consumer fails to pay any sums in accordance with the Loan Documents, Lender has the right immediately upon default to make demand under any stand-by letter of credit issued by the CSO to ensure the Consumer's repayment of the Loan pursuant to the terms of any such letter of credit.

6. Lending Guidelines. Lending Guidelines means those guidelines established from time to time by Lender for the development, implementation, and administration of the Loans.. Both parties agree to act in good faith and in a commercially reasonable manner in connection with the implementation and administration of the Lending Guidelines.

#### 7. Independence of the Parties

(a) This Agreement contemplates the CSO and Lender acting independently of each other with respect to their respective decisions to provide credit services or make Loans.

(b) This Agreement shall not be construed as creating or evidencing any general agency between the parties. Neither party is authorized to act on behalf of the other except to the limited extent specified herein or any other relationship.

(c) The CSO shall mark its books and records to indicate clearly the Lender's ownership interest in any Loans and the Loan Documents.

(d) In each and every instance, the acts that this Agreement authorizes CSO to perform for or on Lender's behalf shall solely constitute CSO as special agent of Lender to assist Consumer's in obtaining a Loan from Lender, and certain incidental acts related thereto. In no event may CSO act as Lender's general agent or represent to others that it may act as Lender's general agent. Lender shall have no authority to act for or bind CSO.

(e) It is the intention of CSO and Lender to comply with applicable law and to operate independently of each other in their respective capacities as credit service organization and lender. In the event that any provision of this Agreement would require an act that applicable law disallows in order for the CSO and Lender to operate lawfully as an independent credit service organization and lender, then such provision shall be modified so as to conform to applicable law.

(f) Neither the existence of this Agreement, nor its execution, is intended to be, nor shall it be construed to be, the formation of a partnership, association, or joint venture between Lender and CSO. CSO is the special limited agent of Lender solely for the purposes set forth in this Agreement. Neither party is granted any right or authority to assume or to create any obligation or responsibility, express or implied, on behalf of or in the name of the other Party, except as expressly provided in this Agreement. Each Party shall be responsible only for its obligations and liabilities as set forth in this Agreement.

(g) In connection with CSO's performance of its obligations under this Agreement, it is expressly agreed that (i) Lender shall not hold any ownership or leasehold interest in any business location of CSO or any personal property located therein, except for the Lender Loan Documents and cash or instruments reflecting Loan repayments as may be located at such business locations from time to time, (ii) no employee of Lender shall work in any CSO business location, and (iii) Lender shall exercise no authority or control over CSO's employees or methods of operation except as expressly provided in this Agreement.

## 8. Compliance With Law and Regulation.

(a) In performing its services hereunder, CSO shall at all times and in all material respects comply with all local, state, and federal statutes or ordinances applicable to the acts of Lender or CSO, as they related to the CSO Program or the Loans; any order, decision, injunction, or similar pronouncement of any court, tribunal, or arbitration panel issued with respect to Lender or CSO in connection with the CSO Program or the Loans; and any regulations, policy statements, and any similar pronouncement of any regulatory authority applicable and binding on the acts of Lender or CSO as they relate to the CSO Program or the Loans (collectively, the "Rules").

(b) The performance of each of the parties under this Agreement is subject to all the Rules and each party hereby covenants to comply with the Rules and the lawful and reasonable actions or requests of duly authorized state and federal regulatory authorities in connection with the matters contemplated by this Agreement. If any party becomes aware of any change in law or regulation affecting the performance of obligations by any party under this Agreement, it shall promptly thereafter provide written notice of the same to the other party, provided that the failure to provide such notice shall not relieve any party of its obligation to comply with applicable law and regulation as it may change from time to time.

(c) In the event either party becomes aware that any underwriting criteria, Loan terms, interest, fee or other charge associated with the CSO Program, the Lending Guidelines, or the Loan Documents are not in compliance with the Rules governing same, the party becoming aware of the same shall notify the other party of such non-compliance and each party agrees to cooperate in good faith with each other, and to diligently take commercially reasonable steps, as may be necessary in order to promptly correct any such non-compliance.

(d) The parties, whether jointly or severally, shall not discriminate against any Consumer in the credit application process on any "prohibited basis" as such term is defined in the federal Equal Credit Opportunity Act and Regulation B of the Board of Governors of the Federal Reserve System and any other applicable State or Federal Law.

9. Financial Covenants of EZCORP. CSO is an affiliate of EZCORP, Inc ("EZCORP"). As security for performance of its stand by letter of credit obligations to Lender on behalf of Consumers under CSO's CSO Program, EZCORP covenants and agrees that during the term of this Agreement that it will:

(a) Maintain at all times total stockholders' equity, as defined by GAAP, of not less than \$75,000,000.00;

(b) Maintain a Leverage Ratio at the end of each fiscal quarter of not greater than 3.25 to 1.00; and

(c) Notify Lender within five (5) business days after the filing of its quarterly or annual reports with the Securities and Exchange Commission ("SEC"), if EZCORP is in violation of a covenant under its credit agreement with Wells Fargo Bank (Agent and Issuing Bank), and such violation is not cured or waived at the time of filing its quarterly reports (10-Q) or annual reports (10-K) with the SEC such that it must be reported in EZCORP's periodic filings with the SEC. For the purpose of this paragraph, the terms used herein have the following meanings: (i) "Consolidated Net Income" means, at any particular time, the aggregate net income or loss of EZCORP determined on a consolidated basis as determined in accordance with GAAP; (ii) "CSO LC Liabilities" means, at any time, the sum of that portion of the aggregate amounts available to be drawn of all outstanding Consumers' letters of credit, equal to the principal amounts of the Consumer notes supported by such letters of credit; (iii) "EBITDA"

means, for any period of determination, Consolidated Net Income, plus, to the extent that any of the following were deducted in calculating such Consolidated Net Income, interest expense, tax expenses, and depreciation and amortization. EBITDA will exclude all extraordinary items of income and loss, any gain or loss on the sale of assets, and any impairment of goodwill. In the event an acquisition is consummated prior to the end of a period for which EBITDA is calculated, but during the period covered by the calculation, EZCORP shall include the historical EBITDA (as calculated in accordance with this definition) of the acquired company for the time period covered by the calculation; (iv) "Funded Debt" means, at any particular time, the sum of the following, calculated on a consolidated basis for EZCORP in accordance with GAAP: (A) all obligations for borrowed money, including but not limited to senior bank debt, senior notes and subordinated debt, (B) all obligations relating to the deferred purchase price of property and services, (C) the principal portion of all GAAP capital lease obligations, and (D) all obligations under a guarantee of borrowed money, or any other type of direct or contingent obligation; (v) "GAAP" means accounting principles generally accepted in the United States of America; and (v) "Leverage Ratio" means, as of any fiscal quarter end, the ratio of (a) Funded Debt, minus CSO LC Liabilities (to the extent included in Funded Debt) to (b) EBITDA, in each case for such fiscal quarter and the prior three fiscal quarters.

10. General Liability Insurance. During the term of this Agreement, CSO shall maintain at its expense a general comprehensive liability policy with a financially sound and reputable insurer. Such general comprehensive liability policies shall provide coverage limits of not less than \$1,000,000. Upon receipt of Lender's written request, CSO shall provide copies of such insurance policies to Lender and provide to Lender such evidence as it may reasonably request concerning the continued existence of such coverages during the term of this Agreement.

11. Modification and Waiver. Lender reserve the right to modify the Lending Guidelines and the Loans with Consumer as Lender determines in its sole discretion but no such acts on the part of the Lender shall diminish, modify, alter, or impair rights of the CSO unless the Lender has obtained the CSO's prior written consent.

12. Default and Enforcement. CSO or Lender may institute such arbitration proceedings against Consumers as are authorized by the CSO Agreement, the Application, and Loan Documents reasonably deemed by CSO or Lender to be necessary or appropriate to collect a Loans or a Consumer's obligations to reimburse CSO under a Letter of Credit, to enforce the Loan Documents and to protect the respective rights of Lender and CSO. Lender and CSO shall bear their own costs and expenses, including the attorneys' fees of such proceedings. The parties agree to cooperate with each other in such collection and enforcement proceedings against Consumers.

13. Availability of Records and Facilities of CSO. During the term of this Agreement and for a period of three (3) years thereafter, upon reasonable notice to CSO and at the request of Lender, CSO shall make available for review and examination by Lender, its premises, facilities, staff and such books and records of CSO relating to the Loans as Lender may reasonably request for purposes of Lender's, its auditors' or such agency's financial accounting or regulatory examination purposes. Any such review, inspection or examination shall take place during CSO's normal business hours. Lender shall have the right, at least annually during the term of this Agreement, at Lender's sole cost and expense, to conduct audits and/or compliance reviews of the services provided hereunder, and the records generated thereunder; provided that such

audits and reviews shall be conducted during normal business hours in a manner which does not unreasonably interfere with CSO's normal business operations. Upon termination of this Agreement CSO shall deliver to Lender the originals or copies of all Loan Documents and consumer records in its possession in forms reasonably acceptable to Lender.

14. Inability to Perform. In the event that either party to this Agreement or a Customer is unable to timely perform its duties or obligations hereunder or under the Loan Documents as a result of riots, acts of God, strikes, lockouts, material or labor shortages, state or national emergency, acts of the public enemy, terrorist activity, criminal activity, governmental restrictions, laws, regulations, decree or order, systems failures or other unforeseen event, CSO and Lender shall reasonably cooperate and work together to resolve and take such actions reasonably necessary to protect the Customer and business operations of the other including but not limited to temporary modifications, deviations, alterations to the CSO Program, Lending Guidelines, and Loan Documents as may be necessary.

15. Termination.

(a) This Agreement shall have an indefinite term.

(b) Either party may terminate this Agreement immediately on the material breach by the other of the terms hereof or obligations hereunder if the non-breaching party gives the breaching party written notice of and describing the breach; but, if the breach is curable, the breaching party shall be given not less than thirty (30) days from the date of the giving of such notice to cure such default to the reasonable satisfaction of the non-breaching party.

(c) Either party may terminate this Agreement upon the earlier of (1) ninety (90) days prior written notice; or (2) earlier if required by law, regulatory action, judicial determination or similar tribunal or governmental body or agency if applicable laws or regulations governing the CSO Program or the making of Loans make (or are claimed by a regulatory agency to make) the continued operation of the CSO Program and/or Loan Program of questionable legality, either generally or in a material but specific fashion, or should any such regulatory or governmental body or agency, court of competent jurisdiction, or arbitrator or other tribunal take or threaten to take action, such as the issuance of a cease and desist order, against either party which would bar either or both parties from continuing to perform its or their obligations under this Agreement.

(d) CSO may terminate this Agreement upon ninety (90) days prior written notice if the Rules governing the CSO Program or the making of Loans change or are enforced or interpreted in such a way (i) as to materially impact the profitability of the CSO Program and/or the Loans; or (ii) that continued operation of the CSO Program and/or the Loans would place CSO at a competitive disadvantage in the marketplace, in CSO's sole discretion.

(e) In the event that Lender alters, modifies, or amends the Lending Guidelines that in CSO's sole opinion, is undesirable for CSO's continued operation or takes any actions or makes any determinations pursuant to paragraph 9 above, then CSO may terminate this Agreement on ninety 90 days prior written notice unless the parties are otherwise able to reach a mutual resolution and/or compromise.

(f) In addition to any other right to terminate this Agreement, a party may terminate this Agreement if the other party hereto, or such other party's principals are the subject of any of the following or if any of the following occurs with respect to such other party or such other party's principals: insolvency, inability to pay its debts as they become due, the filing of a voluntary bankruptcy petition, the filing of an involuntary bankruptcy petition which is not

dismissed within thirty (30) days after filing thereof, dissolution or termination of its existence as a going concern, or the appointment of a receiver for any part of its property.

16. Confidentiality, Ownership of Customer Information.

(a) The parties agree and acknowledge that the Consumers referred by CSO to Lender for Loans are customers of both parties. Lender agrees that it will not solicit Consumers for any other product or service offered by Lender or others nor divulge, except in accordance with applicable law or regulation the names or other identification information regarding the customers to others except with CSO's prior written consent and then only in accordance with the Privacy Policy contained in the Application. This restriction shall apply during the term and after termination of this Agreement.

(b) The parties agree and acknowledge that certain information regarding the Consumers is nonpublic personal information and will not be provided to third parties except as necessary to service, administer, process and enforce a transaction a Consumer requests or authorizes, marketing of other products and services by CSO and Lender, marketing or offering other products and services by CSO and any other third party, or as otherwise authorized by this Agreement and the Privacy Policy between CSO, Lender, and the Customer. The parties shall implement an effective security program to protect Consumers nonpublic personal information to ensure that the parties do not violate the Privacy Policy and applicable law. Such security program shall incorporate methods for the secure destruction of confidential information, such as Loan Documents and other records and documents no longer required to be maintained by either party.

(c) The parties shall jointly own all Consumers names, addresses, and telephone numbers and all account and other information, including payment information, regarding Consumers who have been denied and all records, data, and information pertaining to the foregoing (collectively, "Consumer Information"); provided, however, that neither party will use any such Consumer Information except to the extent permitted by the privacy policies of the parties set forth in the CSO Program, Lending Guidelines, and/or Loan Documents. Notwithstanding the foregoing, without the need for obtaining Lender's consent, CSO shall be free to use Consumer Information for purposes of marketing, offering, selling, brokering, underwriting and providing other products and services, including, without limitation, other loan products and services that may be offered to Consumers by CSO, any third party service provider of CSO or any other lenders through the distribution channels of CSO and any third party service provider of CSO, provided that, in all cases, however, any use by CSO of any such Consumer Information shall comply with all applicable laws and CSO's privacy policies. In addition, notwithstanding that Lender has an ownership interest in the Consumer Information, Lender agrees that it will not use the Consumer Information to market other products or services to the Consumers or to applicants who have been denied Loans without prior written consent of CSO. The rights and obligations of the parties under this Paragraph shall indefinitely survive the termination of this Agreement.

17. Arbitration. Unless otherwise agreed by the parties in writing and except for enforcement of any equitable remedies, any disputes, claims, or controversies that may arise in connection with, arising out of or relating to this Agreement or the rights and obligations herein, or the breach, validity, existence or termination hereof, or any dispute that relates in any way in whole or in part to the right of any party or any other indemnified person to indemnification pursuant to any provision of this Agreement, shall be submitted to binding arbitration in Austin, Texas in accordance with the Commercial Rules of Arbitration of the American Arbitration



Association. There shall be one arbitrator who shall be selected in accordance with such rules and procedures. The arbitrator may order, in addition to the remedies provided in such rules, specific performance of this Agreement. Judgment on the award may be entered in any court having jurisdiction.

18. Assignment. CSO may sell or assign its rights and obligations under this Agreement, whether voluntarily or involuntarily, to an affiliate of EZCORP without the prior written consent of Lender. Lender may sell or assign its rights and obligations under this Agreement with the prior written consent of CSO, which shall not be unreasonably withheld or delayed.

19. Representations and Warranties. The parties make the following warranties and representations to each other, all of which shall survive the execution and termination, for any reason, of this Agreement:

(a) This Agreement is valid, binding and enforceable against each party in accordance with its terms and each party has received all necessary corporate approvals.

(b) CSO is a duly formed limited partnership and Lender is a duly formed limited partnership, validly existing, and in good standing under the laws of the state of its formation and is authorized, registered, and licensed to do business in Texas. Each location of CSO in Texas from which CSO will provide credit services hereunder is registered and bonded as required for credit services organizations under Section 393 of the Texas Finance Code and will remain so registered and bonded throughout the term of this Agreement.

(c) Each party has the full organizational power and authority to execute and deliver this Agreement and perform all of its obligations hereunder.

(d) The provisions of this Agreement and the performance by each party of its' obligations hereunder do not conflict with any agreement, contract, lease, or obligation to which such party is a party or by which such party is bound.

#### 20. Miscellaneous.

(a) Neither the execution of this Agreement or the Loan Documents is intended to be, nor shall it be construed to be, the formation of an agency, partnership, or joint venture between Lender and CSO. CSO does not have the right or authority to act for or on behalf of or to otherwise bind Lender.

(b) This Agreement supersedes any negotiations, discussions or communications between Lender and CSO and constitutes the entire agreement of Lender and CSO with respect to the CSO and Loan Programs, the Loans, the Lender Loan Documents, the CSO Agreement, credit services, and Letter of Credit.

(c) Any written notice or demand to be given under this Agreement shall be duly and properly given if delivered personally and a receipt evidencing delivery thereof is obtained, if sent by private delivery service and a receipt evidencing delivery thereof is obtained, or if sent by confirmed facsimile transmission, to the party entitled to such notice or demand at the address set forth below, or at such other address as such party may, from time to time, specify in writing or if sent by confirmed facsimile transmission to the recipient's then current facsimile transmission number and shall be effective when actually received by such party:

To CSO:

Connie Kondik  
General Counsel  
Texas EZPAWN, L.P.  
1901 Capital Parkway  
Austin, Texas 78746

To Lender:

C. Dan Adams  
President and CEO  
809 E. Main Street  
Spartanburg, SC 29302

With a Copy to:  
GARDERE WYNNE SEWELL, L.L.P.  
1601 Elm Street, Suite 3000  
Dallas, TX 75201-4761  
Attention: Steven S. Camp

(d) Although CSO and Lender may use the same counsel when appropriate, nothing in this Agreement shall be deemed to prevent CSO and Lender from using separate counsel.

(e) This Agreement and the rights and duties described herein shall be governed by, and construed and interpreted in accordance with, the laws of the State of Texas without regard to its law on conflicts of law.

(f) Except as expressly provided to the contrary in this Agreement, each party shall be responsible for all expenses incurred by it in the performance of its obligations under this Agreement, including any expenses incurred by it in performing its respective duties hereunder.

(g) This Agreement may be executed by the parties hereto on separate counterparts, each of which is an original but all of which together shall constitute one and the same Agreement.

(h) This Agreement shall be governed by the laws of the State of Texas and any action or litigation related to any claim, dispute or controversy arising out of this Agreement between the parties shall be brought in Travis County, Texas.

(i) Notice of Final Agreement. THIS AGREEMENT REPRESENTS THE FINAL AGREEMENT BETWEEN THE PARTIES, AND THE SAME MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS OR SUBSEQUENT ORAL AGREEMENTS BETWEEN THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES.

IN WITNESS WHEREOF, Lender and CSO, each intending to be legally bound hereby, have caused this Agreement to be executed by its duly authorized officer as of the date first written above.

CSO

LENDER

Texas EZPAWN, L.P., by and  
through its general partner,  
Texas EZPAWN Management, Inc.

Integrity Texas Funding, L.P., through  
its general partner,  
-----

By: /s/ Daniel N. Tonissen  
-----

By: /s/ C. Dan Adams  
-----

Name: Daniel N. Tonissen  
TITLE: SR. VICE-PRESIDENT  
Date: November 9, 2005

Name: C. Dan Adams  
TITLE: PRESIDENT  
Date: November 9, 2005

## CREDIT SERVICES ORGANIZATION AND LENDER AGREEMENT

This Credit Services Organization and Lender Agreement (as amended, modified or restated from time to time, this "Agreement") is made and entered into as of November 30, 2005, by and between Integrity Florida Funding, L.P. dba Integrity Funding, a Florida limited partnership (the "Lender"), and EZPAWN Florida, Inc., a Delaware corporation (the "CSO").

## RECITALS

The parties desire to enter into this Agreement for the purpose of setting forth the terms and conditions which will govern certain business activities and transactions to be provided by the parties to consumers seeking credit services and loans ("Consumers").

The CSO has developed a credit services program pursuant to Part III of Chapter 817, Florida Statutes (2005) (the "CSO Program") under which the CSO will provide certain credit services including, but not limited to, assisting Consumers in obtaining Loans (as defined below) from the Lender.

The Lender makes unsecured loans at an interest rate not to exceed eighteen percent (18.00%) per annum (the "Loans"). to Consumers. The CSO desires to offer the CSO Program to Consumers who may be interested in the CSO Program and Loans. The duties and obligations of the CSO and the Lender relating to the CSO Program and Loans are set forth herein.

## AGREEMENT

In consideration of the foregoing and of the mutual promises contained in this Agreement, the CSO and the Lender agree as follows:

## 1. The CSO Program.

(a) The parties agree that, in accordance with the written guidelines as established from time to time by CSO for the CSO Program, CSO may broker the Loans to Lender from such locations in the State of Florida and such other markets as may from time to time be agreed upon by the parties in writing.

(b) The CSO shall establish and operate retail locations where Consumers for credit services and Loans may submit applications for such credit services and Loans ("Applications").

(c) CSO shall deliver to Consumers all disclosures required by applicable law for the credit services and Loans.

(d) The CSO may establish and evaluate its own underwriting criteria for purposes of its issuance of a letter of credit for Consumers seeking its credit services as a credit enhancement for the Loans. The CSO shall not establish underwriting criteria for the Lender.

(e) At the Consumer's request and upon approval by the CSO of the Consumer's Application, the CSO will timely provide to Lender all information provided by Consumers and requested by Lender including the CSO's decision whether it will issue a Letter of Credit.

(f) The CSO will arrange for the Consumer's completion and execution of the CSO Disclosure, the CSO Agreement, Credit Services and Loan Application, and, upon the

Lender's approval of a Consumer's Application, the Lender's Loan Agreement and Disclosure between the Lender and the Consumer (the "Note") and Lender's payment draft for the Loan proceeds.

(g) The CSO as part of its credit services will provide Consumer with a copy of the CSO Disclosure, CSO Agreement, and the Loan Agreement and Disclosure.

(h) Until such time as Lender is able to electronically scan or image executed Lender loan documents and instruments evidencing the Loans, as more fully described in the Lending Guidelines (the "Loan Documents") into the loan management system as part of the Lender's loan file for each Customer, CSO as special limited agent shall hold for Lender and subject to Lender's instructions all of the Loan Documents. Lender may at any time take possession and control over the Loan Documents or enter the CSO's business premises during normal business hours to inspect or take possession and control over the Loan Documents. All documents obtained or prepared by the CSO related to the credit services including the letters of credit shall be owned by the CSO. All Loan Documents shall be owned by the Lender. The originals or true and complete copies of all Loan Documents or legible reproductions thereof, as requested by Lender, shall be delivered by CSO to the Lender within a reasonable period time after receipt by CSO of Lender's written request.

(i) The Lender's rights to draw on a Letter of Credit are set forth in the Letter of Credit.

(j) The CSO has the exclusive right to market, offer, promote the CSO Program and Loans and solicit Consumers for the CSO Program and Loans at such CSO locations owned and operated by CSO in the State of Florida as CSO may designate from time to time. CSO shall disclose in its marketing of its credit services that Loans are made by a third party lender. Any marketing or solicitation materials, including letters, internet websites and e-mails, television and radio commercials, newspapers, magazines and the like, in which Lender's name or trade names is used in conjunction with the CSO Credit Services and Loans shall be submitted to and approved by Lender prior to use of such marketing or solicitation materials. Lender agrees not to unreasonably withhold such approval. CSO shall ensure that such marketing and solicitation efforts shall be in full compliance with law and applicable policies of Lender.

(k) As special limited agent, CSO shall timely deliver, as required by law, Lender's adverse action notices to all rejected Credit Services and Loan Applicants for Loans.

(l) Lender agrees and authorizes CSO as part of the CSO Program to report a consumer's credit information and history related to the CSO Program, Lender Loan Program, or a Loan to a consumer credit reporting agency in compliance with Fair Credit Reporting Act.

(m) CSO shall be under no obligation or commitment to provide credit services or offer, broker, or arrange loans at any particular location, level, or number of applicants and makes no representations in those respects to Lender.

## 2. The Loans

(a) The Lender in its sole discretion shall determine all of the conditions, terms and features of the Loans, including, without limitation, fees and charges, interest rates not to exceed eighteen percent (18.00%) per annum, credit limits, credit standards and all other terms and conditions of the Loans as more fully described in the Lending Guidelines. Notwithstanding the foregoing, Lender shall have no right to determine the fees and other compensation to be paid

to CSO by a Consumer in connection with the CSO services. Lender agrees that it will make Loans to all Consumers who submit application through CSO and who meet the credit standards established by Lender for Loans from time to time. Neither Lender, nor CSO, nor their respective employees shall suggest to Consumers that Loans are made or approved by CSO or that CSO (or any employee of CSO) can improve a Consumer's prospect of obtaining a Loan.

(b) Lender solely is responsible for ensuring that the Loan Documents comply with all applicable laws.

(c) Lender will advise CSO of Lender's underwriting criteria and terms for the Loans.

(d) Lender represents that it will independently make an evaluation of the creditworthiness of a Consumer in deciding whether to make a Loan to such Consumer.

(e) Upon approval of an Application for a Loan, Lender will enter into the Note with the Consumer, the execution of which will be assisted by the CSO.

(f) Lender shall cause adverse action notices and other communications that may be required by law to persons who apply for but are denied a Loan, subject to CSO's responsibility to deliver and manage such adverse action notices as described herein or in the Lending Guidelines.

(g) Lender shall promptly deliver to CSO all communications received from a Consumer who are denied a Loan (including, without limitation, information requests and bankruptcy filings) to the extent CSO reasonably needs the same in order to perform its credit services and other obligations hereunder.

(h) Lender shall be under no obligation or commitment to make or fund loans at any particular level or number of applicants and makes no representations in those respects to CSO; provided however, Lender hereby commits to CSO that it will have no less than \$15,000,000.00 available to fund Loans that satisfy the Lender's underwriting criteria for making such Loans.

3. Approval, Making, and Funding of Loans. Based on the information provided by a Consumer to the CSO and Lender in an Application, CSO shall be solely responsible for determining whether to provide credit services including issuing the Letter of Credit to a Consumer and Lender shall be solely responsible for determining whether to make a loan to a Consumer. CSO is not required to submit an Application to Lender where CSO has independently determined not to provide the Consumer credit services and not to issue the Letter of Credit. For any Application received by Lender, Lender shall review the Application and advise CSO of its decision to approve or reject the Credit Services and Loan Application. Lender shall advance to Consumer the entire proceeds of any Loan, via cash, check, draft or similar payment instrument. Lender acknowledges and agrees that if it disburses the proceeds of a Loan in the form of check, draft, or similar payment instrument to a Consumer and CSO then honors that check, draft, or similar payment instrument, the amount of such check, draft or similar payment instrument shall be considered due and owing from Lender to CSO on the date that CSO honors the check, draft or similar payment instrument.

#### 4. Settlement and Reporting of Loans.

(a) On each business day in which the CSO is open for business, except as otherwise provided herein, CSO will make available to Lender through the loan management system reports and data related to the Loans made, payments received, defaults, and collections performed on the immediately preceding business day. CSO shall be responsible for settling and remitting to Lender via ACH credit or wire transfer as soon as practical any monies due Lender

received by CSO from Consumers. Lender shall be responsible for settling and remitting to CSO via ACH credit or wire transfer as soon as practical any monies due CSO. The payment obligations of the parties under this Agreement and the Lending Guidelines shall survive the termination of this Agreement and will remain in effect as long as any Loans remain on the books of Lender. CSO shall capture and record all relevant data concerning any Loan transaction and prepare appropriate report and summaries as may be necessary to effect settlement hereunder and make available to Lender such data, reports, and summaries as Lender may reasonably deem necessary to maintain effective internal controls and to monitor results under this Agreement

(b) During the term of this Agreement and for a reasonable period thereafter, the parties agree that they will give each other including the other's designees, agents, and accountants reasonable access to their books and records related to the CSO Program, Loans, and any other relevant business activities and any other information reasonably requested of the other to allow the requesting party to maintain effective internal controls, monitor the CSO Program and Loan results, prepare financial statements and reports as may be required by generally accepted accounting principles, law, state and federal regulators including, but not limited to the Securities and Exchange Commission.

#### 5. Collection of Payments by CSO

(a) Lender hereby authorizes the CSO or CSO's third party designee as a special limited agent to receive payments from Consumers due under the Loans for remittance to Lender. The parties agree that all payments received by the CSO from Consumers relieve Consumers from any further payment obligations to Lender for any such payments received by CSO. The CSO shall not be acting as a general agent or fiduciary for and on account of the interests of Lender. Any payments received by CSO from a Consumer regarding a Loan from Lender shall be deemed binding upon Lender, and CSO is designated a special limited agent of Lender for that purpose and CSO is authorized to issue payment receipts that are binding upon Lender.

(b) Lender agrees to open a deposit account (the "Operating Account") with a federally insured financial institution acceptable to Lender and in Lender's name into which CSO will periodically remit to Lender, as mutually agreed to by the parties all payments on the Loans received by CSO.

(c) CSO agrees to receive and remit any payments it receives in connection with the Loans in accordance with mutually acceptable policies and procedures utilizing CSO's loan management system.

(d) CSO shall keep full and complete records and accounts of all transactions with respect to the Loan payments remitted to the Operating Account and all collections received on account of the Loans.

(e) CSO agrees, upon request of Lender, to forward all Loan Documents relating to Loans in the possession of CSO to Lender or Lender's designee for servicing and otherwise to cooperate fully with Lender or such substitute servicer in the orderly and prompt transfer of servicing of such Loans. Lender agrees that, upon delivery of such Loan Documents to Lender or Lender's designee, CSO shall be released from and have no further duties with regard to the retention of such Loan Documents.

(f) In the event a Consumer fails to pay any sums in accordance with the Loan Documents, Lender has the right immediately upon default to make demand under any

stand-by letter of credit issued by the CSO to ensure the Consumer's repayment of the Loan pursuant to the terms of any such letter of credit.

6. Lending Guidelines. Lending Guidelines means those guidelines established from time to time by Lender for the development, implementation, and administration of the Loans. Both parties agree to act in good faith and in a commercially reasonable manner in connection with the implementation and administration of the Lending Guidelines.

#### 7. Independence of the Parties

(a) This Agreement contemplates the CSO and Lender acting independently of each other with respect to their respective decisions to provide credit services or make Loans.

(b) This Agreement shall not be construed as creating or evidencing any general agency between the parties. Neither party is authorized to act on behalf of the other except to the limited extent specified herein or any other relationship.

(c) The CSO shall mark its books and records to indicate clearly the Lender's ownership interest in any Loans and the Loan Documents.

(d) In each and every instance, the acts that this Agreement authorizes CSO to perform for or on Lender's behalf shall solely constitute CSO as special agent of Lender to assist Consumer's in obtaining a Loan from Lender, and certain incidental acts related thereto. In no event may CSO act as Lender's general agent or represent to others that it may act as Lender's general agent. Lender shall have no authority to act for or bind CSO.

(e) It is the intention of CSO and Lender to comply with applicable law and to operate independently of each other in their respective capacities as credit service organization and lender. In the event that any provision of this Agreement would require an act that applicable law disallows in order for the CSO and Lender to operate lawfully as an independent credit service organization and lender, then such provision shall be modified so as to conform to applicable law.

(f) Neither the existence of this Agreement, nor its execution, is intended to be, nor shall it be construed to be, the formation of a partnership, association, or joint venture between Lender and CSO. CSO is the special limited agent of Lender solely for the purposes set forth in this Agreement. Neither party is granted any right or authority to assume or to create any obligation or responsibility, express or implied, on behalf of or in the name of the other Party, except as expressly provided in this Agreement. Each Party shall be responsible only for its obligations and liabilities as set forth in this Agreement.

(g) In connection with CSO's performance of its obligations under this Agreement, it is expressly agreed that (i) Lender shall not hold any ownership or leasehold interest in any business location of CSO or any personal property located therein, except for the Lender Loan Documents and cash or instruments reflecting Loan repayments as may be located at such business locations from time to time, (ii) no employee of Lender shall work in any CSO business location, and (iii) Lender shall exercise no authority or control over CSO's employees or methods of operation except as expressly provided in this Agreement.

#### 8. Compliance With Law and Regulation

(a) In performing its services hereunder, CSO shall at all times and in all material respects comply with all local, state, and federal statutes or ordinances applicable to the acts of Lender or CSO, as they related to the CSO Program or the Loans; any order, decision, injunction, or similar pronouncement of any court, tribunal, or arbitration panel issued with respect to Lender or CSO in connection with the CSO Program or the Loans; and any

regulations, policy statements, and any similar pronouncement of any regulatory authority applicable and binding on the acts of Lender or CSO as they relate to the CSO Program or the Loans (collectively, the "Rules").

(b) The performance of each of the parties under this Agreement is subject to all the Rules and each party hereby covenants to comply with the Rules and the lawful and reasonable actions or requests of duly authorized state and federal regulatory authorities in connection with the matters contemplated by this Agreement. If any party becomes aware of any change in law or regulation affecting the performance of obligations by any party under this Agreement, it shall promptly thereafter provide written notice of the same to the other party, provided that the failure to provide such notice shall not relieve any party of its obligation to comply with applicable law and regulation as it may change from time to time.

(c) In the event either party becomes aware that any underwriting criteria, Loan terms, interest, fee or other charge associated with the CSO Program, the Lending Guidelines, or the Loan Documents are not in compliance with the Rules governing same, the party becoming aware of the same shall notify the other party of such non-compliance and each party agrees to cooperate in good faith with each other, and to diligently take commercially reasonable steps, as may be necessary in order to promptly correct any such non-compliance.

(d) The parties, whether jointly or severally, shall not discriminate against any Consumer in the credit application process on any "prohibited basis" as such term is defined in the federal Equal Credit Opportunity Act and Regulation B of the Board of Governors of the Federal Reserve System and any other applicable State or Federal Law.

9. Financial Covenants of EZCORP. CSO is an affiliate of EZCORP, Inc ("EZCORP"). As security for performance of its stand by letter of credit obligations to Lender on behalf of Consumers under CSO's CSO Program, EZCORP covenants and agrees that during the term of this Agreement that it will:

(a) Maintain at all times total stockholders' equity, as defined by GAAP, of not less than \$75,000,000.00;

(b) Maintain a Leverage Ratio at the end of each fiscal quarter of not greater than 3.25 to 1.00; and

(c) Notify Lender within five (5) business days after the filing of its quarterly or annual reports with the Securities and Exchange Commission ("SEC"), if EZCORP is in violation of a covenant under its credit agreement with Wells Fargo Bank (Agent and Issuing Bank), and such violation is not cured or waived at the time of filing its quarterly reports (10-Q) or annual reports (10-K) with the SEC such that it must be reported in EZCORP's periodic filings with the SEC. For the purpose of this paragraph, the terms used herein have the following meanings: (i) "Consolidated Net Income" means, at any particular time, the aggregate net income or loss of EZCORP determined on a consolidated basis as determined in accordance with GAAP; (ii) "CSO LC Liabilities" means, at any time, the sum of that portion of the aggregate amounts available to be drawn of all outstanding Consumers' letters of credit, equal to the principal amounts of the Consumer notes supported by such letters of credit; (iii) "EBITDA" means, for any period of determination, Consolidated Net Income, plus, to the extent that any of the following were deducted in calculating such Consolidated Net Income, interest expense, tax expenses, and depreciation and amortization. EBITDA will exclude all extraordinary items of income and loss, any gain or loss on the sale of assets, and any impairment of goodwill. In the event an acquisition is consummated prior to the end of a period for which EBITDA is calculated, but during the period covered by the calculation, EZCORP shall include the historical EBITDA (as calculated in accordance with this definition) of the acquired company for the time



period covered by the calculation; (iv) "Funded Debt" means, at any particular time, the sum of the following, calculated on a consolidated basis for EZCORP in accordance with GAAP: (A) all obligations for borrowed money, including but not limited to senior bank debt, senior notes and subordinated debt, (B) all obligations relating to the deferred purchase price of property and services, (C) the principal portion of all GAAP capital lease obligations, and (D) all obligations under a guarantee of borrowed money, or any other type of direct or contingent obligation; (v) "GAAP" means accounting principles generally accepted in the United States of America; and (v) "Leverage Ratio" means, as of any fiscal quarter end, the ratio of (a) Funded Debt, minus CSO LC Liabilities (to the extent included in Funded Debt) to (b) EBITDA, in each case for such fiscal quarter and the prior three fiscal quarters.

10. General Liability Insurance. During the term of this Agreement, CSO shall maintain at its expense a general comprehensive liability policy with a financially sound and reputable insurer. Such general comprehensive liability policies shall provide coverage limits of not less than \$1,000,000. Upon receipt of Lender's written request, CSO shall provide copies of such insurance policies to Lender and provide to Lender such evidence as it may reasonably request concerning the continued existence of such coverages during the term of this Agreement.

11. Modification and Waiver. Lender reserve the right to modify the Lending Guidelines and the Loans with Consumer as Lender determines in its sole discretion but no such acts on the part of the Lender shall diminish, modify, alter, or impair rights of the CSO unless the Lender has obtained the CSO's prior written consent.

12. Default and Enforcement. CSO or Lender may institute such arbitration proceedings against Consumers as are authorized by the CSO Agreement, the Application, and Loan Documents reasonably deemed by CSO or Lender to be necessary or appropriate to collect a Loans or a Consumer's obligations to reimburse CSO under a Letter of Credit, to enforce the Loan Documents and to protect the respective rights of Lender and CSO. Lender and CSO shall bear their own costs and expenses, including the attorneys' fees of such proceedings. The parties agree to cooperate with each other in such collection and enforcement proceedings against Consumers.

13. Availability of Records and Facilities of CSO. During the term of this Agreement and for a period of three (3) years thereafter, upon reasonable notice to CSO and at the request of Lender, CSO shall make available for review and examination by Lender, its premises, facilities, staff and such books and records of CSO relating to the Loans as Lender may reasonably request for purposes of Lender's, its auditors' or such agency's financial accounting or regulatory examination purposes. Any such review, inspection or examination shall take place during CSO's normal business hours. Lender shall have the right, at least annually during the term of this Agreement, at Lender's sole cost and expense, to conduct audits and/or compliance reviews of the services provided hereunder, and the records generated thereunder; provided that such audits and reviews shall be conducted during normal business hours in a manner which does not unreasonably interfere with CSO's normal business operations. Upon termination of this Agreement CSO shall deliver to Lender the originals or copies of all Loan Documents and consumer records in its possession in forms reasonably acceptable to Lender.

14. Inability to Perform. In the event that either party to this Agreement or a Customer is unable to timely perform its duties or obligations hereunder or under the Loan

Documents as a result of riots, acts of God, strikes, lockouts, material or labor shortages, state or national emergency, acts of the public enemy, terrorist activity, criminal activity, governmental restrictions, laws, regulations, decree or order, systems failures or other unforeseen event, CSO and Lender shall reasonably cooperate and work together to resolve and take such actions reasonably necessary to protect the Customer and business operations of the other including but not limited to temporary modifications, deviations, alterations to the CSO Program, Lending Guidelines, and Loan Documents as may be necessary.

#### 15. Termination.

(a) This Agreement shall have an indefinite term.

(b) Either party may terminate this Agreement immediately on the material breach by the other of the terms hereof or obligations hereunder if the non-breaching party gives the breaching party written notice of and describing the breach; but, if the breach is curable, the breaching party shall be given not less than thirty (30) days from the date of the giving of such notice to cure such default to the reasonable satisfaction of the non-breaching party.

(c) Either party may terminate this Agreement upon the earlier of (1) ninety (90) days prior written notice; or (2) earlier if required by law, regulatory action, judicial determination or similar tribunal or governmental body or agency if applicable laws or regulations governing the CSO Program or the making of Loans make (or are claimed by a regulatory agency to make) the continued operation of the CSO Program and/or Loan Program of questionable legality, either generally or in a material but specific fashion, or should any such regulatory or governmental body or agency, court of competent jurisdiction, or arbitrator or other tribunal take or threaten to take action, such as the issuance of a cease and desist order, against either party which would bar either or both parties from continuing to perform its or their obligations under this Agreement. C

(d) CSO may terminate this Agreement upon ninety (90) days prior written notice if the Rules governing the CSO Program or the making of Loans change or are enforced or interpreted in such a way (i) as to materially impact the profitability of the CSO Program and/or the Loans; or (ii) that continued operation of the CSO Program and/or the Loans would place CSO at a competitive disadvantage in the marketplace, in CSO's sole discretion.

(e) In the event that Lender alters, modifies, or amends the Lending Guidelines that in CSO's sole opinion, is undesirable for CSO's continued operation or takes any actions or makes any determinations pursuant to paragraph 9 above, then CSO may terminate this Agreement upon ninety 90 days prior written notice unless the parties are otherwise able to reach a mutual resolution and/or compromise.

(f) In addition to any other right to terminate this Agreement, a party may terminate this Agreement if the other party hereto, or such other party's principals are the subject of any of the following or if any of the following occurs with respect to such other party or such other party's principals: insolvency, inability to pay its debts as they become due, the filing of a voluntary bankruptcy petition, the filing of an involuntary bankruptcy petition which is not dismissed within thirty (30) days after filing thereof, dissolution or termination of its existence as a going concern, or the appointment of a receiver for any part of its property.

#### 16. Confidentiality, Ownership of Customer Information.

(a) The parties agree and acknowledge that the Consumers referred by CSO to Lender for Loans are customers of both parties. Lender agrees that it will not solicit Consumers for any other product or service offered by Lender or others nor divulge, except in accordance with applicable law or regulation the names or other identification information regarding the

customers to others except with CSO' prior written consent and then only in accordance with the Privacy Policy contained in the Application. This restriction shall apply during the term and after termination of this Agreement.

(b) The parties agree and acknowledge that certain information regarding the Consumers is nonpublic personal information and will not be provided to third parties except as necessary to service, administer, process and enforce a transaction a Consumer requests or authorizes, marketing of other products and services by CSO and Lender, marketing or offering other products and services by CSO and any other third party, or as otherwise authorized by this Agreement and the Privacy Policy between CSO, Lender, and the Customer. The parties shall implement an effective security program to protect Consumers nonpublic personal information to ensure that the parties do not violate the Privacy Policy and applicable law. Such security program shall incorporate methods for the secure destruction of confidential information, such as Loan Documents and other records and documents no longer required to be maintained by either party.

(c) The parties shall jointly own all Consumers names, addresses, and telephone numbers and all account and other information, including payment information, regarding Consumers who have been denied and all records, data, and information pertaining to the foregoing (collectively, "Consumer Information"); provided, however, that neither party will use any such Consumer Information except to the extent permitted by the privacy policies of the parties set forth in the CSO Program, Lending Guidelines, and/or Loan Documents. Notwithstanding the foregoing, without the need for obtaining Lender's consent, CSO shall be free to use Consumer Information for purposes of marketing, offering, selling, brokering, underwriting and providing other products and services, including, without limitation, other loan products and services that may be offered to Consumers by CSO, any third party service provider of CSO or any other lenders through the distribution channels of CSO and any third party service provider of CSO, provided that, in all cases, however, any use by CSO of any such Consumer Information shall comply with all applicable laws and CSO's privacy policies. In addition, notwithstanding that Lender has an ownership interest in the Consumer Information, Lender agrees that it will not use the Consumer Information to market other products or services to the Consumers or to applicants who have been denied Loans without prior written consent of CSO. The rights and obligations of the parties under this Paragraph shall indefinitely survive the termination of this Agreement.

17. Arbitration. Unless otherwise agreed by the parties in writing and except for enforcement of any equitable remedies, any disputes, claims, or controversies that may arise in connection with, arising out of or relating to this Agreement or the rights and obligations herein, or the breach, validity, existence or termination hereof, or any dispute that relates in any way in whole or in part to the right of any party or any other indemnified person to indemnification pursuant to any provision of this Agreement, shall be submitted to binding arbitration in Austin, Texas in accordance with the Commercial Rules of Arbitration of the American Arbitration Association. There shall be one arbitrator who shall be selected in accordance with such rules and procedures. The arbitrator may order, in addition to the remedies provided in such rules, specific performance of this Agreement. Judgment on the award may be entered in any court having jurisdiction.

18. Assignment. CSO may sell or assign its rights and obligations under this Agreement, whether voluntarily or involuntarily, to an affiliate of EZCORP without the prior written consent of Lender. Lender may sell or assign its rights and obligations under this

Agreement with the prior written consent of CSO, which shall not be unreasonably withheld or delayed.

19. Representations and Warranties. The parties make the following warranties and representations to each other, all of which shall survive the execution and termination, for any reason, of this Agreement:

(a) This Agreement is valid, binding and enforceable against each party in accordance with its terms and each party has received all necessary corporate approvals.

(b) CSO is a duly organized corporation and Lender is a duly formed limited partnership, validly existing, and in good standing under the laws of the state of its formation and is authorized, registered, and licensed to do business in Florida to the extent required by law.

(c) Each party has the full organizational power and authority to execute and deliver this Agreement and perform all of its obligations hereunder.

(d) The provisions of this Agreement and the performance by each party of its' obligations hereunder do not conflict with any agreement, contract, lease, or obligation to which such party is a party or by which such party is bound.

20. Miscellaneous.

(a) Neither the execution of this Agreement or the Loan Documents is intended to be, nor shall it be construed to be, the formation of an agency, partnership, or joint venture between Lender and CSO. CSO does not have the right or authority to act for or on behalf of or to otherwise bind Lender.

(b) This Agreement supersedes any negotiations, discussions or communications between Lender and CSO and constitutes the entire agreement of Lender and CSO with respect to the CSO and Loan Programs, the Loans, the Lender Loan Documents, the CSO Agreement, credit services, and Letter of Credit.

(c) Any written notice or demand to be given under this Agreement shall be duly and properly given if delivered personally and a receipt evidencing delivery thereof is obtained, if sent by private delivery service and a receipt evidencing delivery thereof is obtained, or if sent by confirmed facsimile transmission, to the party entitled to such notice or demand at the address set forth below, or at such other address as such party may, from time to time, specify in writing or if sent by confirmed facsimile transmission to the recipient's then current facsimile transmission number and shall be effective when actually received by such party:

To CSO:

Connie Kondik  
General Counsel  
EZPAWN Florida, Inc.  
1901 Capital Parkway  
Austin, Texas 78746

To Lender:

C. Dan Adams  
President and CEO  
809 E. Main Street  
Spartanburg, SC 29302

With a Copy to:

GARDERE WYNNE SEWELL, L.L.P.  
1601 Elm Street, Suite 3000  
Dallas, TX 75201-4761  
Attention: Steven S. Camp

(d) Although CSO and Lender may use the same counsel when appropriate, nothing in this Agreement shall be deemed to prevent CSO and Lender from using separate counsel.

(e) This Agreement and the rights and duties described herein shall be governed by, and construed and interpreted in accordance with, the laws of the State of Florida without regard to its law on conflicts of law.

(f) Except as expressly provided to the contrary in this Agreement, each party shall be responsible for all expenses incurred by it in the performance of its obligations under this Agreement, including any expenses incurred by it in performing its respective duties hereunder.

(g) This Agreement may be executed by the parties hereto on separate counterparts, each of which is an original but all of which together shall constitute one and the same Agreement.

(h) This Agreement shall be governed by the laws of the State of Florida.

(i) Notice of Final Agreement. THIS AGREEMENT REPRESENTS THE FINAL AGREEMENT BETWEEN THE PARTIES, AND THE SAME MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS OR SUBSEQUENT ORAL AGREEMENTS BETWEEN THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES.

IN WITNESS WHEREOF, Lender and CSO, each intending to be legally bound hereby, have caused this Agreement to be executed by its duly authorized officer as of the date first written above.

CSO

LENDER

Texas EZMONEY, L.P., by and  
through its general partner, Payday  
Loan Management, Inc.

Integrity Florida Funding, L.P.,  
through its general partner, \_\_\_\_\_

By: /s/ Daniel N. Tonissen

By: /s/ C. Dan Adams

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Name: Daniel N. Tonissen  
Title: Sr. Vice-President  
Date: November 30, 2005

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Name: C. Dan Adams  
Title: President & CEO  
Date: November 30, 2005

CERTIFICATION

I, Joseph L. Rotunda, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of EZCORP, Inc. (the "registrant") for the quarter ended March 31, 2006;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 10, 2006

/s/ Joseph L. Rotunda

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Joseph L. Rotunda  
President, Chief Executive Officer  
& Director

## CERTIFICATION

I, Dan N. Tonissen, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of EZCORP, Inc. (the "registrant") for the quarter ended March 31, 2006;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 10, 2006

/s/ Dan N. Tonissen

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 Dan N. Tonissen  
 Senior Vice President,  
 Chief Financial Officer & Director

CERTIFICATION PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the filing of the Quarterly Report on Form 10-Q for the quarter ended March 31, 2006 (the "Report") by EZCORP, Inc. ("Registrant"), the undersigned hereby certifies that:

1. The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Registrant.

Date: May 10, 2006

/s/ Joseph L. Rotunda

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Joseph L. Rotunda  
President, Chief Executive Officer  
& Director



CERTIFICATION PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the filing of the Quarterly Report on Form 10-Q for the quarter ended March 31, 2006 (the "Report") by EZCORP, Inc. ("Registrant"), the undersigned hereby certifies that:

1. The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Registrant.

Date: May 10, 2006

/s/ Dan N. Tonissen

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Dan N. Tonissen  
Senior Vice President,  
Chief Financial Officer & Director