File No. 333-151871

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

FORM S-3/A

PRE-EFFECTIVE AMENDMENT NO. 1
to
REGISTRATION STATEMENT
Under the Securities Act of 1933

EZCORP, INC.

(Exact name of registrant as specified in its charter)

Delaware	**74-2540145**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification Number)

1901 CAPITAL PARKWAY
AUSTIN, TEXAS 78746
(512) 314-3400
(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

Connie Kondik	**Copies to:**
General Counsel	**Lee Polson**
EZCORP, Inc.	**Strasburger & Price, LLP**
1901 Capital Parkway	**600 Congress Avenue, Suite 1600**
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Name, address, including zip code, and telephone number, including area code, of agent for service	

Approximate dates of commencement of proposed sale to public: From time to time after this registration statement becomes effective.

If the only securities being registered on this Form are being offered pursuant to dividend or interest reinvestment plans, please check the following box: o

If any of the securities being registered on this form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, other than securities offered only in connection with dividend or interest reinvestment plans, check the following box: ☑

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o

If this Form is a registration statement pursuant to General Instruction I.D. or a post-effective amendment thereto that shall become effective upon filing with the Commission pursuant to Rule 462(e) under the Securities Act, check the following box. o

If this Form is a post-effective amendment to a registration statement filed pursuant to General Instruction I.D. filed to register additional securities or additional classes of securities pursuant to Rule 413(b) under the Securities Act, check the following box. o

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer o	Accelerated filer ☑	Non-accelerated filer o	Smaller reporting company o

The registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with section 8(a) of the Securities Act of 1933 or until the registration statement shall become effective on such date as the Commission acting pursuant to said section 8(a), may determine.

The information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where an offer or sale is not permitted.

SUBJECT TO COMPLETION, DATED JULY 23, 2008

PROSPECTUS

EZCORP, INC.

1,625,015 Shares of Class A Non-Voting Common Stock

This prospectus relates to 1,625,015 shares of Class A Non-voting Common Stock of EZCORP, Inc., a Delaware corporation ("EZCORP"), that may be offered and sold from time to time by the several selling stockholders. The selling stockholders will receive the Class A Non-voting Common Stock in the merger of Value Merger Sub, Inc., a Florida corporation and wholly owned subsidiary of EZCORP ("Merger Sub"), with and into Value Financial Services, Inc., a Florida corporation ("VFS"). See "The Merger and Merger Agreement" for a description of the merger.

The registration of the shares does not necessarily mean that any of the shares will be offered or sold by any of the selling stockholders. EZCORP will receive no proceeds of any sale of shares, but will incur expenses in connection with the registration of these shares.

EZCORP's Class A Non-voting Common Stock is listed on the NASDAQ Global Select Market ("NASDAQ") under the symbol "EZPW." On July 21, 2008, the closing sale price of the Class A Non-voting Common Stock was $16.78 per share.

See "Risk Factors" beginning on page 8 of this Prospectus for a description of risk factors that should be considered by purchasers of our Class A Non-voting Common Stock.

These securities have not been approved or disapproved by the Securities and Exchange Commission or any state securities commission nor has the Securities and Exchange Commission or any state securities commission passed upon the accuracy or adequacy of this prospectus. Any representation to the contrary is a criminal offense.

The date of this Prospectus is July 23, 2008

TABLE OF CONTENTS

EZCORP, INC.
1901 Capital Parkway
Austin, Texas 78746
(512) 314-3400

1. ABOUT THIS PROSPECTUS

The following summary highlights information contained in this prospectus or incorporated by reference. While we have included what we believe to be the most important information about us and this offering, the following summary may not contain all the information that may be important to you. For a complete understanding of our business, the Merger and this offering, you should read this entire prospectus carefully and the information to which we refer you and the information incorporated into this prospectus by reference. Unless the context requires otherwise, in this prospectus the terms "EZCORP," "we," "us" and "our" refer to EZCORP, Inc., a Delaware corporation. References to "selling stockholders" refers to those stockholders listed herein under the heading "Selling Stockholders" on page 11, who may sell shares from time to time as described in this prospectus.

2. SUMMARY

On June 5, 2008, we entered into a definitive merger agreement with Value Financial Services, Inc. ("VFS"). In the merger, which is scheduled to close on or about August 8, 2008, we expect to pay total consideration of approximately $109.5 million, comprised of consideration to acquire all of the outstanding capital stock of VFS, assumption of debt and payment of certain expenses associated with the merger. We will merge our newly formed subsidiary, Value Merger Sub, Inc., ("Merger Sub") into VFS, and VFS will continue its operations as our wholly owned subsidiary. As part of the merger consideration we will issue up to 1,625,015 shares of our Class A Non-voting Common Stock (the "Merger Shares") to fifteen (15) shareholders of VFS who are accredited investors, in a privately negotiated transaction under Regulation D of the Securities and Exchange Commission ("SEC"), and we will pay cash to the remaining VFS shareholders for their shares. The value of the Merger Shares would have been approximately $27,268,000 on July 21, 2008, based on that day's closing price of our stock on the NASDAQ Global Select Stock Market.

We have agreed to register the Merger Shares with the SEC for resale by the VFS shareholders. This prospectus describes the merger and the proposed resale by the selling shareholders.

3. EZCORP

We lend or provide credit services to individuals who do not have cash resources or access to credit to meet their short-term cash needs. Our services include pawn loans and short-term non-collateralized loans, often called payday loans or fee-based credit services to customers seeking loans (collectively, "signature loans"). The pawn loans are non-recourse loans collateralized by tangible personal property. We also sell merchandise, primarily collateral forfeited from our pawn lending operations, to customers looking for good value. Our business, operations and financial information are described in detail in our annual report on Form 10-K, quarterly reports

on Form 10-Q and other reports which are incorporated by reference into this prospectus. The merger agreement is attached to our report on Form 8-K dated June 5, 2008 as Exhibit 10.2. *See Information Incorporated by Reference, page 15.*

Our principal executive offices are located at 1901 Capital Parkway, Austin, Texas 78746. Our telephone number is (512) 314-3400.

4. THE MERGER AND MERGER AGREEMENT

On March 14, 2008, we agreed to purchase all of the outstanding capital stock of VFS for cash. After performing a due diligence review and conducting further negotiations, on June 5, 2008, the parties agreed to merge VFS into a newly formed subsidiary of EZCORP in a reverse merger, in which VFS would continue operations as the surviving entity. We have agreed to pay approximately $109.5 million to acquire VFS, consisting of assumption of outstanding debt of approximately $35.0 million, exchange of cash and our Class A Non-voting Common Stock equal to approximately $73.1 million for the outstanding VFS stock, and estimated transaction costs of about $1.4 million. Through the merger, we also will receive a net operating loss carry-forward, which we expect over the next two years will reduce our cash paid for taxes by approximately $3.3 million.

The merger agreement contains several conditions that must be satisfied prior to closing by each party, such as:

- Converting all of the VFS participating stock to common stock;
- Approving the merger agreement by the voting shareholders of each party;
- Satisfying any Hart-Scott-Rodino Act anti-trust review waiting periods;
- Obtaining any required contractual consents and governmental licenses or approvals;
- Issuing a fairness opinion to the VFS board by an independent third party; and
- Satisfying each party’s contractual conditions and obligations contained in the merger agreement.

All such conditions have been or will be satisfied or waived before the merger is consummated and the stock to be issued to the selling shareholders and sold in this offering is issued. The Merger Shares will be validly issued, fully paid and non-assessable when issued to the selling shareholders.

Reason for the Merger

Both EZCORP and VFS are in the pawn business. As part of EZCORP’s business plan it seeks to grow its pawn business and the number of pawn shops it operates through acquisition of other pawn businesses, as well as by opening new stores. EZCORP has a small presence in Florida where it operates 18 EZPAWN pawn stores. VFS operates 65 pawn shops in Florida, Georgia and Tennessee and owns the second largest number of pawn shops in Florida. EZCORP and VFS believe that their businesses are complementary and can be integrated with one another to achieve economies of scale and increase overall profitability.

Fairness Opinion

We understand that VFS intends to obtain a fairness opinion from the investment banking firm of Stephens, Inc.

Source of Funds for the Merger

We expect the total consideration for the transaction to be approximately $109.5 million consisting of a combination of the Merger Shares, our cash on hand, and borrowings, as follows:

- The Merger Shares, consisting of 1,625,015 shares of our Class A Non-voting Common Stock. Based on the closing price of our stock on NASDAQ on July 21, 2008 of $16.78 per share, the Merger shares would have a value of approximately $27.3 million.
- Cash from our cash reserves of approximately $20.0 million.
- Borrowings from our credit facility with Wells Fargo, Bank, N.A., as amended, of approximately $62.2 million. *See The Credit Facility, page 6.*

Structure of the Merger

To effect the merger, we formed Merger Sub as a wholly owned subsidiary. At the effective time of the merger, Merger Sub will merge with and into VFS in accordance with the provisions of Florida law, with VFS continuing as the surviving entity. As a result of the merger, VFS will become our wholly-owned subsidiary.

Approval of the Merger by EZCORP and VFS

EZCORP. The merger has been recommended by our board of directors and the board of directors of Merger Sub. It must be approved by the holder of our Class B Voting Common Stock and by EZCORP as Merger Sub's sole shareholder. The owner of all of our Class B Voting Common Stock has indicated that it intends to approve the merger, and EZCORP will approve it as Merger Sub's shareholder.

VFS. The merger was recommended by the board of directors of VFS. It must be approved by the holders of a majority of the outstanding shares of each class of VFS stock.

Currently, VFS has four classes of stock authorized: common stock and three series of participating stock, designated Series A-1, A-2 and B. Shares of the Series A-1, A-2 and B participating stock are currently issued and outstanding. No shares of common stock are currently issued and outstanding. As a condition to EZCORP's obligation to close, the merger agreement requires that the three series of participating stock convert to common stock under the provisions in the VFS amended and restated articles of incorporation designating and governing the participating stock. To accomplish this, VFS expects to call a shareholders' meeting prior to closing at which holders of each series of participating stock will be asked to vote as a class to convert their participating stock to common stock. The provisions designating each series of stock in the VFS amended and restated articles of incorporation provide that, for each series, if a

majority of the outstanding shares of the series of participating stock elect to convert their stock to common, VFS may cause a mandatory conversion of the remaining shares of that series to common stock. If a majority of the shareholders of each series of participating stock vote to convert their shares, VFS will cause the mandatory conversion of any shares that did not vote in favor of conversion. The holders of each series of participating stock have no right to appraisal of their shares or other right to object, in the event of a mandatory conversion to common stock.

The VFS series A-2 participating stock is entitled to dividends of 16.54% of the face amount ($10.00) per share per annum. Any accrued, unpaid dividends on the A-2 shares accumulate and compound annually, but are not recorded as a liability or a reduction of equity until declared by VFS's board of directors. As of December 31, 2007, the accrued, unpaid dividends on the A-2 participating stock totaled approximately $1.24 million. We expect that, on the expected closing date, the accrued dividends on the A-2 participating stock will equal approximately $2.5 million. The accrued unpaid dividend must be paid at the time of conversion of the A-2 participating stock to common stock. The conversion will occur immediately prior to closing of the merger, and thus will result in either a reduction of the cash reserves of VFS or an increase in their debt obligations incurred to pay the dividend. EZCORP will bear the cost of the payment of this dividend, in that the payment will either reduce the assets or increase the outstanding debt of VFS immediately prior to the merger. We have included the anticipated dividend payment in the assumed total purchase price of $109.5 million.

VFS will also submit the merger to a vote of its shareholders at the same shareholders' meeting. A majority of the common shareholders must then approve the merger in order to complete it.

Conversion of Outstanding Common Stock of VFS in the Merger

At the effective time of the merger, the outstanding shares of common stock of VFS will convert into the right to receive a payment equal to $11.00 per share. The form of the payment varies among the VFS shareholders as follows:

- All holders of common stock of VFS, other than the selling stockholders, will receive $11.00 cash for each share of VFS common stock that they own prior to the merger; and
- Each selling stockholder will receive the number of Merger Shares listed next to their name under the section "Selling Stockholders" below and a cash payment equal to $11.00 per share times the number of VFS common shares they own, minus the value of the Merger Shares they receive. The value per share of the Merger Shares will equal the closing stock price of EZCORP Class A Non-voting Common Stock on the NASDAQ Global Select Stock Market on the day immediately prior to closing of the merger. The selling stockholders are all accredited investors. The Merger Shares they receive are exempt from registration under the Securities Act of 1933 pursuant to Regulation D, and will be restricted securities unless and until the registration statement of which this prospectus is a part becomes effective.

Fractional Shares

No fractional shares of our stock will be issued to selling stockholders in the merger. Instead, all holders of VFS common stock who would be entitled to receive a fractional share of our stock will have the number of shares to which they are entitled rounded up to the next whole number of shares.

Listing of Merger Shares on NASDAQ

We will apply to have the Merger Shares listed on the NASDAQ Global Select Stock Market where shares of our Class A Non-voting Common Stock are currently traded.

Registration Rights and Guaranteed Stock Price for Certain Shares

In the merger agreement, we agreed to register the Merger Shares issued to the selling stockholders and also agreed to guarantee the price of 401,489 shares of the Merger Shares to be sold by the selling stockholders under this prospectus. We agreed that if the selling stockholders sold 401,489 of the Merger Shares within five days after closing for a price per share less than the market price of our Class A Non-voting Common Stock on the day prior to the closing of the merger, then we would pay to the selling stockholders any difference. *See Section 10 — Plan of Distribution, page 12.*

Effective Time of Merger

The merger will become effective on the date the articles of merger are filed with the Secretary of State of the State of Florida. We expect to close and consummate the merger on or about August 8, 2008.

Appraisal Rights

Under Florida law, if a majority of the VFS shareholders approve the merger and the merger is consummated, shareholders of VFS who do not vote in favor of the merger will have the right to demand that they be paid the fair value of their shares under the Florida Business Corporation Act. VFS expects to notify its shareholders in writing of the proposed merger and seek their approval either by vote at a shareholders' meeting called for that purpose or by written consent. Any shareholders who want to exercise their statutory appraisal rights must deliver to VFS before a vote on the merger is taken, or within 20 days after receiving the notice of the action approving the merger if the action is taken without a shareholders' meeting, of the shareholders' intent to demand payment if the transaction is effectuated. Any shareholders seeking payment under the statute must not vote their shares in favor of the merger.

Within 10 days after the merger is completed, VFS, as the surviving corporation in the merger, must notify shareholders who have demanded payment of the completion of the merger. Shareholders who seek appraisal and payment must notify VFS in writing within 40 days thereafter that they seek appraisal or forfeit their right to seek appraisal. VFS will make an offer

to purchase the shares for cash at an estimated fair value and, if the offer is not accepted, file an action for appraisal and payment for the shares in a state court in Orlando, Florida.

The merger agreement provides that EZCORP may terminate the merger agreement if holders of more than 10% of the outstanding VFS capital stock deliver valid and enforceable notices of their intent to demand payment under the Florida appraisal statute.

Accounting Treatment of the Merger

This merger will be accounted for as a purchase business combination in accordance with Statement of Financial Accounting Standards No. 141, "Business Combinations." Upon acquisition, we will assess the value of assets and liabilities acquired, and record those in our balance sheet through a purchase price allocation. After the merger, Value Financial Services, Inc.'s financial position and results will be consolidated with those of EZCORP, Inc. as a wholly-owned subsidiary.

5. The Credit Facility

We have maintained a $40 million credit facility, but during 2008 through the date of this prospectus, we have had no outstanding borrowings on the credit facility. We have executed a Fifth Amended and Restated Credit Agreement (the "Agreement") among EZCORP, Inc., Wells Fargo Bank, N.A., as Agent and Issuing Bank, and various other banks and lending institutions. The Agreement and the related loan documents were placed in escrow pending the closing of the merger agreement with Value Financial Services, Inc. The Agreement is contingent upon the closing of the merger agreement with Value Financial Services, Inc. on or before September 30, 2008.

If the merger agreement with Value Financial Services, Inc. is closed on or before September 30, 2008, the Agreement will become effective and will provide for, among other things, (i) an $80 million revolving credit facility that EZCORP, Inc. may request to be increased to a total of $110 million (the "Revolving Credit Facility") and (ii) a $40 million term loan (the "Term Loan"). If the Agreement becomes effective, it will extend the maturity date of the Revolving Credit Facility to the date that is three years from the closing of the merger agreement with Value Financial Services, Inc. The maturity date of the Term Loan will be four years from the closing of the merger agreement with Value Financial Services, Inc.

Pursuant to the Agreement, EZCORP, Inc. may choose either a Eurodollar rate or the base rate. Interest accrues at the Eurodollar rate plus 175 to 250 basis points or the base rate plus 0 to 50 basis points, depending upon the leverage ratio computed at the end of each calendar quarter. Terms of the Agreement require, among other things, that EZCORP, Inc. meet certain financial covenants that EZCORP, Inc. believes will be achieved based upon its current and anticipated performance. In addition, payment of dividends is prohibited and additional debt is restricted.

6. Value Financial Services, Inc.

VFS is one of the largest providers of small, secured, non-recourse consumer loans, commonly known as pawn loans, and related services in the United States, based on the number of pawnshops operated. VFS was founded in 1994 by John Thedford, its president, chief executive officer and chairman of the board, and now has 65 stores in three states—Florida (58 stores), Tennessee (four stores) and Georgia (three stores). VFS lends money on a short-term basis against pledged tangible personal property such as jewelry, electronic equipment, tools, sporting goods, musical instruments and other items of value, and also sells merchandise, including forfeited collateral from pawn loans. VFS's customers typically require pawn loans for their immediate cash needs, and often use VFS's services for reasons of convenience and/or lack of credit alternatives.

Pawn loans are typically small, though the amount can vary considerably based on VFS's customers' particular needs. The terms of VFS's pawn loans require that they be redeemed within 30 days, subject to an automatic extension period of 30 days unless paid or renewed earlier, and may be extended for additional 30-day periods upon the payment of accrued pawn service charges. In 2005, 2006 and 2007, approximately 78.8%, 77.8% and 77.7%, respectively, of the pawn loans made by VFS were redeemed in full or were renewed or extended through the payment of accrued pawn service charges. VFS operates under long-established regulatory guidelines that permit pawn service charges ranging from 12.5% to 25.0% per month, depending on the state of origination, loan term and size. A majority of VFS's pawn loans have pawn service charges of 25.0% per month as a result of its store concentration in Florida, where VFS operates 58 out of its 65 stores.

VFS sells a wide range of merchandise in its stores, including merchandise that has been forfeited to VFS when a pawn loan is not redeemed, as well as used goods purchased from the general public and some new merchandise. For 2005, 2006 and 2007, VFS experienced profit margins on sales of merchandise of 38.2%, 36.9% and 37.5%, respectively. During 2007, approximately 72.8% of the merchandise VFS acquired was through loan forfeitures, 23.6% was through purchases from VFS's customers, and the remaining 3.6% was through purchases from vendors. During the two-year period from 2005 to 2007, same-store merchandise sales increased by approximately 22.9%, from $663,345 in 2005 to $815,356 in 2007. During that same period, VFS's average retail merchandise sale increased approximately 15%, from $90 in 2004 to $104 in 2007.

VFS opened its first store in Florida in 1994 and, as of March 31, 2008, operated 65 pawn and jewelry stores, under the trade names "Value Pawn and Jewelry" in Florida and Georgia and "Check Jewelry & Loan" in Tennessee. To date, VFS has opened all of its stores in three Southeastern states due in part to favorable demographics and regulatory environments. For 2007 and the three months ended March 31, 2008, VFS generated an average of approximately $1.7 million and $1.2 million, respectively, in revenues per store, resulting in average store-level operating margins of 21.4% and 21.2%, respectively. As of March 31, 2008, VFS had 614 employees. At March 31, 2008, VFS had approximately 94,433 outstanding pawn loans totaling $15 million, with an average balance of approximately $159 per loan. You should review

Section 15 — VFS Consolidated Financial Statements, beginning on page 19, for more complete financial data regarding VFS.

7. RISK FACTORS

Investment in our Class A Non-voting Common Stock, as with any investment in a security, involves a degree of risk. Important risk factors that could cause results or events to differ from current expectations are described in Part I, Item IA, "Risk Factors" of our Annual Report on Form 10-K for the year ended September 30, 2007, and Part II, Item IA, "Risk Factors" of our Quarterly Report on Form 10-Q for the quarter ended March 31, 2008. These factors are supplemented by those discussed under "Quantitative and Qualitative Disclosures about Market Risk" in Part II, Item 7A of our Annual Report on Form 10-K for the year ended September 30, 2007 and Part I, Item 3 of our Quarterly Report on Form 10-Q for the quarter ended March 31, 2008. Each of the foregoing sections of our Annual Report on Form 10-K for the year ended September 30, 2007 and our Quarterly Report on Form 10-Q for the quarter ended March 31, 2008 is incorporated herein by reference. Following is an additional item that could cause results or events to differ from current expectations:

The integration of VFS with our business after the merger may not be successful or anticipated benefits from the merger may not be realized.

After completion of the merger, we will have significantly larger operations than we did prior to the merger. Our ability to realize the benefits of the merger will depend in part on the timely integration of VFS's organization, operations, procedures, policies and technologies with ours, as well as the harmonization of differences in VFS's business culture and practices with ours. Our management will be required to devote a significant amount of time and attention to integrating VFS's business with ours. There is a significant degree of difficulty and management involvement inherent in that process. These difficulties include the following:

- integrating the operations of VFS's business with our business while carrying on the ongoing operations of each business;
- diversion of management's attention from the management of daily operations to the integration of VFS with us;
- managing a significantly larger company than before completion of the merger;
- realizing economies of scale and eliminating duplicative overheads;
- the possibility of faulty assumptions underlying our expectations regarding the integration process;
- coordinating businesses located in different geographic regions;
- integrating VFS's business culture and practices with ours, which may prove to be incompatible;
- attracting and retaining the personnel associated with VFS's business following the merger;
- creating and instituting uniform standards, controls, procedures, policies and information systems and minimizing the costs associated with such matters; and

- integrating information, purchasing, accounting, finance, sales, billing, payroll and regulatory compliance systems.

There is no assurance that VFS will be successfully or cost-effectively integrated into us. The process of integrating VFS into our operations may cause an interruption of, or loss of momentum in, the activities of our business. If our management is not able to effectively manage the integration process, or if any significant business activities are interrupted as a result of the integration process, our business could suffer and the results of our operations and financial condition may be harmed.

All of the risks associated with the integration process could be exacerbated by the fact that we may not have a sufficient number of employees with the requisite expertise to integrate the businesses or to operate the combined business after the merger. If we do not hire or retain employees with the requisite skills and knowledge to run our business—including the acquired VFS business—after the merger, it may have a material adverse effect on us.

We cannot assure you that we will realize the anticipated benefits and value of the merger or successfully integrate VFS with our existing operations. Even if we are able to successfully combine VFS's business operations with ours, it may not be possible to realize the full benefits and value that are currently expected to result from the merger, or realize these benefits and value within the time frame that is currently expected. For example, the elimination of duplicative costs may not be possible or may take longer than anticipated, or the benefits and value gained from the merger may be offset by costs incurred or delays in integrating the companies. If we fail to realize anticipated cost savings, synergies or revenue enhancements we anticipate from the merger, our financial results and results of operations may be adversely affected.

A change in the business climate may cause the actual benefits and value of the merger to differ from the anticipated benefits and value of the merger

A change in the business climate surrounding our business after the merger may affect our customers' activities and actions. This could cause our financial results and results of operations to be adversely affected. This may also cause the actual benefits and value of the merger to differ from the benefits and value we anticipate from the merger.

We will incur significant costs and expenses associated with the merger.

We expect to incur significant costs and expenses associated with the merger, which include but are not limited to transaction fees, professional service fees and regulatory filing fees. We also believe we may incur charges to operations, which are not currently reasonably estimable, in the quarter in which the merger is completed or the following quarters, to reflect costs associated with integrating VFS into us. There can be no assurance that we will not incur additional material charges in subsequent quarters to reflect additional costs associated with the merger and the integration of VFS into us.

The Florida Business Corporation Act gives shareholders the right to have the value of their stock appraised by a Florida court, which could raise the cost of acquiring the VFS stock.

The Florida Business Corporation Act provides that shareholders who do not vote in favor of the merger, assert their right to be paid "fair value" for their shares and do not accept our estimate of the fair value of VFS shares after the merger, can seek to have a Florida state court review the transaction and award them fair value for their shares. If a significant number of minority shareholders assert these appraisal rights, a Florida court might disagree with our valuation and award the shareholder a significantly higher price than the $11.00 per share we intend to pay. *See Section 4 — The Merger and Merger Agreement — Appraisal Rights, page 5.*

VFS, as our subsidiary, might be responsible for debts we do not know about.

After the merger VFS will continue to be responsible for all of its liabilities, and as our wholly owned subsidiary, its liabilities will be consolidated with ours for financial reporting purposes. Prior to signing the merger agreement we conducted a due diligence review of VFS; however, we cannot be sure that we discovered all liabilities that VFS has or may incur prior to the merger. If VFS has substantial liabilities that are not disclosed to us, VFS will nevertheless be required to pay them, and that could significantly reduce the value of VFS and increase our consolidated liabilities. We have not obtained agreements from any VFS directors, officers or shareholders to indemnify us for undisclosed liabilities.

CAUTIONARY STATEMENT REGARDING RISKS AND UNCERTAINTIES THAT MAY AFFECT FUTURE RESULTS

Forward-Looking Information

This prospectus and the documents incorporated herein by reference include "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. We intend that all forward-looking statements be subject to the safe harbors created by these laws. All statements other than statements of historical information are forward-looking and may contain information about financial results, economic conditions, trends, planned store openings, acquisitions and known uncertainties. These statements are often, but not always, made with words or phrases like "may," "should," "could," "predict," "potential," "believe," "expect," "anticipate," "seek," "estimate," "intend," "plan," "projection," "outlook," "expect," "will," and similar expressions. All forward-looking statements are based on current expectations regarding important risk factors. Many of these risks and uncertainties are beyond our control, and in many cases, we cannot predict all of the risks and uncertainties that could cause our 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 you should not regard them as a representation that the expected results will be achieved. Important risk factors that could cause results or events to differ from current expectations are described in this prospectus under the heading "Risk Factors" and in the sections entitled "Risk Factors" in our Annual Report on Form 10-K for the year ended September 30, 2007 and our Quarterly Report for the quarter ended March 31, 2008. These factors are not intended to be an all-encompassing list of

risks and uncertainties that may affect our operations, performance, development and results. You are cautioned not to overly rely on these forward-looking statements, which are current only as of the date hereof. We undertake no obligation to release publicly the results of any revisions to these forward-looking statements that may be made to reflect events or circumstances after the date of this report, including without limitation, changes in our business strategy or planned capital expenditures, acquisitions, store growth plans or to reflect unanticipated events.

8. USE OF PROCEEDS

We will not receive any proceeds from the sale of the Merger Shares by the selling stockholders. We have agreed to bear certain expenses in connection with the registration of the shares being offered and sold by the selling stockholders.

9. SELLING STOCKHOLDERS

The selling stockholders or their permitted pledges, donees, transferees or other successors in interest who we collectively refer to in this prospectus as "selling stockholders," may from time to time offer and sell any and all of the Merger Shares offered under this prospectus. This prospectus generally covers the resale of 1,625,015 shares of Class A Non-voting Common received by the selling stockholders in conjunction with the merger.

The table below names certain stockholders who may sell shares pursuant to this prospectus and presents certain information with respect to beneficial ownership of our shares. We do not know which (if any) of the stockholders named below actually will offer to sell shares pursuant to this prospectus, or the number of shares that each of them will offer.

Beneficial ownership is determined in accordance with Rule 13d-3 of the Exchange Act. A person is deemed to be the beneficial owner of any shares of Class A Non-voting Common Stock if that person has or shares voting power or investment power with respect to those shares, or has the right to acquire beneficial ownership at any time within 60 days of the date of the table. As used herein, "voting power" is the power to vote or direct the voting of shares and "investment power" is the power to dispose or direct the disposition of the shares.

Because the selling stockholders may offer all, some or none of the shares of the Merger Shares pursuant to this prospectus and because there currently are no agreements, arrangements or understandings with respect to the sale of any of these shares, no definitive estimate can be given as to the amount of shares that will be held by the selling stockholders after completion of the offering to which this prospectus relates. The following table has been prepared assuming that the selling stockholders sell all of the Merger Shares beneficially owned by them that have been registered by us and do not acquire any additional shares of stock. We cannot advise you as to whether the selling stockholders will in fact sell any or all of their Merger Shares. In addition, the selling stockholders may sell, transfer or otherwise dispose of, at any time and from time to time, the Merger Shares in transactions exempt from the registration requirements of the Securities Act after the date on which they provided the information set forth in the table below.

Information concerning the selling stockholders may change from time to time, and any changed information will be set forth in prospectus supplements or post-effective amendments, as may be appropriate.

Stockholder	Number of Shares Owned Prior to Offering(1)	Maximum Number of Shares to be Sold Pursuant to This Prospectus	Number of Shares Owned after the Offering
Charles Slatery(2)	405,967	405,967	0
Kevin Hyneman(2)	272,871	272,871	0
Joe Nicosia(3)	149,814	149,814	0
James Lackie(3)	129,338	129,338	0
William Haslam(3)	95,524	95,524	0
James Haslam	95,389	95,389	0
Gordon Brothers	81,532	81,532	0
Phillco Partnership	69,417	69,417	0
Rick Olswanger	64,484	64,484	0
F. William Hackmeyer	60,673	60,673	0
Louis Baioni	46,820	46,820	0
Everett Hailey	46,134	46,134	0
Ray Cahnman	40,766	40,766	0
Berten, LLC	36,760	36,760	0
Charlie Trammell	29,526	29,526	0
Total	**1,625,015**	**1,625,015**	**0**

(1) On June 30, 2008, we had 41,440,902 shares of our Class A Non-voting Common Stock outstanding. None of the selling stockholders will own one percent (1%) or more of our outstanding shares of Class A Non-voting Common Stock after the merger. The Merger Shares in the aggregate will constitute approximately 3.77% of our total outstanding Class A Non-voting Common Stock after the merger.

(2) Member of the Board of Value Financial Services, Inc. until the effective date of the merger.

(3) Member of the Board of Value Financial Services, Inc. until September 2005.

10. PLAN OF DISTRIBUTION

We are registering the Merger Shares to permit the resale of these shares of Class A Non-voting Common Stock by the selling stockholders from time to time after the date of this prospectus. We will not receive any of the proceeds from the sale by the selling stockholders of the shares of Class A Non-voting Common Stock. We will bear all fees and expenses incident to our obligation to register the shares of Class A Non-voting Common Stock.

The selling stockholders may sell all or a portion of the shares of Class A Non-voting Common Stock beneficially owned by them and offered hereby from time to time directly or through one or more underwriters, broker-dealers or agents. If the shares of Class A Non-voting Common

Stock are sold through underwriters or broker-dealers, the selling stockholders will be responsible for underwriting discounts or commissions or agent's commissions. The shares of Class A Non-voting Common Stock may be sold in one or more transactions at fixed prices, at prevailing market prices at the time of the sale, at varying prices determined at the time of sale, or at negotiated prices. These sales may be effected in transactions which may involve crosses or block transactions

- on any national securities exchange or quotation service on which the securities may be listed or quoted at the time of sale;
- in the over-the-counter market;
- in transactions otherwise than on these exchanges or systems or in the over-the-counter market;
- through the writing of options, whether such options are listed on an options exchange or otherwise;
- through ordinary brokerage transactions and transactions in which the broker-dealer solicits purchasers;
- through block trades in which the broker-dealer will attempt to sell the shares as agent but may position and resell a portion of the block as principal to facilitate the transaction;
- through purchases by a broker-dealer as principal and resale by the broker-dealer for its account;
- in an exchange distribution in accordance with the rules of the applicable exchange;
- through privately negotiated transactions;
- through short sales;
- through sales pursuant to Rule 144;
- in which broker-dealers agree with the selling stockholders to sell a specified number of such shares at a stipulated price per share;
- by means of a combination of any such methods of sale; and
- by any other method permitted pursuant to applicable law.

If the selling stockholders effect such transactions by selling shares of Class A Non-voting Common Stock to or through underwriters, broker-dealers or agents, such underwriters, broker-dealers or agents may receive commissions in the form of discounts, concessions or commissions from the selling stockholders or commissions from purchasers of the shares of Class A Non-

voting Common Stock for whom they may act as agent or to whom they may sell as principal (which discounts, concessions or commissions as to particular underwriters, broker-dealers or agents may be in excess of those customary in the types of transactions involved). In connection with sales of the shares of Class A Non-voting Common Stock or otherwise, the selling stockholders may enter into hedging transactions with broker-dealers, which may in turn engage in short sales of the shares of Class A Non-voting Common Stock in the course of hedging in positions they assume. The selling stockholders may also sell shares of Class A Non-voting Common Stock short and deliver shares of Class A Non-voting Common Stock covered by this prospectus to close out short positions and to return borrowed shares in connection with such short sales. The selling stockholders may also loan or pledge shares of Class A Non-voting Common Stock to broker-dealers that in turn may sell such shares.

The selling stockholders may pledge or grant a security interest in some or all of the shares of Class A Non-voting Common Stock owned by them and, if they default in the performance of their secured obligations, the pledgees or secured parties may offer and sell the shares of Class A Non-voting Common Stock from time to time pursuant to this prospectus or any amendment to this prospectus under Rule 424(b)(3) or other applicable provision of the Securities Act, amending, if necessary, the list of selling stockholders to include the pledgee, transferee or other successors in interest as selling stockholders under this prospectus. The selling stockholders also may transfer and donate the shares of Class A Non-voting Common Stock in other circumstances in which case the transferees, donees, pledgees or other successors in interest will be the selling beneficial owners for purposes of this prospectus.

We have agreed to arrange for Stephens, Inc., or another broker designated by VFS (the “Designated Broker”) to sell any or all of the Merger Shares on behalf or the selling stockholders within five business days of the effectiveness of the registration statement related to the Merger Shares. Each of the selling shareholders may elect to sell all, some or none of their shares under this arrangement by notifying VFS on or before the day of the VFS stockholders’ meeting to approve the merger, whether they want to sell any shares under this arrangement and, if so, how many shares they want to sell. The selling stockholders who wish to participate in this arrangement must agree to deposit their shares with the Designated Broker as soon as practicable after the closing of the merger. The Designated Broker will then sell the shares within five business days of effectiveness of the registration statement related to the Merger Shares.

With respect to 401,489 (24.7%) of the Merger Shares, we have agreed to pay any difference between the price received by the selling stockholders for the stock and the market price of our Class A Non-voting Common Stock, as listed on NASDAQ, on the day preceding the closing of the merger. We will make this payment to the selling stockholders pro rata according to how many of their Merger Shares they agreed to have the Designated Broker sell. If the Merger Shares are sold by the Designated Broker at an average price per share less than the market price of our Class A Non-voting Common Stock, as listed on NASDAQ, on the day preceding the closing of the merger, we are obligated to pay such difference per share to those selling stockholders who sell their shares under this arrangement for each of the first 401,489 shares that were tendered to the Designated Broker. We do not know of any other arrangements made by the selling stockholders for the sale of any shares of our Class A Non-voting Common Stock. The selling stockholders are not obligated to sell any of the shares being registered for sale.

The selling stockholders and any agents or broker-dealers that participate with the selling stockholders in the distribution of any of the Merger Shares may be deemed to be “underwriters” within the meaning of the Securities Act, and any discount or commission received by them and any profit on the resale of the Merger Shares purchased by them may be deemed to be underwriting discounts or commissions under the Securities Act.

11. EXPERTS

Accounting Matters

Our financial statements and effectiveness of internal control over financial reporting, incorporated by reference in this Prospectus and Registration Statement, have been audited by BDO Seidman, LLP, independent registered public accountants, to the extent and for the periods set forth in their reports incorporated by reference, and are included in reliance upon the authority of BDO Seidman, LLP, as experts in accounting and auditing in giving their reports.

The financial statements of VFS as of December 31, 2007, 2006 and 2005 and for the years then ended are included in this prospectus. The financial statements for the year ended December 31, 2007, have been audited by McGladrey & Pullen, LLP, independent accountants, as indicated in their reports with respect thereto contained in this prospectus. The financial statements for the years ended December 31, 2006 and 2005 were audited by Tedder, James, Worden, & Associates, P.A., independent accountants, certain of whose partners merged with McGladrey & Pullen, LLP effective June 1, 2007. These financial statements for the fiscal years 2007, 2006 and 2005 are included in the prospectus in reliance upon the authority of McGladrey & Pullen, LLP and Tedder, James, Worden, & Associates, P.A., as experts in accounting and auditing in giving their reports.

Legal Matters

The validity of our Class A Non-voting Common Stock offered pursuant to this prospectus will be passed on by Strasburger & Price, L.L.P., Austin, Texas.

12. INFORMATION INCORPORATED BY REFERENCE

The SEC allows us to "incorporate by reference" the information we file with them, which means that we can disclose important information to you by referring you to those documents. The information incorporated by reference is an important part of this prospectus, and information that we file later with the SEC will automatically update and supersede previously filed information, including information contained in this document. We incorporate by reference the documents listed below (SEC file No. 000-19424) and any future filings we will make with the SEC under Sections 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934 until all shares offered by this Prospectus are sold or until this offering is otherwise completed:

- Our Annual Report on Form 10-K for the year ended September 30, 2007, filed with the SEC on December 14, 2007.
- Our Quarterly Reports on Form 10-Q for the periods ended December 31, 2007 and March 31, 2008, filed with the SEC on February 5, 2008 and May 6, 2008.
- Our Current Reports on Form 8-K dated September 27, 2007 (filed October 3, 2007), October 3, 2007 (filed October 9, 2007), November 7, 2007 (filed November 8, 2007), November 8, 2007 (filed November 8, 2007), January 24, 2008 (filed January 24, 2008), March 17, 2008 (filed March 17, 2008), April 24, 2008 (filed April 24, 2008), May 12, 2008 (filed May 13, 2008), May 28, 2008 (filed June 2, 2008), June 5, 2008 (filed June 5, 2008), June 9, 2008 (filed June 9, 2008), June 17, 2008 (filed June 17, 2008), June 23, 2008 (filed June 24, 2008), and July 8, 2008 (filed July 9, 2008).
- The description of EZCORP's Common Stock and Common Stock Rights as set forth in EZCORP's Form 8-A Registration Statement filed with the Commission on July 24, 1991, including any amendment or report filed for the purpose of updating such description

You may request free copies of these filings by writing or telephoning us at the following address:

EZCORP, Inc.
Attention: Investor Relations Department
1901 Capital Parkway
Austin, Texas 78746
(512) 314-3400

We file annual, quarterly and periodic reports and other information with the Securities and Exchange Commission using the SEC's EDGAR system. You can find our SEC filings on the SEC's web site, www.sec.gov. You may read and copy any materials that we file with the SEC at its Public Reference Room at 100 F. Street, N.E., Washington, D.C. 20549. Our Class A Non-voting Common Stock is listed on NASDAQ, under the symbol "EZPW," and all reports and other information that we file with NASDAQ may be inspected at its offices at 1735 K Street N.W., Washington, D.C. 20006.

We furnish our stockholders with an annual report, which contains audited financial statements, and such other reports as we, from time to time, deem appropriate or as may be required by law. Our fiscal year runs from October 1 through September 30.

Any statement contained in a document incorporated or deemed to be incorporated herein shall be deemed modified or superseded for purposes of this prospectus to the extent that a statement contained herein or in any other subsequently filed document that is deemed to be incorporated herein modifies or supersedes such statement. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this prospectus. You should rely only on the information contained in this document or to which we have referred you. We have not authorized anyone to provide you with information that is inconsistent with information contained in this document or any document incorporated herein. This prospectus is not an offer to sell these securities in any state where the offer or sale of these securities is not permitted. The information in this prospectus is current as of the date it is mailed to security holders, and not necessarily as of any later date. If any material change occurs during the period that this prospectus is required to be delivered, this prospectus will be supplemented or amended.

13. DISCLOSURE OF COMMISSION POSITION ON INDEMNIFICATION

Our Restated Certificate of Incorporation provides that no director will be personally liable to us or any of our stockholders for monetary damages arising from the director’s breach of a fiduciary duty as a director, with certain limited exceptions.

Pursuant to the provisions of Section 145 of the Delaware General Corporation Law, every Delaware corporation has the power to indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding (other than an action by or in the right of the corporation) by reason of the fact that he is or was a director, officer, employee or agent of any corporation, partnership, joint venture, trust or other enterprise, against any and all expenses, judgments, fines and amounts paid in settlement and reasonably incurred in connection with such action, suit or proceeding. The power to indemnify applies (a) if such person is successful on the merits or otherwise in the defense of any action, suit or proceeding, or (b) if such person acted in good faith and in a manner he reasonably believed to be in the best interest, or not opposed to the best interest, of the corporation and with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful.

The power to indemnify applies to actions brought by or in the right of the corporation as well, but only to the extent of defense and settlement expenses and not to any satisfaction of a judgment or settlement of the claim itself, and with the further limitation that in such actions no indemnification shall be made in the event of any adjudication unless the court, in its discretion, believes that in the light of all the circumstances indemnification should apply.

To the extent any of the persons referred to in the two immediately preceding paragraphs is successful in the defense of the actions referred to therein, such person is entitled, pursuant to Section 145, to indemnification as described above.

Our Restated Certificate of Incorporation and Amended and Restated Bylaws specifically provide for indemnification of officers and directors to the fullest extent permitted by the Delaware General Corporation Law.

Insofar as indemnification by us for liabilities arising under the Securities Act of 1933, as amended (the "Securities Act"), may be permitted to our directors, officers or persons controlling EZCORP pursuant to the foregoing provisions, we have been informed that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable.

14. RECENT LITIGATION DEVELOPMENTS

In May 2007, the State of Texas filed suit against EZCORP, Inc. and our Texas affiliates, Texas EZPAWN, L.P., Texas EZMONEY, L.P., Payday Loan Management, Inc., Texas EZPAWN Management, Inc., in state district court in Bexar County alleging violations of the Texas Identity Theft statute, Deceptive Trade Practices Act, and a provision of the Business and Commerce Code by allegedly failing to safeguard and properly dispose of customers' sensitive personal information. Despite the Texas Attorney General's allegations, we have no knowledge that any customer was harmed. After an extended period of factual and legal debate and negotiation, we settled this matter with the Texas Attorney General by agreeing to a permanent injunction against Texas EZPAWN, L.P. and Texas EZMONEY, L.P. and making a payment of $600,000. The settlement includes the dismissal with prejudice of all claims against EZCORP, Inc., Payday Loan Management, Inc. and Texas EZPAWN Management, Inc. The court subsequently approved the settlement.

The Florida Office of Financial Regulation has filed an administrative action against us alleging that our Florida credit service organization business model used in eleven stores adjoining EZPAWN locations violates state usury law. On March 25, 2008, an administrative law judge issued a Recommended Order finding against us and recommending that the Florida Office of Financial Regulation issue a cease and desist order against our credit services operations in Florida. On June 12, 2008, the Florida Office of Financial Regulation issued a cease and desist order as recommended by the administrative law judge. On June 13, 2008, we filed a Notice of Appeal of the decision and a Motion for Stay Pending Appeal with the First District Court of Appeal of Florida. On June 16, 2008, the Motion for Stay Pending Appeal was denied. As a result of the denial we closed our 11 EZMONEY credit service organization stores in Florida pending the outcome of the appeal process. We cannot give any assurance as to the ultimate outcome of this matter.

15. VFS CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated Financial Statements of VFS for the years ended December 31, 2005, 2006 and 2007 are set forth below. Any person who is considering an investment in our Class A Non-voting Common Stock should review the Consolidated Financial Statements of VFS to consider how our operations and finances will be affected by the merger.

VALUE FINANCIAL SERVICES, INC. AND SUBSIDIARY

TABLE OF CONTENTS

McGladrey & Pullen
Certified Public Accountants

Independent Auditor's Report

To the Board of Directors and Shareholders
Value Financial Services, Inc.
Maitland, Florida

We have audited the accompanying consolidated balance sheet of Value Financial Services, Inc. and Subsidiary as of December 31, 2007, and the related consolidated statements of operations, shareholders' equity, and cash flows for the year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Value Financial Services, Inc. and Subsidiary as of December 31, 2007, and the results of their operations and their cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

/s/ McGladrey & Pullen, LLP

Orlando, Florida
June 2, 2008

McGladrey & Pullen, LLP is a member firm of RSM International,
an affiliation of separate and independent legal entities.

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors and Shareholders
Value Financial Services, Inc.
Maitland, Florida

We have audited the accompanying consolidated balance sheets of Value Financial Services, Inc. and Subsidiary as of December 31, 2005 and 2006, and the related consolidated statements of operations, shareholders' equity, and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Value Financial Services, Inc. and Subsidiary as of December 31, 2005 and 2006, and the results of their operations and their cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 1(a) to the consolidated financial statements, the consolidated financial statements have been restated.

/s/ Tedder, James, Worden & Associates, P.A.

Orlando, Florida
August 13, 2007, except for the effects of the restatements to the consolidated statements of operations and cash flows and as described in Note 1(a), as to which the date is November 8, 2007

VALUE FINANCIAL SERVICES, INC. AND SUBSIDIARY

Consolidated Balance Sheets

Years ended December 31, 2005, 2006 and 2007

	2005	2006	2007
Assets			
Current assets:			
Cash	$ 1,646,001	$ 759,674	$ 795,055
Loans	11,598,110	14,528,302	16,759,212
Inventories, net	10,330,348	11,979,081	13,404,735
Service charges receivable, net of allowance for doubtful service charges of approximately $1,468,000, $1,758,000, and $2,048,000 in 2005, 2006 and 2007, respectively	2,261,928	2,832,862	3,274,926
Deferred tax assets	3,275,000	3,120,000	4,042,186
Income tax receivable	—	—	28,700
Advances to officers and directors	503,259	384,881	—
Advances to team members	20,160	108,132	101,114
Prepaid expenses and other	1,678,715	1,385,166	1,383,229
Total current assets	31,313,521	35,098,098	39,789,157
Property and Equipment, net	7,126,160	6,625,497	7,529,734
Goodwill	4,874,082	4,874,082	4,874,082
Deferred Tax Assets	8,131,922	5,031,326	4,645,523
Other Assets	217,247	220,225	336,095
Total assets	$ 51,662,932	$ 51,849,228	$ 57,174,591
Liabilities and Shareholders' Equity			
Current liabilities:			
Accounts payable	$ 560,255	$ 488,900	$ 468,749
Accrued expenses	1,815,138	2,237,069	5,258,222
Customer layaway deposits	598,769	741,724	767,830
Deferred rent	317,501	360,095	357,206
Income taxes payable	22,278	50,323	—
Current maturities of long-term debt	—	—	4,000,000
Current maturities of convertible subordinated debentures	58,881	3,926,802	66,736
Total current liabilities	3,372,822	7,804,913	10,918,743
Long-Term Debt	13,125,867	7,380,721	26,784,307
Interest Rate Swap Liability	—	—	552,748
Convertible Subordinated Debentures, less current maturities	4,331,972	403,425	336,924
Total liabilities	20,830,661	15,589,059	38,592,722
Commitments and Contingencies (Note 10)			
Shareholders' equity:			
Series A-1 participating stock, $0.01 par value; 3,622,598, 3,622,598 and 3,756,496 shares authorized in 2005, 2006 and 2007, respectively; 3,270,773, 3,270,773 and 3,756,496 shares issued and outstanding in 2005, 2006 and 2007, respectively; convertible to common stock at a ratio of 1 to 1	32,708	32,708	37,565
Series A-2 participating stock, $0.01 par value; 2,500,000 shares authorized; 1,516,590 shares issued and outstanding in 2005, 2006 and 2007; convertible to common stock at a ratio of 1 to 1	15,166	15,166	15,166
Series B participating stock, $0.01 par value; 682,038 shares authorized; 614,988 shares issued and outstanding in 2005, 2006 and 2007; convertible to common stock at a ratio of 1 to 1	6,150	6,150	6,150
Common stock, $0.01 par value; 35,000,000 shares authorized; none issued and outstanding in 2005, 2006 and 2007	—	—	—
Additional paid-in capital	52,671,080	52,671,080	55,580,562
Receivable from shareholder	(1,706,211)	(1,708,445)	—
Accumulated deficit	(20,186,622)	(14,756,490)	(37,057,574)
Total shareholders' equity	30,832,271	36,260,169	18,581,869
Total liabilities and shareholders' equity	$ 51,662,932	$ 51,849,228	$ 57,174,591

See the accompanying notes to consolidated financial statements.

VALUE FINANCIAL SERVICES, INC. AND SUBSIDIARY

Consolidated Statements of Operations

Years ended December 31, 2005, 2006 and 2007

	2005	2006	2007
Revenues:			
Merchandise sales	$ 47,378,531	$ 62,348,048	$ 76,514,562
Service charge revenues	20,785,777	24,090,466	28,394,105
Other revenues	1,085,035	1,376,117	1,565,905
Total revenues	69,249,343	87,814,631	106,474,572
Cost of merchandise sales	(29,288,787)	(39,339,401)	(47,834,046)
Net revenues	39,960,556	48,475,230	58,640,526
Total store operating expenses (including non-cash depreciation expense)	(25,092,771)	(30,365,220)	(35,877,495)
Store operating income	14,867,785	18,110,010	22,763,031
General and administrative expenses:			
Administration	(6,499,566)	(7,815,293)	(21,126,934)
Depreciation	(164,081)	(173,102)	(203,559)
Loss on disposal of equipment	(59,895)	(108,426)	(247,978)
Start-up expenses for Mexico operations	—	—	(107,296)
Total general and administrative expenses	(6,723,542)	(8,096,821)	(21,685,767)
Income from operations	8,144,243	10,013,189	1,077,264
Non-operating expenses:			
Interest expense	(1,297,285)	(1,135,401)	(2,544,181)
Net income (loss) before income tax benefit (expense)	6,846,958	8,877,788	(1,466,917)
Income tax benefit (expense)	(2,593,194)	(3,447,656)	485,860
Net income (loss)	$ 4,253,764	$ 5,430,132	$ (981,057)

See the accompanying notes to consolidated financial statements.

VALUE FINANCIAL SERVICES, INC. AND SUBSIDIARY

Consolidated Statements of Shareholders' Equity

Years ended December 31, 2005, 2006 and 2007

	Series A-1 participating stock		Series A-2 participating stock		Series B participating stock		Additional paid-in capital	Receivable from shareholder	Accumulated deficit	Treasury stock	Total
	Shares	Amount	Shares	Amount	Shares	Amount					
Balances, December 31, 2004	3,270,773	$ 32,708	1,516,590	$ 15,166	614,988	$ 6,150	$ 52,671,080	$ (954,250)	$ (24,440,386)	$ —	$ 27,330,468
Receivable from shareholder	—	—	—	—	—	—	—	(751,961)	—	—	(751,961)
Net income	—	—	—	—	—	—	—	—	4,253,764	—	4,253,764
Balances, December 31, 2005	3,270,773	32,708	1,516,590	15,166	614,988	6,150	52,671,080	(1,706,211)	(20,186,622)	—	30,832,271
Receivable from shareholder	—	—	—	—	—	—	—	(2,234)	—	—	(2,234)
Net income	—	—	—	—	—	—	—	—	5,430,132		5,430,132
Balances, December 31, 2006	3,270,773	32,708	1,516,590	15,166	614,988	6,150	52,671,080	(1,708,445)	(14,756,490)	—	36,260,169
Issuance of participating stock	685,723	6,857	—	—	—	—	4,107,482	—	—	—	4,114,339
Dividends paid	—	—	—	—	—	—	—	—	(21,320,027)	—	(21,320,027)
Purchase of treasury stock	(577,123)	(5,771)	—	—	(150,000)	(1,500)	(1,198,000)	—	—	(3,162,736)	(4,368,007)
Sale or retirement of treasury stock	377,123	3,771	—	—	150,000	1,500	—	—	—	3,162,736	3,168,007
Forgiveness of receivable from shareholder	—	—	—	—	—	—	—	1,708,445	—		1,708,445
Net loss	—	—	—	—	—	—	—	—	(981,057)	—	(981,057)
Balances, December 31, 2007	3,756,496	$ 37,565	1,516,590	$ 15,166	614,988	$ 6,150	$ 55,580,562	$ —	$ (37,057,574)	$ —	$ 18,581,869

See the accompanying notes to consolidated financial statements.

VALUE FINANCIAL SERVICES, INC. AND SUBSIDIARY

Consolidated Statements of Cash Flows

Years ended December 31, 2005, 2006 and 2007

	2005	2006	2007
Cash flows from operating activities:			
Net income (loss)	$ 4,253,764	$ 5,430,132	$ (981,057)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:			
Stock-based compensation expense	—	—	4,114,339
Depreciation	1,434,703	1,674,534	1,815,775
Forgiveness of receivable from shareholder	—	—	1,708,445
Non-cash interest expense	—	—	552,748
Reserve for service charges receivable	171,848	290,055	289,601
Loss on disposal of equipment	59,895	108,426	247,975
Amortization of other assets	40,553	8,729	119,708
Reserve for inventory shrinkage and valuation	17,751	—	50,000
Deferred income taxes	2,521,819	3,255,596	(536,383)
Changes in working capital components:			
(Increase) decrease in operating assets:			
Inventories	(751,846)	(467,411)	(319,812)
Service charges receivable	(553,111)	(860,989)	(731,665)
Income taxes receivable	—	—	(28,700)
Prepaid expenses and other	34,019	293,549	1,812
Advances to officers and directors	(892,277)	118,378	384,881
Advances to team members	(5,045)	(87,972)	7,018
Other assets	(44,310)	(11,707)	(117,578)
Increase (decrease) in operating liabilities:			
Accounts payable	(79,205)	(71,355)	(20,151)
Accrued expenses	(441,935)	421,931	3,021,153
Customer layaway deposits	77,408	142,955	26,106
Deferred rent	(30,662)	42,594	(2,889)
Income taxes payable	(26,403)	28,045	(50,323)
Net cash provided by operating activities	5,786,966	10,315,490	9,551,003
Cash flows from investing activities:			
Principal recovered on forfeited loans through dispositions	20,726,275	27,198,647	34,521,159
Loans repaid	26,436,842	30,769,721	33,692,098
Loans made	(51,119,261)	(62,079,882)	(71,599,884)
Purchases of property and equipment	(1,194,203)	(1,282,297)	(2,967,987)
Net cash used in investing activities	(5,150,347)	(5,393,811)	(6,354,614)

(Continued)

See the accompanying notes to consolidated financial statements.

VALUE FINANCIAL SERVICES, INC. AND SUBSIDIARY

Consolidated Statements of Cash Flows, Continued

Years ended December 31, 2005, 2006 and 2007

	2005	2006	2007
Cash flows from financing activities:			
Borrowings on revolving line of credit	23,890,098	20,886,000	50,516,255
Repayments on revolving line of credit	(15,399,510)	(26,631,146)	(45,064,832)
Borrowings on long-term debt	—	—	20,000,000
Principal payments on long-term debt	(7,401,259)	—	(2,047,837)
Principal payments on convertible subordinated debentures	(55,204)	(60,626)	(3,926,567)
Dividend payments	—	—	(21,320,027)
Purchases of treasury stock	—	—	(4,368,007)
Sale of treasury stock	—	—	3,168,007
Payment of loan commitment fees	—	—	(118,000)
Loans to shareholder	(751,961)	(2,234)	—
Net cash provided by (used in) financing activities	282,164	(5,808,006)	(3,161,008)
Increase (decrease) in cash	918,783	(886,327)	35,381
Cash at beginning of year	727,218	1,646,001	759,674
Cash at end of year	$ 1,646,001	$ 759,674	$ 795,055
Supplemental disclosures of cash flow information:			
Cash paid during the year for:			
Interest	$ 1,405,642	$ 1,103,244	$ 1,902,214
Income taxes	$ 64,200	$ 164,016	$ 129,547
Supplemental schedule of non-cash investing activities:			
Pawn loans forfeited and transferred to inventories	$ 22,729,284	$ 28,379,969	$ 35,676,876

See the accompanying notes to consolidated financial statements.

VALUE FINANCIAL SERVICES, INC. AND SUBSIDIARY

Notes to Consolidated Financial Statements

Years Ended December 31, 2005, 2006 and 2007

(1) Summary of Significant Accounting Policies

(a) Restatement of Historical Financial Statements

Value Financial Services, Inc.'s ("VFS") previously reported financial statements have been adjusted for certain items, summarized as follows:

- In the consolidated statements of operations, VFS reclassified $1,270,622 and $1,501,432 of depreciation expense for the years ended 2005 and 2006, respectively, which was previously included in general and administrative expenses to store operating expenses, as VFS believes the inclusion of the operating store-related depreciation in store operating expenses is a better presentation of store operating income than as previously reported;
- In the consolidated statements of cash flows, VFS recorded $2,003,009, and $1,181,322 for the years ended 2005 and 2006, respectively, as a reduction to cash used to acquire inventories in operating activities and principal recovered on forfeited loans through dispositions in investing activities for the non-cash forfeitures of loans and related collateral, as VFS believes the reduction of cash used to acquire inventories in operating activities and principal recovered on forfeited loans through dispositions in investing activities as it relates to the non-cash activity of forfeited collateral being reclassified to inventories is more reflective as a non-cash financing activity than as cash used in operating as well as cash provided by investing activities, as previously reported;
- VFS has amended its consolidated statements of cash flows to report its borrowings and repayments on its revolving line of credit on a gross basis instead of a net basis since the maturity of the line of credit was not short-term in nature and VFS, therefore, concluded that the gross basis was more reflective of cash used in financing activities than as previously reported. That resulted in the amended reported of borrowings of $23,890,098 and $20,886,000 during the years ended 2005 and 2006, respectively, and repayments of $15,399,510, and $26,631,146 during the years ended 2005 and 2006, respectively. VFS had previously reported net borrowings (repayments) of $8,490,588, and ($5,745,146) during the years ended 2005, and 2006, respectively; and
- VFS has amended its consolidated statements of cash flows to report the supplemental schedule of non-cash investing activities for loans that have forfeited and the related transfer of the collateral to inventories in the amounts of $22,729,284 and $20,886,000 during the years ended 2005 and 2006, respectively.

The consolidated financial statements reflecting the impact of the restatements noted above were issued to the VFS shareholders in August 2007. As a result, details as to the differences between the amounts previously reported and the restated amounts on each individual financial statement line item is not included in these re-issued consolidated financial statements.

VALUE FINANCIAL SERVICES, INC. AND SUBSIDIARY

Notes to Consolidated Financial Statements—(Continued)

Years Ended December 31, 2005, 2006 and 2007

(b) Reporting Entity and Principles of Consolidation

The accompanying consolidated financial statements include the accounts of Value Financial Services, Inc. d/b/a Value Pawn and Jewelry Store, Inc. and its wholly-owned subsidiary, Value Pawn Holdings, Inc. (collectively, the "Company"). All significant intercompany accounts and transactions have been eliminated in consolidation.

The Company is a provider of specialty financial services to individuals and offers secured non-recourse loans, commonly referred to as pawn loans, through its pawn lending operations. The pawn loan portfolio generates finance and service charges revenue. A related activity of the lending operations is the sale of inventory, primarily collateral from unredeemed pawn loans. As of December 31, 2005, the Company operated 60 stores, as of December 31, 2006, the Company operated 62 stores, and as of December 31, 2007, the Company operated 64 stores, located in Florida, Georgia, and Tennessee.

In November 2007, the Company organized two new subsidiary companies to operate pawn store locations in Mexico. The new companies, VFS Mexico Services, LLC and VFS Mexico Operations, LLC, are both Limited Liability Companies and are organized under the laws of the State of Florida. The Company intends to open four pawn store locations in Mexico during 2008.

In August 2007, the Company's board of directors approved and the Company filed a registration statement on Form S-1 with the Securities and Exchange Commission for an initial public offering ("IPO") of the Company's common stock. In November 2007, the board of directors determined that it was in the best interests of the shareholders to suspend the IPO activities and ultimately cancelled the IPO initiative during early 2008. Over the course of the IPO process, the Company accumulated approximately $1,190,500 of IPO related expenses. These costs include approximately $586,300 in legal, accounting and other fees that were incurred, paid and written off during 2007 and an additional $604,200 of underwriting and accounting fees that were accrued and written off during 2007.

(c) Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

VALUE FINANCIAL SERVICES, INC. AND SUBSIDIARY

Notes to Consolidated Financial Statements—(Continued)

Years Ended December 31, 2005, 2006 and 2007

(1) Summary of Significant Accounting Policies, Continued

(d) Revenue Recognition and Loans

Pawn loans ("loans") are made on the pledge of tangible personal property for one month with an automatic extension period of 30 days. The Company accrues pawn service charge revenue based on anticipated redemption activity for pawn loans during each reporting period. The Company has historically been able to estimate redemption rates with a high degree of accuracy due to the short-term nature of its pawn loans. Yields on the Company's outstanding loan portfolio fluctuate in correspondence with redemption activity. For loans not repaid, the carrying value of the forfeited collateral ("inventories") is stated at the lower of cost (cash amount loaned) or market. Revenues from the sale of inventory are recognized at the time of sale and the risk of loss transfers to an unrelated third party. Revenues consist of pawn service charges and sales of inventory. Other revenues as reported on the consolidated statements of operations consist of proceeds from layaway forfeitures, check cashing fees and lost ticket fees.

(e) Allowance for Pawn Service Charges

The Company accrues finance and service charges revenue only on those pawn loans that the Company deems collectible based on historical loan redemption statistics. Pawn loans written during each calendar month are aggregated and tracked for performance. Loan transactions may conclude based upon redemption, renewal or forfeiture of the loan collateral. The gathering of this empirical data allows the Company to analyze the characteristics of its outstanding pawn loan portfolio and estimate the probability of collection of finance and service charges. If the future actual performance of the loan portfolio differs significantly (positively or negatively) from expectations, revenue for the next reporting period would be likewise affected. Due to the short-term nature of pawn loans, the Company can quickly identify performance trends.

(f) Inventories

Inventories represent merchandise acquired from forfeited loans, merchandise purchased directly from the public, and new merchandise purchased from vendors. Merchandise purchased directly from vendors and customers is recorded at cost. Merchandise from forfeited loans is recorded at the amount of the loan principal on the unredeemed goods. The cost of inventories, determined on the specific identification method, is removed from inventories and recorded as a cost of sales at the time of sale. Inventories are stated at the lower of cost or market. The Company provides an allowance for shrinkage and valuation based on management's evaluation of the inventories. The allowance deducted from the carrying value of inventories amounted to approximately $283,000 as of December 31, 2005 and December 31, 2006, and $333,000 as of December 31, 2007, respectively.

VALUE FINANCIAL SERVICES, INC. AND SUBSIDIARY

Notes to Consolidated Financial Statements—(Continued)

Years Ended December 31, 2005, 2006 and 2007

(1) Summary of Significant Accounting Policies, Continued

(g) Property and Equipment

Property and equipment are recorded at cost, less accumulated depreciation. Depreciation expense is provided on a straight-line basis, using estimated useful lives of five to 20 years for furniture and fixtures, equipment and vehicles. The costs of improvements on leased stores are capitalized as leasehold improvements and are amortized on a straight-line basis using an estimated useful life of up to 15 years, which represents the applicable lease period. Routine maintenance and repairs are charged to expense as incurred. Major replacements and improvements are capitalized. When assets are sold or retired, the related cost and accumulated depreciation are removed from the accounts and gains or losses from dispositions are credited or charged to income in the consolidated statements of operations.

(h) Goodwill

Goodwill represents the excess of the purchase price over the fair value of net assets acquired. Statement of Financial Accounting Standards ("SFAS") No. 142, "Goodwill and Other Intangible Assets," requires the use of a nonamortization approach to account for purchased goodwill and certain intangibles. Under a nonamortization approach goodwill is not amortized into results of operations but instead is reviewed for impairment at least annually and written down and charged to results of operations in the periods in which the recorded value of goodwill is determined to be greater than its fair value. Based on the results of the initial and subsequent impairment tests, management determined there have been no impairments.

(i) Impairment of Long-Lived Assets and Long-Lived Assets to be Disposed Of

The Company evaluates its long-lived assets for financial impairment as events or changes in circumstances indicate that the carrying value of a long-lived asset may not be fully recoverable. The Company evaluates the recoverability of long-lived assets by measuring the carrying amount of the assets against their estimated future cash flows (undiscounted and without interest charges). If such evaluations indicate that the future undiscounted cash flows of certain long-lived assets are not sufficient to recover the carrying value of such assets, the assets are adjusted to their fair values.

(j) Customer Layaway Deposits

Interim payments from customers on layaway sales are credited to customer layaway deposits and are recorded as sales during the period in which final payment is received.

(k) Deferred Rent

Certain operating lease agreements provide for scheduled rent increases over the lease term. As such, the rental payments are accrued and charged to expense on a straight-line basis.

VALUE FINANCIAL SERVICES, INC. AND SUBSIDIARY

Notes to Consolidated Financial Statements—(Continued)

Years Ended December 31, 2005, 2006 and 2007

(1) Summary of Significant Accounting Policies, Continued

(l) Income Taxes

The Company accounts for income taxes utilizing the asset and liability method. Deferred income taxes are recognized for the tax consequences in future years for temporary differences between the tax bases of assets and liabilities and their financial reporting amounts at each year end based on enacted tax laws and statutory tax rates applicable to the periods in which the differences are expected to affect taxable income. Valuation allowances are established when necessary to reduce deferred tax assets to the amount expected to be realized. Income tax expense is the tax payable for the period and the change in deferred tax assets and liabilities during the period. In determining the amount of any valuation allowance required to offset deferred tax assets, an assessment is made that includes anticipating future income and determining the likelihood of realizing deferred tax assets.

Effective January 1, 2007, the Company began accounting for uncertainty in income taxes recognized in the consolidated financial statements in accordance with Financial Accounting Standards Board (“FASB”) Interpretation No. 48, “Accounting for Uncertainty in Income Taxes” (“FIN 48”). FIN 48 requires that a more-likely-than-not threshold be met before the benefit of a tax position may be recognized in the consolidated financial statements and prescribes how such benefit should be measured. It also provides guidance on derecognition, classification, accrual of interest and penalties, accounting in interim periods, disclosure and transition. It requires that the new standard be applied to the balances of assets and liabilities as of the beginning of the period of adoption and that a corresponding adjustment be made to the opening balance of accumulated deficit. See Note 4.

Management must evaluate tax positions taken on the Company’s tax returns for all periods that are open to examination by taxing authorities and make a judgment as to whether and to what extent such positions are more likely than not to be sustained based on merit. Management judgment is required in determining the provision for income taxes, the deferred tax assets and liabilities and any valuation allowance recorded against deferred tax assets. Management judgment is also required in evaluating whether tax benefits meet the more-likely-than-not threshold for recognition under FIN 48.

It is the Company’s policy to classify interest and penalties on income tax liabilities as interest expense and administrative expense, respectively. The Company did not change its policy on classification of such amounts upon adoption of FIN 48.

VALUE FINANCIAL SERVICES, INC. AND SUBSIDIARY

Notes to Consolidated Financial Statements—(Continued)

Years Ended December 31, 2005, 2006 and 2007

(1) Summary of Significant Accounting Policies, Continued

(m) Operations and Administration Expenses

Operations expenses include expenses incurred for personnel; occupancy and marketing that are directly related to the pawn lending operations. These costs are incurred within the lending locations. In addition, similar costs related to non-home office management and supervision and oversight of locations are included in operations expenses. Administration expenses include expenses incurred for personnel and general office activities such as accounting and legal directly related to corporate administrative functions.

(n) Hedging and Derivatives Activity

The Company's risk management policy is to use derivative financial instruments, as appropriate, to manage the interest expense related to debt with variable interest rates. These instruments are not designated as hedges; accordingly, gains and losses related to changes in fair value are reflected in the consolidated statements of operations at each reporting date. As of December 31, 2007, the Company had an interest rate derivative with a notional amount of $13,500,000 which effectively converted a portion of the Company's debt from a variable rate of interest based on one-month LIBOR plus a margin determined on the basis of the Company's quarterly funded debt to EBITDA ratio to a fixed LIBOR rate of 5.73% plus the same margin. The fair value of this interest rate swap was a liability of $552,748 which has been recorded as a non-current liability and the change in the fair value as an increase in interest expense in the accompany consolidated financial statements.

(o) Accounting for Stock-Based Compensation

Effective January 1, 2006, the Company adopted the fair value recognition provisions of SFAS No. 123(R), "Share-Based Payment," using the modified prospective transition method. Under this transition method, compensation cost represents the cost for all share-based payments granted prior to, but not yet vested as of January 1, 2006, based on the grant date fair value estimated in accordance with the original provisions of SFAS No. 123 and compensation cost for all share-based payments granted subsequent to January 1, 2006, based on the grant-date fair value estimated in accordance with the provisions of SFAS No. 123(R).

Prior to January 1, 2006, the Company accounted for stock options under the recognition and measurement provisions of APB Opinion No. 25, "Accounting for Stock Issue to Employees," and related interpretations, as permitted by FASB Statement No. 123, "Accounting for Stock-Based Compensation." No stock-based employee compensation cost was recognized in the accompanying consolidated statement of operations for the year ended December 31, 2005 as all options granted under the Plan had an exercise price equal to the market value of the underlying common stock on the date of grant.

Results for prior periods have not been restated to reflect the impact of adopting the new standard. Pro forma net income and reported net income were the same for the year ended December 31, 2005 as there were no material stock options requiring amortization of cost.

VALUE FINANCIAL SERVICES, INC. AND SUBSIDIARY

Notes to Consolidated Financial Statements—(Continued)

Years Ended December 31, 2005, 2006 and 2007

(1) Summary of Significant Accounting Policies, Continued

(p) Concentration of Credit Risk

Financial instruments, which potentially subject the Company to concentrations of credit risk, consist principally of cash and loans. The Company places its cash with high credit quality financial institutions. At various times throughout the years ended December 31, 2006 and 2007 some deposits held at financial institutions were in excess of federally insured limits. However, the Company has not experienced any losses in such accounts and management believes the Company is not exposed to any significant credit risk on these accounts.

Almost all of the Company's pawn loans are to customers whose ability to pay is dependent upon the economics prevailing in their locations; however, concentrations of credit risk with respect to pawn loans are limited due to the large number of customers and generally short payment terms. The Company also requires a pledge of tangible personal property to help further reduce credit risk.

(q) Recent Accounting Pronouncements

In September 2006, FASB issued Statement of Financial Accounting Standards No. 157, "Fair Value Measurements" ("SFAS No. 157"). SFAS No. 157 defines fair value to be the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date and emphasizes that fair value is a market-based measurement, not an entity-specific measurement. It establishes a fair value hierarchy and expands disclosures about fair value measurements in both interim and annual periods. SFAS No. 157 will be effective for fiscal years beginning after November 15, 2007 and interim periods within those fiscal years. In December 2007, FASB issued proposed FASB Staff Position ("FSP") FAS 157-b, which delays the effective date of SFAS No. 157 for nonfinancial assets and nonfinancial liabilities that are recognized or disclosed in the financial statements on a nonrecurring basis. The proposed FSP partially defers the effective date of SFAS No. 157 to fiscal years beginning after November 15, 2008 and interim periods within those fiscal years for items within the scope of this FSP. The Company does not expect SFAS No. 157 to have a material effect on the Company's consolidated financial position or results of operations, but anticipates additional disclosures when SFAS No. 157 becomes effective.

In February 2007, FASB issued Statement of Financial Accounting Standards No. 159, "The Fair Value Option for Financial Assets and Financial Liabilities" ("SFAS No. 159"). SFAS No. 159 permits entities to choose, at specified election dates, to measure eligible items at fair value (the "fair value option") and requires an entity to report unrealized gains and losses on items for which the fair value option has been elected in earnings at each subsequent reporting date. Upfront costs and fees related to items for which the fair value option is elected shall be recognized in earnings as incurred and not deferred. SFAS No. 159 will be effective for fiscal years beginning after November 15, 2007. The Company does not expect SFAS No. 159 to have a material effect on the Company's consolidated financial position or results of operations.

VALUE FINANCIAL SERVICES, INC. AND SUBSIDIARY

Notes to Consolidated Financial Statements—(Continued)

Years Ended December 31, 2005, 2006 and 2007

(1) Summary of Significant Accounting Policies, Continued

(q) Recent Accounting Pronouncements, Continued

In December 2007, FASB issued Statement of Financial Accounting Standards No. 141, "Business Combinations — Revised" ("SFAS No. 141(R)"). SFAS No. 141(R) establishes principles and requirements for how an acquirer in a business combination: recognizes and measures in its financial statements the identifiable assets acquired, the liabilities assumed, and any non-controlling interests in the acquiree; recognizes and measures goodwill acquired in the business combination or a gain from a bargain purchase price; and, determines what information to disclose to enable users of the consolidated financial statements to evaluate the nature and financial effects of the business combination. SFAS No. 141(R) applies prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after December 15, 2008. The application of SFAS No. 141(R) will cause management to evaluate future transaction returns under different conditions, particularly the near term and long term economic impact of expensing transaction costs up front.

(r) Reclassifications

Certain amounts in the consolidated financial statements for 2005 and 2006 have been reclassified to conform to the presentation format adopted in 2007 (see Note 1(a)). These reclassifications have no effect on net income or shareholders' equity as previously reported.

(2) Property and Equipment

Major classifications of property and equipment are as follows:

	December 31, 2005			December 31, 2006		
	Cost	Accumulated Depreciation	Net	Cost	Accumulated Depreciation	Net
Leasehold Improvements	$ 7,867,864	$ (3,687,631)	$4,180,233	$ 8,158,693	$ (4,306,828)	$3,851,865
Furniture and fixtures	6,573,471	(4,130,274)	2,443,197	7,031,872	(4,803,003)	2,228,869
Equipment	3,293,678	(2,790,948)	502,730	3,512,997	(2,968,234)	544,763
	$17,735,013	$(10,608,853)	$7,126,160	$18,703,562	$(12,078,065)	$6,625,497

VALUE FINANCIAL SERVICES, INC. AND SUBSIDIARY

Notes to Consolidated Financial Statements—(Continued)

Years Ended December 31, 2005, 2006 and 2007

(2) Property and Equipment, Continued

	December 31, 2007		
	Cost	Accumulated Depreciation	Net
Leasehold Improvements	$ 8,879,376	$ (5,063,055)	$3,816,321
Furniture and fixtures	7,486,041	(4,979,710)	2,506,331
Equipment	4,406,518	(3,199,436)	1,207,082
	$20,771,932	$(13,242,201)	$7,529,734

Depreciation expense of property and equipment amounted to approximately $1,434,700, $1,674,500 and $1,815,800 for the years ended December 31, 2005, 2006 and 2007 respectively.

(3) Accrued Expenses

The major components of accrued expenses are summarized as follows:

	December 31, 2005	December 31, 2006	December 31, 2007
Accrued salaries and related benefits	$ 724,096	$ 777,989	$1,371,195
Accrued director and officer fees	—	—	1,507,250
Accrued initial public offering costs (see Note 1(a))	—	—	604,204
Employee insurance payable	236,931	440,101	438,533
Accrued sales tax payable	378,730	405,002	346,687
Accrued interest expense	211,672	228,351	197,862
Accrued lease termination costs	210,191	215,514	362,966
Other	53,518	170,112	429,525
	$1,815,138	$2,237,069	$5,258,222

In connection with the Company's IPO initiative undertaken during 2007 (see Note 1(b)), the board of directors approved a total of $1,507,250 to be paid to certain of the Company's board members and members of management for their efforts in the IPO process. The accrued director and officer fees as of December 31, 2007 above represent fees earned during 2007 for the aforementioned efforts.

VALUE FINANCIAL SERVICES, INC. AND SUBSIDIARY

Notes to Consolidated Financial Statements—(Continued)

Years Ended December 31, 2005, 2006 and 2007

(3) Accrued Expenses, Continued

The following tables set forth the details and cumulative activity in the accruals associated with store closings in 2002 and 2004 of the Company in the consolidated balance sheets as of December 31, 2005, December 31, 2006 and December 31, 2007:

	Accrual as of December 31, 2004	Provisions	Cash Reductions	Accrual as of December 31, 2005
Lease termination costs	$396,290	$ —	$(186,099)	$210,191

	Accrual as of December 31, 2005	Provisions	Cash Reductions	Accrual as of December 31, 2006
Lease termination costs	$210,191	$215,514	$(210,191)	$215,514

	Accrual as of December 31, 2006	Provisions	Cash Reductions	Accrual as of December 31, 2007
Lease termination costs	$215,514	$330,000	$(182,548)	$362,966

(4) Income Taxes

Income tax expense (benefit) consisted of the following:

	December 31, 2005	December 31, 2006	December 31, 2007
Current tax expense (benefit):			
Federal	$ 61,375	$ 163,989	$ 45,899
State	10,000	28,071	4,624
	71,375	192,060	50,523
Deferred tax expense (benefit):			
Federal	2,143,806	2,779,757	(465,685)
State	378,013	475,839	(70,698)
	2,521,819	3,255,596	(536,383)
	$ 2,593,194	$ 3,447,656	$ (485,860)

VALUE FINANCIAL SERVICES, INC. AND SUBSIDIARY

Notes to Consolidated Financial Statements—(Continued)

Years Ended December 31, 2005, 2006 and 2007

(4) Income Taxes, Continued

Actual income tax expense differs from the "expected" tax expense, computed by applying the U.S. federal corporate income tax rate, to the income from continuing operations before income taxes, as follows:

	2005	2006	2007
Income tax expense (benefit) computed at the federal statutory rate	$2,282,367	$3,018,448	$(498,752)
State income tax expense (benefit), net of federal tax benefit	243,676	328,659	(49,610)
Non-deductible expenses	23,388	59,904	53,102
Change in federal valuation allowance	—	—	—
Other	43,763	40,645	9,400
	$2,593,194	$3,447,656	$(485,860)

In assessing the realizability of deferred tax assets, management considers whether it is more likely than not that, some portion or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income or the reversal of deferred tax liabilities during the period in which those temporary differences become deductible. Management considers the scheduled reversal of deferred tax assets, projects future taxable income, and tax planning strategies in making this assessment.

VALUE FINANCIAL SERVICES, INC. AND SUBSIDIARY

Notes to Consolidated Financial Statements—(Continued)

Years Ended December 31, 2005, 2006 and 2007

(4) Income Taxes, Continued

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Deferred tax assets and liabilities at December 31, 2005, 2006 and 2007 were comprised of the following:

	2005	2006	2007
Deferred tax asset:			
Net operating loss carryforward	$10,647,845	$ 6,771,265	$ 5,649,641
Allowance for doubtful service charges	552,466	661,614	770,591
Allowance for inventory	106,511	106,571	125,326
Deferred rent	119,476	135,504	134,416
Charitable contribution carryforward	7,246	12,193	18,808
Accrued expenses	12,189	246,708	944,042
Tax credits	213,774	412,764	491,519
Revenue recognition	1,786,838	1,786,838	2,067,811
Interest rate swap	—	—	201,903
	13,446,345	10,133,457	10,378,045
Deferred tax liability:			
Property and equipment	(1,204,726)	(1,003,112)	(562,422)
Intangible assets	(834,697)	(979,019)	(1,127,914)
	(2,039,423)	(1,982,131)	(1,690,336)
	$11,406,922	$ 8,151,326	$ 8,687,709

These amounts are included in the accompanying consolidated balance sheets under the following captions:

	December 31, 2005	December 31, 2006	December 31, 2007
Current:			
Deferred tax assets	$ 3,275,000	$ 3,120,000	$ 4,042,186
Non-current:			
Deferred tax assets	10,171,345	7,013,457	6,335,859
Deferred tax liabilities	(2,039,423)	(1,982,131)	(1,690,336)
Net non-current	8,131,922	5,031,326	4,645,523
Net deferred tax assets	$11,406,922	$ 8,151,326	$ 8,687,709

VALUE FINANCIAL SERVICES, INC. AND SUBSIDIARY

Notes to Consolidated Financial Statements—(Continued)

Years Ended December 31, 2005, 2006 and 2007

(4) Income Taxes, Continued

The Company's net deferred tax assets include substantial amounts of net operating loss carryforwards, totaling approximately $17,628,000 and $15,287,000 for federal and state income tax purposes, respectively, as of December 31, 2006, and $15,022,000 and $12,752,000 for federal and state income tax purposes, respectively, as of December 31, 2007. The utilization of the Company's net operating loss carryforwards may be limited in any given year under certain circumstances. Events which may affect the Company's ability to utilize these carryforwards include, but are not limited to, future profitability, cumulative stock ownership changes of 50% or more over a three-year period, as defined by Section 382 of the Internal Revenue Code, and the timing of the utilization of the tax benefit carryforwards.

In assessing the realizability of deferred tax assets, management considers whether it is more likely than not that, some portion or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income or the reversal of deferred tax liabilities during the period in which those temporary differences become deductible. Management considers the scheduled reversal of deferred tax assets, projections of future taxable income, and tax planning strategies in making this assessment. No valuation allowance has been provided for these deferred tax assets at December 31, 2007 as management has deemed that full realization of these assets is more likely than not.

As of December 31, 2007, the Company had a net operating loss carryforward of approximately $15,022,000 for federal and $12,752,000 for state income tax purposes, which will expire between 2021 and 2022. The federal and state net operating loss carryforwards will expire in each of the years ending December 31 as follows:

	Federal	State
2021	$ 8,581,000	$ 6,490,000
2022	6,440,000	6,262,000
	$15,022,000	$12,752,000

The Company adopted the provisions of FIN 48 on January 1, 2007. As a result of the implementation of FIN 48, the Company did not recognize a change in the liability for unrecognized tax benefits related to tax positions taken in prior periods, and thus, did not record a change in its opening accumulated deficit. During the year ended December 31, 2007, there was no activity related to prior or current years' tax positions, settlements or reductions resulting from expirations of unrecognized tax benefits or obligations.

Accordingly, there are no unrecognized tax benefits that, if recognized, would affect the effective tax rate. No interest or penalties have been accrued in the consolidated financial statements related to unrecognized tax benefits. The Company does not expect a significant increase or decrease in unrecognized tax benefits during the next 12 months. As of December 31, 2007, the Company's 2004 through 2007 tax years were open to examination by the Internal Revenue Service and major state taxing jurisdictions.

VALUE FINANCIAL SERVICES, INC. AND SUBSIDIARY

Notes to Consolidated Financial Statements—(Continued)

Years Ended December 31, 2005, 2006 and 2007

(5) Long-Term Debt

On December 16, 2005, the Company entered into a revolving line of credit arrangement with a commercial bank (the "Line of Credit"). Under the terms of the Line of Credit, the initial borrowing limit of $15,000,000 was reduced in increments of $1,250,000 on April 3, 2006; January 3, 2007; and April 3, 2007; and was to be reduced by an additional $1.25 million on January 3, 2008. The balance was due in full upon maturity on November 30, 2008. Interest was due monthly at the one-month LIBOR rate plus a margin determined on the basis of the Company's quarterly funded debt to EBITDA ratio. An availability fee equal to 0.1% per annum was charged on the difference between the borrowing limit and the outstanding principal balance.

The Line of Credit was collateralized by substantially all of the Company's assets and contains certain conditions and covenants that prevented or restricted the Company from engaging in certain transactions without the consent of the lender. The Company was also required to maintain certain financial covenants, including a Funded Debt to EBITDA Ratio, a Liabilities to Tangible Net Worth Ratio, and a Fixed Charge Coverage Ratio. Among the other conditions and covenants of the Line of Credit, the most restrictive required that the Company abide by annual and quarterly reporting requirements; maintain its primary depository account with the commercial bank; not enter into new debt agreements that would cause the Company's total debt to exceed the Line of Credit borrowing limit by $500,000; not retire any long-term debt entered into prior to the date of the Line of Credit at a date in advance of its legal obligation to do so; not retire or otherwise acquire any of its capital stock; and not extend any credit or loan or advance any monies to any parent entity, subsidiary, officer, director, shareholder or any other affiliate, except that the Company could make loans to its employees in the ordinary course of business of up to $500,000. The Company repurchased and retired 200,000 shares of Series A-1 Participating Stock in April 2007; however a waiver for this repurchase was granted by the bank. As of June 30, 2007, the Line of Credit was paid in full.

On June 15, 2007, the Company entered into an agreement for a $37 million senior credit facility with a new bank (the "Credit Facility"). The Credit Facility is comprised of a $17 million working capital line of credit and a $20 million term loan. The line of credit matures in two years while the term loan carries a five-year maturity. The Company will make equal monthly payments of principal and interest over the five-year term. Interest rates are based on 30-day LIBOR plus a margin that is determined by the Company's funded debt to EBITDA ratio. The Company entered into an interest rate swap agreement that applies a fixed annual LIBOR rate of 5.73% to 75% of the outstanding principal balance of the term loan. The margin ranges from 150-195 basis points on the line of credit (interest rate of 6.95% as of December 31, 2007) and from 165-210 basis points on the term loan (interest rate of 7.13% as of December 31, 2007). At funding, the Company was at the high end of the pricing range. In addition, there is an unused line fee on the line of credit of 10-20 basis points, depending on the Company's funded debt to EBITDA ratio. The Company paid an upfront commitment fee of $118,000 which is being amortized over the life of the Credit Facility. With the proceeds from the Credit Facility, the Company retired its previous Line of Credit.

VALUE FINANCIAL SERVICES, INC. AND SUBSIDIARY

Notes to Consolidated Financial Statements—(Continued)

Years Ended December 31, 2005, 2006 and 2007

(5) Long-Term Debt, Continued

The Credit Facility is collateralized by substantially all of the Company's assets and contains conditions and covenants that prevent or restrict the Company from engaging in certain transactions without the consent of the lender. The Company is also required to maintain certain financial covenants, including a leverage ratio and a fixed charge coverage ratio. Among the other conditions and covenants, the Credit Facility requires the Company to (i) abide by annual and quarterly reporting requirements; (ii) maintain its primary depository account with the commercial bank; (iii) not enter into new debt agreements that exceed $50,000; (iv) not incur capital expenditures in excess of $3,000,000 in any fiscal year; (v) not retire or otherwise acquire any of its capital stock; (vi) not extend any credit or loan or advance any monies to any person in excess of $50,000; and (vii) not make cash distributions to shareholders without the lender's prior consent. As of and during the year ended December 31, 2007 and as of March 31, 2008, the Company was in noncompliance with several of the negative covenants of the Credit Facility; however, the Company has requested and received waivers from the bank for the respective noncompliance. The Company had $849,898 in checks outstanding in excess of bank deposits in the Company's bank accounts as of December 31, 2007, which are included in the line of credit balance in the accompanying consolidated balance sheets and borrowings on revolving line of credit in the accompanying consolidated statements of cash flows. The bank does not require funding of the account until the checks are presented to the bank for payment.

Long-term debt as of December 31, consisted of the following:

	December 31, 2005	December 31, 2006	December 31, 2007
Revolving line of credit with a commercial bank	$13,125,867	$7,380,721	$12,832,144
Term loan	—	—	17,952,163
Total long-term debt	13,125,867	7,380,721	30,784,307
Less: current maturities of long-term debt	—	—	(4,000,000)
Total long-term debt, less current maturities	$13,125,867	$7,380,721	$26,784,307

Future principal maturities of long-term debt as of December 31, 2007, are due in future years as follows:

Year ending December 31,	
2008	$ 4,000,000
2009	16,832,144
2010	4,000,000
2011	4,000,000
2012	1,952,163
	$30,784,307

(6) Convertible Subordinated Debentures, Participating Stock and Options

A private placement of $8,260,775 convertible subordinated debentures (the "1998 debentures") which are automatically convertible to common stock upon an initial public offering where the gross offering is not less than $5 million and the shares of common stock sold are at a price per share of not less than $24, a merger or the sale of substantially all of the Company's assets, or are voluntarily convertible for five years at the holder's option at a conversion price of $20 per share, was authorized and fully subscribed during 1998. Interest on the outstanding 1998 debentures is payable quarterly at a rate of 6.5%, and the 1998 debentures mature in 15 years.

In April 1999, the Company authorized and fully subscribed a private placement of $15,047,600 convertible subordinated debentures (the "1999 debentures") which are automatically convertible to common stock upon an initial public offering, merger, or other significant event (which would result in a valuation of $40 per share after the transaction), or are voluntarily convertible for five years at the holder's option at a conversion price of $24 per share. Interest on the outstanding 1999 debentures is payable quarterly at an initial rate of 6.4%. During November 2002, the interest rate was reduced to 6.4% unless the prime rate exceeds 6.4% in which case interest is at prime. Interest is currently payable at prime (8.25% at December 31, 2006) and any difference is accrued and will be payable at maturity. The maturity date for the 1999 debentures was June 30, 2007. The Company repaid and retired $3,864,000 of long-term debt in June 2007, representing the 1999 convertible subordinated debentures. Additionally, the Company paid $194,000 of deferred interest the 1999 debenture holders had earned between November 2002 and August 2005. This interest had been deferred in accordance with the terms of an Amendment that the 1999 debenture holders agreed to in November 2002. In August 2001, the Company entered into exchange agreements with certain holders of the $16,547,600 outstanding 1999 debentures in which certain holders exchanged their 1999 debentures for shares of the Company's Series A-1 participating stock. Under the exchange agreement, the holder of the outstanding 1999 debentures received one share of Series A-1 participating stock for every $10 of outstanding debentures. Each Series A-1 holder is entitled to one vote per share owned. This exchange transaction resulted in the issuance of 1,112,000 shares of Series A-1 participating stock and the retirement of $11,120,000 of the 1999 debentures. The Company granted certain shareholders warrants to purchase 145,648 shares of its Series A-1 participating stock at an option price of $10 per share which was exercisable on or before September 6, 2006. No warrants have ever been exercised and expired on September 6, 2006.

In August 2001, the Company entered into stock purchase agreements for its Series A-2 participating stock. The purchase price was $9.90 per share and was payable in either cash or payment to the bank for which an unsecured note payable of the Company is guaranteed by the individual purchaser of Series A-2 participating stock. This stock purchase transaction resulted in the issuance of 1,415,981 shares of Series A-2 participating stock and the retirement of $2,545,750 unsecured notes payable to banks. During 2002, an additional 100,609 shares of Series A-2 participating stock was issued.

(6) Convertible Subordinated Debentures, Participating Stock and Options, Continued

The Series A-2 participating stock carries a liquidation value of $9.90 per share with preference to all other capital stock and a cumulative dividend rate of 14.54% increasing 0.5% each six months through August 2003 to 16.04%. The Company had redemption rights on the Series A-2 stock until August 31, 2003. Any Series A-2 stock outstanding after this date receives additional voting rights such that each share is entitled to 4.43 votes and the dividend rate increased to 16.54% and that rate continues throughout the life of the Series A-2 stock. Accumulated and unpaid dividends compound annually. There is no provision for accrual of the cumulative unpaid dividends unless declared by the Company's board of directors. The total unaccrued cumulative unpaid dividends on the Series A-2 participating stock is approximately $13,957,000, $18,749,000 and $1,240,000 as of December 31, 2005, 2006 and 2007, respectively.

In August 2001, the Company entered into exchange agreements with certain holders of the $8,260,775 outstanding 1998 debentures in which certain holders exchanged their 1998 debentures for shares of the Company's Series B participating stock. Each Series B holder is entitled to one vote per share owned. Under the exchange agreement, the holder of the outstanding 1998 debentures received one share of Series B participating stock for every $10 of outstanding debentures. This exchange resulted in the issuance of 614,988 shares of Series B participating stock and the retirement of $6,194,880 of the 1998 debentures. Additionally, the Series A-2 holders purchased option rights to purchase 758,295 shares of common stock (see Note 8). On April 3, 2007, the Company's board of directors authorized management to secure the necessary funds to make a dividend payment to the holders of Series A-2 Participating Stock by June 30, 2007. The Company made payments totaling $21.3 million to the Series A-2 Participating Stock holders, representing dividends accrued through the applicable payment dates in June 2007. Dividends continue to accumulate at the annual rate of 16.54%, but will not be accrued by the Company until they are approved and authorized by the board of directors.

Pursuant to EITF 00-19, "Accounting for Derivative Financial Instruments Indexed to, and Potentially Settled in, a Company's Own Stock," management has determined that the Series A-2 option rights should be classified as a liability. However, the fair value of these option rights was calculated using the Black-Scholes Option Pricing Model and deemed to be immaterial. In addition, as of December 31, 2007 this liability for the option rights would be reclassified to additional paid-in capital upon completion of an initial public offering.

There are also 21,000 options outstanding that were granted in 1999 to the Company's board of directors. These options can be exercised at an exercise price of $20.00 per share. If not exercised by 2009, the options will terminate. None of these options are required to be converted to common stock upon filing of an initial public offering.

Each share of participating stock is convertible, at the option of the holder, into the number of fully paid and nonassessable shares of common stock determined by dividing the applicable original price by the conversion price applicable to that share in effect at the date of conversion, initially on a one-for-one basis. The Company may at any time require the conversion of all of the outstanding shares of the various series of participating stock if (a) the Company is at such time effecting a initial public offering or (b) at any time in which the holders of a majority of the then outstanding shares of such series of participating stock elect to convert their shares into common stock. None of the various series of participating stock were converted to common stock in connection with the Company's filing and subsequent suspension of its IPO during 2007.

VALUE FINANCIAL SERVICES, INC. AND SUBSIDIARY

Notes to Consolidated Financial Statements—(Continued)

Years Ended December 31, 2005, 2006 and 2007

(6) Convertible Subordinated Debentures, Participating Stock and Options, Continued

The Series A-1 participating stock has a liquidation value of $10 per share plus 8.0% per annum. The Series B participating stock has a liquidation value of $10 per share plus 6.0% per annum. Both the Series A-1 and B participating stocks are subordinate in liquidation to the Series A-2 participating stock and do not provide for dividends. As of December 31, 2005, December 31, 2006 and December 31, 2007, there were 795,374, 795,374 and 126,010, respectively, shares of the Company's Series A-2 participating stock held by directors of the Company. In addition, approximately $2,448,200 was paid to such directors of the Company during June 2007 representing the accumulated unaccrued dividends related to the Series A-2 participating stock for the period from August 2001 through June 2007.

Below is a summary of the outstanding 1998 and 1999 debentures:

	December 31, 2005	December 31, 2006	December 31, 2007
1998 debentures	$ 526,853	$ 466,227	$403,660
1999 debentures	3,864,000	3,864,000	—
	4,390,853	4,330,227	403,660
Less current maturities of 1998 and 1999 debentures	(58,881)	(3,926,802)	(66,736)
Total debentures, less current maturities	$4,331,972	$ 403,425	$336,924

(7) Shareholders' Equity

(a) Common Stock

The Company is authorized to issue 35,000,000 shares of common stock with a par value of $0.01 per share. There were no shares issued or outstanding for all periods presented.

(b) Participating Stock

The Company is authorized to issue 15,000,000 shares of participating stock with a par value of $0.01 per share. Of the authorized shares of participating stock, 3,756,496 shares are designated "Series A-1 Participating Stock," 2,500,000 shares are designated "Series A-2 Participating Stock," and 682,038 shares are designated "Series B Participating Stock." The balance of shares of authorized participating stock may be issued from time to time in one or more series as the board of directors may determine. See Note 6 for the rights, preferences and conversion features of the related participating stock series.

VALUE FINANCIAL SERVICES, INC. AND SUBSIDIARY

Notes to Consolidated Financial Statements—(Continued)

Years Ended December 31, 2005, 2006 and 2007

(7) Shareholders' Equity, Continued

(b) Participating Stock, Continued

On June 15, 2007, the Company's board of directors approved employment agreements for the three Company officers, John Thedford, Chief Executive Officer, Woody Whitcomb, Chief Financial Officer and Lawrence Kahlden, Chief Operating Officer. The employment agreements were documented and executed by the Company. The agreements cover a three-year period from January 1, 2007 through December 31, 2009 and establish compensation, including a one-time grant of 640,008 shares of Series A-1 Participating Stock, divided among the three officers. An additional 45,715 shares of Series A-1 Participating Stock were granted to an outside consultant. The grant price was set at $6.00 per share (based on a recent stock transaction) and resulted in a charge to compensation expense of approximately $6.5 million (including approximately $2.4 million of taxes paid on behalf of the officers) during the year ended December 31, 2007.

(c) Treasury Stock

Treasury stock is recorded at cost. During the year ended December 31, 2007, the Company repurchased shares of Series A-1 and B Participating Stock which were immediately sold or retired.

During February 2007, the Company repurchased 377,123 shares of Series A-1 Participating Stock for $2,262,736 and 150,000 shares of Series B Participating Stock for $900,000 (for a total of $3,162,736) from a former director of the Company (who resigned in July 2007) and immediately re-sold these shares to a group of investors which included a director, three officers and four other existing unrelated shareholders of the Company.

During April 2007, the Company repurchased 200,000 shares of Series A-1 Participating Stock from an unrelated shareholder for $1,200,000. The Company immediately retired the shares upon redemption.

(d) Receivable from Shareholder

During 2002, the Company loaned a key employee, who is also its chief executive officer and a shareholder, approximately $954,000 in order to purchase 95,425 shares of the Company's Series A-1 Participating Stock. During 2005, the Company entered into an employment agreement with this same key employee. Under the provisions of the agreement, the Company advanced an additional amount of approximately $754,000 for the purpose of purchasing 87,707 additional shares of the Company's Series A-1 Participating Stock and consolidated the payments made with the previously outstanding note receivable from that shareholder. Pursuant to the consolidated promissory note and pledge agreement between the key employee and the Company, payment of the indebtedness was secured by 183,132 shares of Series A-1 Participating Stock held by the Company. Upon the occurrence of a default, the Company had the right to reassign, sell or otherwise dispose of the pledged shares. The promissory note did not contain performance goals, nor did it contain any loan forgiveness provisions. The employment agreement expired during 2005.

VALUE FINANCIAL SERVICES, INC. AND SUBSIDIARY

Notes to Consolidated Financial Statements—(Continued)

Years Ended December 31, 2005, 2006 and 2007

(7) Shareholders' Equity, Continued

(d) Receivable from Shareholder, Continued

The Company had classified the note as contra-equity in the accompanying consolidated balance sheets. In June 2007, pursuant to the Company's employment agreement with its chief executive officer, the Company forgave the indebtedness owed to the Company by its chief executive officer in the aggregate amount of approximately $1.7 million. This amount was recorded as compensation expense in the Company's consolidated financial statements in June 2007. As of December 31, 2005, December 31, 2006 and December 31, 2007, the total amount of the consolidated note receivable from the shareholder is approximately $1,706,000, $1,708,000 and $0, respectively.

(8) Stock Options and Option Rights

In 1999, the board of directors and shareholders approved an Incentive Stock Option Plan for non-employee board members (the "Board Plan"). The maximum number of options reserved is 100,000 at an option price to be determined by the board of directors or a committee of the board to reflect market value at the date of grant. In July 1999, 21,000 options at an option price of $20 were granted under the Board Plan and are fully exercisable at the date of grant for a period of 10 years.

In 2001, the board of directors and stockholders approved a plan to offer $21 million of Series A-2 participating stock at a price of $9.90 per share. In conjunction with this offering, investors purchased an option for $0.10 per share under an Option Right Agreement. The option is exercisable for ten years and provides the holder with the option to either: (a) purchase one-half share of common stock at a price of $.01 per share for every share of Series A-2 participating stock purchased; or (b) receive a liquidation preference in the amount of $2.70 for every Option Right purchased. As of December 31, 2006, the Series A-2 holders are entitled to purchase 1,516,590 option rights, which would entitle them to purchase 758,295 shares of common stock. All option rights have been purchased but none have ever been exercised.

The following table summarizes information about stock option activity under the Board Plan during 2005 and 2006:

	Shares
Balance, December 31, 2005	21,000
Options granted	—
Options exercised	—
Options forfeited	—
Balance, December 31, 2006	21,000
Options granted	—
Options exercised	—
Options forfeited	—
Balance, December 31, 2007	21,000

VALUE FINANCIAL SERVICES, INC. AND SUBSIDIARY

Notes to Consolidated Financial Statements—(Continued)

Years Ended December 31, 2005, 2006 and 2007

(8) Stock Options and Option Rights, Continued

The status of stock options outstanding under the Board Plan as of December 31, 2007 is as follows:

Exercise Price	Number outstanding	Weighted average remaining life	Weighted average exercise price	Number exercisable	Aggregate intrinsic value
$20.00	21,000	2.50	$20.00	21,000	$ —

(9) Employee Benefit Plan

The Company has a defined contribution plan (the "Plan") qualifying under Section 401(k) of the Internal Revenue Code. Substantially all team members who have met certain service requirements are eligible for participation in the Plan. Participants may defer and contribute to the Plan up to 25% of their compensation not to exceed the IRS limit. The participants' contributions vest immediately, while the Company contributions vest over five years. The Company increased its discretionary contribution match during 2006 to 100% of the participant's contributions, not to exceed $5,000 in any Plan year. The Company's contribution to the Plan totaled approximately $94,100, $169,900 and $279,300 for the years ended December 31, 2005, 2006 and 2007, respectively.

(10) Commitments and Contingencies

(a) Operating Leases

The Company leases its store level and administrative facilities under operating leases. Future minimum rentals due under non-cancelable leases including closed stores are as follows for each of the years ending December 31:

2008	$ 4,941,000
2009	4,174,000
2010	3,682,000
2011	2,720,000
2012	2,415,000
Thereafter	3,930,000
	$21,862,000

Rent expense totaled approximately $4,497,000, $4,686,000 and $5,069,000 for the years ended December 31, 2005, 2006 and 2007, respectively. Most of the Company's leases have renewal options for one or two three- to five-year periods.

VALUE FINANCIAL SERVICES, INC. AND SUBSIDIARY

Notes to Consolidated Financial Statements—(Continued)

Years Ended December 31, 2005, 2006 and 2007

(10) Commitments and Contingencies, Continued

(a) Operating Leases, Continued

The Company subleases some of the above facilities. Future minimum rentals expected under these subleases are as follows for the years ending December 31:

2008	$ 72,000
2009	27,000
2010	24,000
2011	2,000
2012	—
	$ 125,000

Rental income received from subleases totaled approximately $214,900, $164,000 and $157,600 for the years ended December 31, 2005, 2006 and 2007, respectively, and has been recorded as a reduction of rent expense in the accompanying consolidated statements of operations.

(b) Legal Proceedings

The Company is involved in various claims and legal actions arising in the ordinary course of business. In the opinion of management, the ultimate disposition of these matters will not have a material adverse effect on the Company's consolidated financial position, results of operations or liquidity and, as such, no accrual has been made in the accompanying consolidated financial statements.

(c) Losses from Hurricanes and Insurance Recoveries

During 2005, the State of Florida was hit by a hurricane which damaged some of the Company's pawnshop locations. In addition, business interruption losses were incurred at several of the Company's pawnshop locations as a result of the hurricane that hit Florida. The total business interruption insurance recoveries recognized during the year ended 2005 totaled approximately $59,000 and is included in net sales in the accompanying consolidated statements of operations.

In connection with the hurricane losses described above, the Company also recorded receivables of approximately $79,000 for damage at the affected pawnshop locations which is included in prepaid expenses and other in the accompanying consolidated balance sheet as of December 31, 2005.

(10) Commitments and Contingencies, Continued

(d) Gain from Theft and Insurance Recoveries

During 2005, one of the Company's locations in Tampa was the victim of a burglary. A receivable of approximately $526,000 for insurance reimbursement on stolen assets and business interruption has been included in prepaid expenses and other assets in the accompanying consolidated balance sheets. Related gains from insurance proceeds of approximately $182,000 and $240,000 are included in net sales and service charge revenues, respectively, for the year ended December 31, 2005. Included in cost of sales are losses related to inventory write-off's of approximately $297,000 for the year ended December 31, 2005. The total insurance reimbursement of $530,000 was received during 2006.

During 2007, one of the Company's locations in West Palm Beach was the victim of a burglary. A receivable of approximately $789,000 for insurance reimbursement on stolen assets and business interruption has been included in prepaid expenses and other assets in the accompanying consolidated balance sheets. Related gains from insurance proceeds of approximately $388,000 and $132,000 are included in net sales and service charge revenues, respectively, for the year ended December 31, 2007. The total insurance reimbursement of $1,168,000 was received during 2008.

During October 2007, one of the Company's pawn store locations in Tampa was the victim of a burglary. A receivable of approximately $235,000 for insurance reimbursement on stolen assets has been included in prepaid expenses and other assets in the accompanying consolidated balance sheets.

During December 2007, one of the Company's pawn store locations in Atlanta Georgia was the victim of a robbery. A report has been filed with the Company's Insurance Company; however, the claim amount has not yet been finalized.

VALUE FINANCIAL SERVICES, INC. AND SUBSIDIARY

Notes to Consolidated Financial Statements—(Continued)

Years Ended December 31, 2005, 2006 and 2007

(11) Fair Values of Financial Instruments

The carrying amounts and estimated fair values of financial instruments as of December 31, 2005, December 31, 2006 and December 31, 2007 were as follows:

	December 31, 2005		December 31, 2006		December 31, 2007	
	Carrying Value	Estimated Fair Value	Carrying Value	Estimated Fair Value	Carrying Value	Estimated Fair Value
Financial assets:						
Cash	$ 1,646,001	$ 1,646,001	$ 759,674	$ 759,674	$ 795,055	$ 795,055
Loans	11,598,110	11,598,110	14,528,302	14,528,302	16,759,212	16,759,212
Cash advances, net	523,419	523,419	493,013	493,013	101,114	101,114
Financial liabilities:						
Interest rate swap liability	—	—	—	—	552,748	552,748
Convertible subordinated debentures	4,390,853	4,390,853	4,330,227	4,330,227	403,660	403,660
Long-term debt	13,125,867	13,125,867	7,380,721	7,380,721	30,784,307	30,784,307

The carrying amounts of financial instruments including cash, loans and cash advances approximated fair value as of December 2005, 2006 and 2007 because of the relatively short-term nature and maturity of these instruments. The Company's bank credit facility bears interest at a rate that is frequently adjusted on the basis of market rate changes. The fair value of the remaining long-term debt instruments are estimated based on market values for debt issues with similar characteristics or rates currently available for debt with similar terms. In order to manage interest rate exposure, the Company, from time to time, enters into interest rate swap agreements (see Note 1(m). These interest rate swaps are recorded at fair value and, therefore, the carrying value equals fair value of these financial instruments.

(12) Subsequent Event

In March 2008, the Company entered into an agreement to sell up to 100%, but not less than 70%, of the equity ownership to EZCORP, Inc. Closing of the transaction is expected to occur in July 2008.

16. PRO FORMA FINANCIAL INFORMATION

EZCORP, Inc. and Subsidiaries
Pro Forma Combined Financial Statements of EZCORP, Inc. and Subsidiaries
and Value Financial Services, Inc. (Unaudited)

The unaudited pro forma financial information included below has been prepared to illustrate the pro forma effects of our acquisition of Value Financial Services, Inc. ("VFS"). The pro forma combined balance sheet was prepared as if our acquisition of VFS were completed on the balance sheet date of March 31, 2008. The pro forma statements of operations give effect to the acquisition of VFS as if it had occurred on October 1, 2006, the beginning of the earliest period presented. This pro forma information has been prepared and is being furnished for informational purposes only and does not purport to be indicative of what would have resulted had the sale transaction occurred on the dates indicated or what may result in the future.

EZCORP, Inc. and Subsidiaries
Pro Forma Combined Balance Sheet as of March 31, 2008 (Unaudited)

	As Reported	VFS	Pro Forma Adjustments	Pro Forma Combined
		(In thousands)		
Assets:				
Current assets:				
Cash and cash equivalents	$ 35,551	$ 316	$ (20,000)	$ 15,867
Pawn loans	56,701	15,046	—	71,747
Payday loans, net	5,290	—	—	5,290
Pawn service charges receivable, net	8,983	2,941	—	11,924
Signature loan fees receivable, net	4,781	—	—	4,781
Inventory, net	35,999	12,360	—	48,359
Deferred tax asset, net	9,006	4,141	—	13,147
Federal income tax receivable	—	11	(11)	—
Prepaid expenses and other assets	7,281	1,631	—	8,912
Total current assets	163,592	36,446	(20,011)	180,027
Investment in unconsolidated affiliate	36,904	—	—	36,904
Property and equipment, net	38,413	7,802	—	46,215
Deferred tax asset, non-current	5,346	3,676	—	9,022
Goodwill	24,422	4,874	54,022	83,318
Other assets, net	5,350	322	6,860	12,532
Total assets	$ 274,027	$ 53,120	$ 40,871	$ 368,018
Liabilities and stockholders' equity:				
Current liabilities:				
Accounts payable and other accrued expenses	$ 22,202	$ 6,109	$ —	$ 28,311
Customer layaway deposits	2,456	842	—	3,298
Federal income taxes payable	2,363	—	(11)	2,352
Current maturities of long-term debt	—	4,068	5,932	10,000
Total current liabilities	27,021	11,019	5,921	43,961
Long-term debt	—	20,729	34,869	55,598
Interest rate swap liability	—	800		800
Deferred gains and other long-term liabilities	3,003	357	—	3,360
Total long-term liabilities	3,003	21,886	34,869	59,758
Commitments and contingencies	—	—	—	—
Total liabilities	30,024	32,905	40,790	103,719
Stockholders' equity:				
Preferred Stock	—	59	(59)	—
Class A Non-voting Common Stock	384	—	16	400
Class B Voting Common Stock	30	—	—	30
Additional paid-in capital	133,430	55,581	(35,301)	153,710
Cumulative effect of adopting a new accounting principle	(106)	—	—	(106)
Retained earnings (accumulated deficit)	107,418	(35,425)	35,425	107,418
	241,156	20,215	81	261,452
Treasury stock, at cost (27,099 shares)	(35)	—	—	(35)
Accumulated other comprehensive income	2,882	—	—	2,882
Total stockholders' equity	244,003	20,215	81	264,299
Total liabilities and stockholders' equity	$ 274,027	$ 53,120	$ 40,871	$ 368,018

See Note A to Pro Forma Combined Financial Statements (unaudited).

EZCORP, Inc. and Subsidiaries
Pro Forma Combined Statement of Operations for the Year Ended September 30, 2007 (Unaudited)

	As Reported	VFS	Pro Forma Adjustments	Notes	Pro Forma Combined
		(In thousands, except per share amounts)			
Revenues:					
Sales	$ 192,987	$ 72,027	$ —		$ 265,014
Pawn service charges	73,551	27,417	—		100,968
Signature loan fees	104,347	—	—		104,347
Other	1,330	1,511	—		2,841
Total revenues	372,215	100,955			473,170
Cost of goods sold	118,007	45,729	—		163,736
Net revenues	254,208	55,226	—		309,434
Operating expenses:					
Operations	128,602	32,215	180	**(B)**	160,997
Signature loan bad debt	28,508	—	—		28,508
Administrative	31,749	17,652	—	**(C)**	49,401
Depreciation and amortization	9,812	1,772	—		11,584
Total operating expenses	198,671	51,639	180		250,490
Operating income	55,537	3,587	(180)		58,944
Interest income	(1,654)	—	—		(1,654)
Interest expense	281	1,504	2,520	**(D)**	4,305
Equity in net income of unconsolidated affiliate	(2,945)	—	—		(2,945)
(Gain) / loss on sale / disposal of assets	(72)	243	—		171
Income before income taxes	59,927	1,840	(2,700)		59,067
Income tax expense	22,053	696	(997)	**(E)**	21,752
Net income	$ 37,874	$ 1,144	$ (1,703)		$ 37,315
Net income per common share:					
Basic	$ 0.92				$ 0.87
Diluted	$ 0.88				$ 0.83
Weighted average shares outstanding:					
Basic	41,034		1,625	**(F)**	42,659
Diluted	43,230		1,625	**(F)**	44,855

See Notes to Pro Forma Combined Financial Statements (unaudited).

EZCORP, Inc. and Subsidiaries
Pro Forma Combined Statement of Operations for the Six Months Ended March 31, 2008 (Unaudited)

	As Reported	VFS	Pro Forma Adjustments	Notes	Pro Forma Combined
		(In thousands, except per share amounts)			
Revenues:					
Sales	$ 116,837	$ 46,397	$ —		$ 163,234
Pawn service charges	44,693	14,953	—		59,646
Signature loan fees	63,694	—	—		63,694
Other	707	815	—		1,522
Total revenues	225,931	62,165			288,096
Cost of goods sold	70,272	28,200	—		98,472
Net revenues	155,659	33,965	—		189,624
Operating expenses:					
Operations	74,592	19,303	90	**(B)**	93,985
Signature loan bad debt	16,302	—	—		16,302
Administrative	19,734	8,632	(1,507)	**(C)**	26,859
Depreciation and amortization	5,946	979	—		6,925
Total operating expenses	116,574	28,914	(1,417)		144,071
Operating income	39,085	5,051	1,417		45,553
Interest income	(194)	—	—		(194)
Interest expense	156	2,164	(152)	**(D)**	2,168
Equity in net income of unconsolidated affiliate	(2,165)	—	—		(2,165)
(Gain) / loss on sale / disposal of assets	243	52	—		295
Income before income taxes	41,045	2,835	1,569		45,449
Income tax expense	15,474	1,131	591	**(E)**	17,196
Net income	$ 25,571	$ 1,704	$ 978		$ 28,253
Net income per common share:					
Basic	$ 0.62				$ 0.66
Diluted	$ 0.59				$ 0.63
Weighted average shares outstanding:					
Basic	41,360		1,625	**(F)**	42,985
Diluted	43,241		1,625	**(F)**	44,866

See Notes to Pro Forma Combined Financial Statements (unaudited).

EZCORP, Inc. and Subsidiaries
Pro Forma Combined Statement of Operations for the Six Months Ended March 31, 2007 (Unaudited)

	As Reported	VFS	Pro Forma Adjustments	Notes	Pro Forma Combined
		(In thousands, except per share amounts)			
Revenues:					
Sales	$ 99,012	$ 37,259	$ —		$ 136,271
Pawn service charges	34,518	13,052	—		47,570
Signature loan fees	47,108	—	—		47,108
Other	692	773	—		1,465
Total revenues	181,330	51,084			232,414
Cost of goods sold	60,197	23,764	—		83,961
Net revenues	121,133	27,320	—		148,453
Operating expenses:					
Operations	62,492	15,443	90	**(B)**	78,025
Signature loan bad debt	8,944	—	—		8,944
Administrative	15,495	4,484	—		19,979
Depreciation and amortization	4,699	856	—		5,555
Total operating expenses	91,630	20,783	90		112,503
Operating income	29,503	6,537	(90)		35,950
Interest income	(881)	—	—		(881)
Interest expense	147	502	1,510	**(D)**	2,159
Equity in net income of unconsolidated affiliate	(1,465)	—	—		(1,465)
(Gain) / loss on sale / disposal of assets	24	52	—		76
Income before income taxes	31,678	5,983	(1,600)		36,061
Income tax expense	11,721	2,349	(592)	**(E)**	13,478
Net income	$ 19,957	$ 3,634	$ (1,008)		$ 22,583
Net income per common share:					
Basic	$ 0.49				$ 0.53
Diluted	$ 0.46				$ 0.50
Weighted average shares outstanding:					
Basic	40,773		1,625	**(F)**	42,398
Diluted	43,347		1,625	**(F)**	44,972

See Notes to Pro Forma Combined Financial Statements (unaudited).

Notes to Pro Forma Combined Financial Statements of EZCORP, Inc. and subsidiaries and Value Financial Services, Inc. (Unaudited)

Note A: Pro Forma Adjustments to the Unaudited Pro Forma Combined Balance Sheet as of March 31, 2008

The pro forma adjustments to the unaudited pro forma combined balance sheet as of March 31, 2008 consist of the allocation of the expected total purchase price to the estimated fair value of VFS's net assets, including the elimination of VFS's existing equity, and the financing of the acquisition, including the use of $20 million of cash, the issuance of 1,625,015 additional EZCORP, Inc. common shares to current VFS shareholders, and the additional borrowings to finance the remainder of the transaction. To finance a portion of the VFS acquisition, we are refinancing our credit agreement to a total availability of $120 million, including a $40 million fully amortizing term loan with a four-year maturity and an $80 million revolving credit facility with a three-year term. As our amended and restated credit agreement will contain, in part, a $40 million term loan with a four year fully amortizing balance, $10 million of the new debt will be due within one year and was classified as current. We also anticipate paying debt issuance costs of approximately $1 million upon completion of the credit agreement amendment, and have included this as a pro forma increase to Other Assets, net and to Long-term debt. In the pro forma adjustments, we also reclassified VFS's income taxes receivable as an offset to our income taxes payable. Included in the estimated total purchase price is the accumulated dividend of approximately $2.5 million we anticipate being paid on VFS's series A-2 preferred stock immediately preceding the acquisition. VFS's accumulated dividends are not recorded as liabilities or as a reduction of equity until declared by its board of directors.

We expect the total acquisition purchase price to be approximately $109.5 million at the anticipated closing date of August 8, 2008. For purposes of preparing the pro forma unaudited balance sheet as of March 31, 2008, we assumed the acquisition was completed March 31, 2008. The assumed purchase price at that date is less than the assumed purchase price at July 15, 2008 due to VFS's activities between the two dates.

At March 31, 2008, the unaudited pro forma purchase price allocation of non-cash assets and liabilities acquired, which is preliminary and subject to change, was as follows based on the estimated fair values of each item:

	As of March 31, 2008 ($000's)	Estimated Useful Life (years)
Current assets:		
Pawn loans	$ 15,046	
Pawn service charges receivable, net	2,941	
Inventory, net	12,360	
Deferred tax asset, net	4,141	
Federal income taxes receivable	11	
Prepaid expenses and other assets	1,631	
Total current assets	36,130	
Property and equipment, net	7,802	
Deferred tax asset, non-current	3,676	
Goodwill	58,896	
Trademarks and trade names	4,060	Indefinite
Favorable lease asset	1,800	10
Other assets, net	322	
Total assets	$ 112,686	
Current liabilities:		
Accounts payable and other accrued expenses	$ 6,109	
Customer layaway deposits	842	
Total current liabilities	6,951	
Interest rate swap liability	800	
Deferred gains and other long-term liabilities	357	
Total liabilities	$ 8,108	
Total purchase price	$ 104,578	

Note B: Operations Expense

In our preliminary estimate of the fair value of VFS's net assets to include in the purchase price allocation, we identified a number of VFS's store leases that appear to be at favorable rates compared to current market rates. As a result, we anticipate recording a $1.8 million favorable lease asset, which must be amortized to rent expense over the terms of the related leases. For purposes of these pro forma financial statements, we assumed the amortization period will average ten years. The pro forma increase to Operations expense is due to the estimated amortization of this favorable lease asset. Our estimate of the fair value of the favorable lease

asset is preliminary and subject to change as we complete our valuation of the assets to be acquired. Any change in the estimated fair value of this asset upon final valuation will likely result in an offsetting change to the amount of the purchase price allocated to goodwill, and an increase or decrease in the expected amortization of the favorable lease asset.

Note C: Administrative Expense

The pro forma $1.5 million reduction of Administrative expense in the six month period ended March 31, 2008 removes the success fee VFS paid to its directors and officers upon reaching an agreement to be acquired by us.

Included in VFS's historical results for this same period but excluded as a pro forma adjustment is VFS's $1.3 million write-off of costs related to abandoning its initial public offering upon entering discussions with us. While this is a unique item we do not expect to recur, we did not remove it in a pro forma adjustment as VFS's abandonment of its IPO attempt might have occurred even if we had not reached an agreement on the acquisition.

In the year ended September 30, 2007, VFS forgave a note receivable from an officer and made significant vested stock grants to several officers. These resulted in a $7.9 million charge to VFS's Administrative expense in the period. We have made no pro forma adjustment related to these charges.

While we expect to gain efficiencies and leverage from combining VFS's administrative functions with ours and reducing duplication of overhead expenses, we have not yet determined the precise changes to be made. Accordingly, we have included in our pro forma adjustments no reduction in administrative expense that may be realized once we determine how best to integrate VFS's administrative functions with ours.

Note D: Interest Expense

The pro forma adjustment to interest expense recognizes the estimated incremental interest expense we would have incurred on the debt used to finance the acquisition, the amortization of the assumed debt issuance costs related to the new credit agreement, the removal of interest expense related to VFS's debt that will be retired in the transaction, and the loss of interest income on our cash assumed to be used in the transaction. For purposes of estimating the pro forma interest expense, we applied an interest rate of 4.23%, comprised of the current 1-month LIBOR market rate plus the 1.75% current applicable interest rate spread, as specified in the amended credit agreement we expect to complete to finance a portion of the acquisition.

Note E: Income Tax Expense

The pro forma adjustment to income tax expense recognizes the change in income tax expense we would have incurred in each period, using our effective tax rate in each applicable period and

the net increase or decrease in pre-tax income resulting from the pro forma adjustments described in Notes B, C, and D above.

Note F: Weighted Average Shares Outstanding

The pro forma adjustment to the weighted average shares outstanding increases both basic and diluted weighted average shares outstanding to recognize the 1,625,015 shares to be issued to current VFS shareholders as part of the consideration for the acquisition.

Note G: Composition of Sales and Cost of Goods Sold

Sales and cost of goods sold, as presented on the accompanying pro forma statements of operations, include amounts related to merchandise sales in the companies' stores as well as jewelry scrapping sales to gold refiners and diamond purchasers. In the periods presented, unaudited sales and cost of goods sold were comprised of the following:

	Year ended September 30, 2007	Six months ended March 31, 2008	Six months ended March 31, 2007
		(in thousands)	
EZCORP, Inc. and Subsidiaries:			
Sales revenue:			
Merchandise sales	$ 141,094	$ 85,174	$ 77,386
Jewelry scrapping sales	$ 51,893	$ 31,663	$ 21,626
Total sales	$ 192,987	$ 116,837	$ 99,012
Cost of goods sold:			
Merchandise sales	$ 83,501	$ 51,416	$ 46,158
Jewelry scrapping sales	$ 34,506	$ 18,856	$ 14,039
Total sales	$ 118,007	$ 70,272	$ 60,197
Value Financial Services, Inc.:			
Sales revenue:			
Merchandise sales	$ 50,799	$ 28,534	$ 27,522
Jewelry scrapping sales	$ 21,228	$ 17,863	$ 9,737
Total sales	$ 72,027	$ 46,397	$ 37,259
Cost of goods sold:			
Merchandise sales	$ 32,212	$ 18,274	$ 17,645
Jewelry scrapping sales	$ 13,517	$ 9,926	$ 6,119
Total sales	$ 45,729	$ 28,200	$ 23,764

Table of Contents

EZCORP, INC.

1,625,015 SHARES OF CLASS A NON-VOTING COMMON STOCK

July 23, 2008

PART II — INFORMATION NOT REQUIRED IN PROSPECTUS

Item 14 Other Expenses of Issuance and Distribution

The following table sets forth the estimated expenses in connection with the issuance and distribution of the securities registered hereby, all of which will be paid by EZCORP:

Item	Amount (1)
SEC registration fee	$ 868
Legal fees and expenses	75,000
Miscellaneous expenses	25,000
Total:	$ 100,868

(1) All items other than SEC registration fee are estimates.

Item 15 Indemnification of Directors and Officers

Our Restated Certificate of Incorporation provides that no director will be personally liable to EZCORP or any of its stockholders for monetary damages arising from the director's breach of a fiduciary duty as a director, with certain limited exceptions.

Pursuant to the provisions of Section 145 of the Delaware General Corporation Law, every Delaware corporation has the power to indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding (other than an action by or in the right of the corporation) by reason of the fact that he is or was a director, officer, employee or agent of any corporation, partnership, joint venture, trust or other enterprise, against any and all expenses, judgments, fines and amounts paid in settlement and reasonably incurred in connection with such action, suit or proceeding. The power to indemnify applies (a) if such person is successful on the merits or otherwise in the defense of any action, suit or proceeding, or (b) if such person acted in good faith and in a manner he reasonably believed to be in the best interest, or not opposed to the best interest, of the corporation and with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful.

The power to indemnify applies to actions brought by or in the right of the corporation as well, but only to the extent of defense and settlement expenses and not to any satisfaction of a judgment or settlement of the claim itself, and with the further limitation that in such actions no indemnification shall be made in the event of any adjudication unless the court, in its discretion, believes that in the light of all the circumstances indemnification should apply.

To the extent any of the persons referred to in the two immediately preceding paragraphs is successful in the defense of the actions referred to therein, such person is entitled, pursuant to Section 145, to indemnification as described above.

Our Restated Certificate of Incorporation and Amended and Restated Bylaws specifically provide for indemnification of officers and directors to the fullest extent permitted by the Delaware General Corporation Law.

Item 16 Exhibits and Financial Statements

See the Exhibit Index which is incorporated herein by reference.

Item 17 Undertakings

The undersigned registrant hereby undertakes:

(a) to file, during any period in which it offers or sells securities, a post-effective amendment to this registration statement:

(1) to include any prospectus required by section 10(a)(3) of the Securities Act of 1933.

(2) to reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the Commission pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than a 20% change in the maximum aggregate offering price set for the in the “Calculation of Registration Fee” table in the effective registration statement.

(3) to include any additional material information on the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement;

provided, however, that paragraphs (a)(1), (a)(2) and (a)(3) do not apply if the information required to be included in a post-effective amendment by those paragraphs is contained in periodic reports filed with or furnished to the Securities and Exchange Commission by EZCORP pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 that are incorporated by reference in the Registration Statement, or is contained in a form of prospectus filed pursuant to Rule 424(b) that is part of the Registration Statement.

(4) That, for the purpose of determining liability under the Securities Act of 1933 to any purchaser:

(i) If the registrant is relying on Rule 430B:

(A) Each prospectus filed by the registrant pursuant to Rule 424(b)(3) shall be deemed to be part of the registration statement as of the date the filed prospectus was deemed part of and included in the registration statement; and

(B) Each prospectus required to be filed pursuant to Rule 424(b)(2), (b)(5), or (b)(7) as part of a registration statement in reliance on Rule 430B relating to an offering made pursuant to Rule 415(a)(1)(i), (vii), or (x) for the purpose of providing the information required by section 10(a) of the Securities Act of 1933 shall be deemed to be part of and included in the registration statement as of the earlier of the date such form of prospectus is first used after effectiveness or the date of the first contract of sale of securities in the offering described in the prospectus. As provided in Rule 430B, for liability purposes of the issuer and any person that is at that date an underwriter, such date shall be deemed to be a new effective date of the registration statement relating to the securities in the registration statement to which that prospectus relates, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof. Provided, however, that no statement made in a registration statement or prospectus that is part of the registration statement or made in a document incorporated or deemed incorporated by reference into the registration statement or prospectus that is part of the registration statement will, as to a purchaser with a time of contract of sale prior to such effective date, supersede or modify any statement that was made in the registration statement or prospectus that was part of the registration statement or made in any such document immediately prior to such effective date; or prospectus relates, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof. Provided, however, that no statement made in a registration statement or prospectus that is part of the registration statement or made in a document incorporated or deemed incorporated by reference into the registration statement or prospectus that is part of the registration statement will, as to a purchaser with a time of contract of sale prior to such effective date, supersede or modify any statement that was made in the registration statement or prospectus that was part of the registration statement or made in any such document immediately prior to such effective date; or

(ii) If the registrant is subject to Rule 430C, each prospectus filed pursuant to Rule 424(b) as part of a registration statement relating to an offering, other than registration statements relying on Rule 430B or other than prospectuses filed in reliance on Rule 430A, shall be deemed to be part of and included in the registration statement as of the date it is first used after effectiveness. Provided, however, that no statement made in a registration statement or prospectus that is part of the registration statement or made in a document incorporated or deemed incorporated by reference into the registration statement or prospectus that is part of the registration statement will, as to a purchaser with a time of contract of sale prior to such first use, supersede or modify any statement that was made in

the registration statement or prospectus that was part of the registration statement or made in any such document immediately prior to such date of first use.

(b) that, for the purpose of determining any liability under the Securities Act of 1933, EZCORP will treat each post-effective amendment as a new registration statement relating to the securities offered therein, and the offering of the securities at that time to be the initial bona fide offering thereof.

(c) to remove from registration by means of a post-effective amendment any of the securities that remain unsold at the termination of the offering.

(d) for the purposes of determining any liability under the Securities Act of 1933, each filing of EZCORP's annual report pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934 shall be deemed to be a new registration statement relating to the securities offered herein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(e) Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers, and controlling persons of EZCORP pursuant to the foregoing provisions of this registration statement, or otherwise, EZCORP has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act of 1933 and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by EZCORP of expenses incurred or paid by a director, officer or controlling person of EZCORP in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, EZCORP will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act of 1933 and will be governed by the final adjudication of such issue.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, EZCORP, Inc., certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-3 and has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized in the City of Austin, State of Texas, on July 23, 2008.

EZCORP, INC.

/s/ Joseph L. Rotunda
Joseph L. Rotunda
President and Chief Executive Officer

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons, in the capacities and on the dates indicated.

Date: July 23, 2008	/s/ Sterling B. Brinkley * Sterling B. Brinkley, Chairman of the Board and Director
Date: July 23, 2008	/s/ Joseph L. Rotunda Joseph L. Rotunda, Chief Executive Officer, President (Principal Executive Officer) and Director
Date: July 23, 2008	/s/ Dan N. Tonissen Dan N. Tonissen, Senior Vice President, Chief Financial Officer, Assistant Secretary (Principal Financial and Accounting Officer) and Director
Date: July 23, 2008	/s/ Thomas C. Roberts * Thomas C. Roberts, Director
Date: July 23, 2008	/s/ Gary Matzner * Gary Matzner, Director
Date: July 23, 2008	/s/ Richard M. Edwards * Richard M. Edwards, Director
Date: July 23, 2008	/s/ Richard D. Sage * Richard D. Sage, Director

***** **By Joseph L. Rotunda, Attorney-in-Fact**

Table of Contents

EXHIBIT INDEX

Exhibit	Description
2.1	Merger Agreement dated June 5, 2008, by and between EZCORP, Inc., a Delaware corporation, Value Merger Sub, Inc., a Florida corporation, and Value Financial Services, Inc., a Florida corporation, incorporated by reference to Exhibit 10.2 of EZCORP's 8-K filed June 5, 2008 (File No. 33-41317).
3.1	Amended and Restated Certificate of Incorporation of EZCORP, incorporated by reference to Exhibit 3.1 to the Registration Statement on Form S-1 effective August 23, 1991 (File No. 33-41317).
3.1A	Certificate of Amendment to the Certificate of Incorporation of EZCORP, incorporated by reference to Exhibit 3.1A to the Registration Statement on Form S-1 effective July 15, 1996 (File No. 33-41317).
3.1B	Amended Certificate of Incorporation of EZCORP, incorporated by reference to Exhibit 3.1B to EZCORP's Annual Report on Form 10-K for the year ended September 30, 2006 (File No. 0-19424).
3.2	Bylaws of EZCORP, incorporated by reference to Exhibit 3.2 to the Registration Statement on Form S-1 effective August 23, 1991 (File No. 33-41317).
3.3	Amendment to the Bylaws, incorporated by reference to Exhibit 3.3 to EZCORP's Quarterly Report on Form 10-W for the quarter ended June 30, 1994 (File No. 000-19424).
3.4	Amendment to the Certificate of Incorporation of EZCORP, incorporated by to Exhibit 3.4 to EZCORP's Annual Report on Form 10-K for the year ended September 30, 1994 (File No. 000-19424).
3.5	Amendment to the Certificate of Incorporation of EZCORP, incorporated by reference to Exhibit 3.5 to EZCORP's Annual Report on Form 10-K for the year ended September 30, 1997 (File No. 000-19424).
3.6	Amendment to the Certificate of Incorporation of EZCORP, incorporated by reference to Exhibit 3.6 to EZCORP's Quarterly Report on Form 10-Q for the quarter ended March 31, 1998 (File No. 000-19424).
4.1	The description of EZCORP's Common Stock and Common Stock Rights as set forth in EZCORP's Form 8-A Registration Statement filed with the Commission on July 24, 1991, including any amendment or report filed for the purpose of updating such description.
4.2	Specimen of Class A Non-voting Common Stock certificate of the Company, incorporated by reference to Exhibit 4.1 to the Registration Statement on Form S-1 effective August 23, 1991 (File No. 33-41317).

Table of Contents

Exhibit	Description
5.1+	Opinion of Strasburger & Price, L.L.P., as to the validity of the shares being offered.
10.1*	Form of Fifth Amended and Restated Credit Agreement among EZCORP, Inc., Wells Fargo Bank, N.A., and other financial institutions, dated June ___, 2008 (to become effective and be dated upon completion of the merger with Value Financial Service, Inc.)
23.1*	Consent of BDO Seidman, LLP.
23.2*	Consent of McGladrey & Pullen, LLP.
23.3*	Consent of Tedder, James, Worden, & Associates, P.A.
23.4+	Consent of Strasburger & Price, L.L.P. (included in Exhibit 5.1).
24.1+	Power of Attorney.

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* Filed with this Form S-3.

\+ Previously filed.

Exhibit 10.1

Form of Fifth Amended and Restated Credit Agreement among EZCORP, Inc., Wells Fargo Bank, N.A., and other financial institutions, dated June ___, 2008 (to become effective and be dated upon completion of the merger with Value Financial Service, Inc.)

EZCORP, INC.

FIFTH AMENDED AND RESTATED CREDIT AGREEMENT

DATED AS OF [_____, 2008]

UNION BANK OF CALIFORNIA, N.A., AS SYNDICATION AGENT,

AND

WELLS FARGO BANK, NATIONAL ASSOCIATION, AS ADMINISTRATIVE AGENT AND ISSUING BANK

TABLE OF CONTENTS

TABLE OF CONTENTS
(continued)

TABLE OF CONTENTS
(continued)

INDEX TO EXHIBITS

INDEX TO SCHEDULES

FIFTH AMENDED AND RESTATED CREDIT AGREEMENT

THIS FIFTH AMENDED AND RESTATED CREDIT AGREEMENT (the "Agreement"), dated as of **[_____, 2008]**, is among EZCORP, INC., a Delaware corporation (the "Borrower"), each of the banks or other lending institutions which is or which may from time to time become a signatory hereto or any successor or assignee thereof (individually, a "Lender" and, collectively, the "Lenders"), UNION BANK OF CALIFORNIA, N.A., as syndication agent (in such capacity, together with its successors in such capacity, the "Syndication Agent"), and WELLS FARGO BANK, NATIONAL ASSOCIATION, a national banking association, as administrative agent for itself and the other Lenders (in such capacity, together with its successors in such capacity, the "Agent") and as the Issuing Bank and Swing Lender (each as hereinafter defined).

RECITALS

A. The Borrower, the Agent, the Issuing Bank and certain banks or other lending institutions party thereto have entered into that certain Fourth Amended and Restated Credit Agreement dated as of October 13, 2006, as amended through the date hereof (as amended, the "Existing Credit Agreement").

B. The Borrower has requested and the Agent, the Issuing Bank and the Lenders have agreed to restructure and increase the existing revolving credit facility, standby letter of credit subfacility and swing-line subfacility, to extend a term loan facility, and to amend, modify and restate the Existing Credit Agreement upon the terms and conditions hereinafter set forth.

NOW THEREFORE, in consideration of the premises and the mutual covenants herein contained, the parties hereto agree as follows:

Definitions

Definitions. As used in this Agreement, the following terms have the following meanings:

"AAA" is defined in Section 13.13(b).

"Accumulated Other Comprehensive Income" means, at any particular time, the amount shown in the equity section of the Borrower's consolidated balance sheet.

"Act" is defined in Section 13.20.

"Adjusted Eurodollar Rate" means, for any Eurodollar Advance for any Interest Period therefor, the rate per annum (rounded upwards, if necessary, to the nearest 1/100 of 1%) determined by the Agent to be equal to the Eurodollar Rate for such Eurodollar Advance for such Interest Period.

"Adjustment Date" is defined in Section 2.11.

"Administrative Questionnaire" means an Administrative Questionnaire in a form supplied by the Agent.

"Advance" means an advance of funds by the Lenders or any of them to the Borrower pursuant to Article II (inclusive of the Revolving Credit Loan, the Term Loan, and the Swing Loan) and the Continuation or Conversion thereof pursuant to Section 2.7 and Article V hereof.

"Advance Request Form" means a certificate, in substantially the form of Exhibit D hereto, properly completed and signed by the Borrower requesting an Advance.

"Affiliate" means, with respect to a specified Person, (a) another Person that directly, or indirectly through one or more intermediaries, Controls or is Controlled by or is under common Control with the Person specified; or (b) that directly or indirectly beneficially owns or holds 5% or more of any class of voting stock of such Person; or (c) 5% or more of the voting stock of which is directly or indirectly beneficially owned or held by the Person in question.

"Agent" has the meaning set forth in the introductory paragraph of this Agreement.

"Agreement" has the meaning set forth in the introductory paragraph of this Agreement, as the same may from time to time be amended, restated, supplemented or modified.

"Alpha Corporation" means that certain corporation that is the subject of a proposed acquisition by the Borrower or any of its Subsidiaries as disclosed to the Agent in writing prior to the date hereof.

"Applicable Lending Office" means for each Lender and each Type of Advance, the lending office of such Lender (or of an Affiliate of such Lender) designated for such Type of Advance below its name on the signature pages hereof or such other office of such Lender (or of an Affiliate of such Lender) as such Lender may from time to time specify to the Borrower and the Agent as the office by which its Advances of such Type are to be made and maintained.

"Applicable Percentage" means with respect to any Lender, the percentage of the total Commitments represented by such Lender's Commitment. If the Commitments have terminated or expired, the Applicable Percentages shall be determined based upon the Commitments most recently in effect, giving effect to any assignments.

"Applicable Rate" means: (a) during the period that an Advance is a Base Rate Advance, the Base Rate, plus the Base Rate Margin, and (b) during the period that an Advance is a Eurodollar Advance, the Adjusted Eurodollar Rate, plus the Eurodollar Margin.

"Approved Fund" means any Fund that is administered or managed by (a) a Lender, (b) an Affiliate of a Lender or (c) an entity or an Affiliate of an entity that administers or manages a Lender.

"Assignment and Assumption" means an assignment and assumption entered into by a Lender and an Eligible Assignee (with the consent of any party whose consent is required by

Section 13.7) and accepted by the Agent pursuant to Section 13.7, in substantially the form of Exhibit F hereto or any other form approved by the Agent.

"Base Rate" means as of any date of determination, a rate per annum equal to the greater of (a) the Prime Rate in effect on such day, or (b) the sum of the Federal Funds Rate in effect on such day plus 0.5%. Any change in the Base Rate due to a change in the Prime Rate or the Federal Funds Rate shall be effective on the effective date of such change in the Prime Rate or the Federal Funds Rate, respectively, without notice to the Borrower.

"Base Rate Advances" means Advances that bear interest at rates based upon the Base Rate.

"Base Rate Margin" has the meaning set forth in Section 2.11.

"Borrower" is defined in the introductory paragraph of this Agreement.

"Borrower Security Agreement" means that certain Fourth Amended and Restated Borrower Security Agreement dated as of the date hereof, executed by the Borrower in favor of the Agent for the benefit of the Lenders, in form and substance satisfactory to the Agent and Lenders, as the same may be amended, restated, supplemented, or modified from time to time.

"Brady Law" means the Brady Handgun Violence Prevention Act § 102(s)(1), 18 U.S.C.A. § 922(s)(1) (West Supp. 2003).

"Business Day" means (a) any day on which commercial banks are not authorized or required to close in Austin, Texas and (b) with respect to all borrowings, payments, Conversions, Continuations, Interest Periods, and notices in connection with Eurodollar Advances, any day on which dealings in Dollar deposits are carried out in the London interbank market.

"Capital Expenditures" means, for any period, all expenditures of the Borrower and its Subsidiaries which are classified as additions to property, plant and equipment on the consolidated statement of cash flows of the Borrower in accordance with GAAP, including all such expenditures so classified as "recurring capital expenditures" and all such expenditures associated with Capital Lease Obligations, but excluding all such expenditures used to acquire fixed assets from a Target in connection with a Permitted Acquisition.

"Capital Lease Obligation" means, as to any Person, the obligations of such Person to pay rent or other amounts under a lease of (or other agreement conveying the right to use) real and/or personal property, which obligations are required to be classified and accounted for as a capital lease on a balance sheet of such Person under GAAP. For purposes of this Agreement, the amount of such Capital Lease Obligations shall be the capitalized amount thereof, determined in accordance with GAAP.

"Cash Equivalent Investment" means, as to any Person, (a) securities issued or directly and fully guaranteed or insured by the United States or any agency or instrumentality thereof (provided that the full faith and credit of the United States is pledged in support thereof) having maturities of not more than six months from the date of acquisition, (b) time deposits and certificates of deposit of any commercial bank having, or which is the principal banking

subsidiary of a bank holding company having, a long-term unsecured debt rating of at least "AAA" or the equivalent thereof from Standard & Poor's, a division of The McGraw-Hill Companies, Inc. or "Aaa" or the equivalent thereof from Moody's Investors Service, Inc. with maturities of not more than six months from the date of acquisition by such Person, (c) repurchase obligations with a term of not more than seven days for underlying securities of the types described in clause (a) above entered into with any bank meeting the qualifications specified in clause (b) above, (d) commercial paper issued by any Person incorporated in the United States rated at least A-1 or the equivalent thereof by Standard & Poor's, a division of The McGraw-Hill Companies, Inc. or at least P-1 or the equivalent thereof by Moody's Investors Service, Inc. and in each case maturing not more than six months after the date of acquisition by such Person and (e) investments in money market funds substantially all of whose assets are comprised of securities of the types described in clauses (a) through (d) above.

"Change in Law" means the occurrence, after the date of this Agreement, of any of the following: (a) the adoption or taking effect of any law, rule, regulation (including Regulation D) or treaty, (b) any change in any law, rule, regulation or treaty or in the administration, interpretation or application thereof by any Governmental Authority or (c) the making or issuance of any request, guideline or directive (whether or not having the force of law) by any Governmental Authority.

"Code" means the Internal Revenue Code of 1986, as amended, and the regulations promulgated and rulings and decisions issued thereunder.

"Collateral" means the property in which Liens have been granted to the Agent for the benefit of the Lenders pursuant to the Borrower Security Agreement, the Subsidiary Security Agreement, or any other agreement, document, or instrument executed by the Borrower or a Guarantor in accordance with Section 8.10, whether such Liens are now existing or hereafter arise.

"Commitment" means, as to each Lender, the obligation of such Lender to (a) make Revolving Credit Loan Advances pursuant to Section 2.1, (b) purchase participations (or with respect to the Swing Lender or the Issuing Bank, hold other interests in) the Swing Loan and in Letters of Credit as described in Articles II and III hereunder, and (c) make the Term Loan pursuant to Section 2.2.

"Commitment and Acceptance" is defined in Section 2.13(a).

"Commitment Fee" is defined in Section 2.10.

"Commitment Fee Rate" has the meaning set forth in Section 2.11.

"Communications" is defined in Section 13.11(b)(iii).

"Compliance Certificate" is defined in Section 8.1(c).

"Consolidated Net Income" means, at any particular time, the aggregate net income or loss of the Borrower and its consolidated Subsidiaries determined on a consolidated basis as determined in accordance with GAAP.

"Consolidated Net Worth" means, at any particular time, all amounts which, in conformity with GAAP, would be included as stockholders' equity on a consolidated balance sheet of the Borrower and the Subsidiaries; provided, however, there shall be excluded therefrom (a) any amount at which shares of capital stock of the Borrower appear as an asset on the Borrower's balance sheet, and (b) the Accumulated Other Comprehensive Income.

"Consumer Obligations" is defined in Section 9.8(c).

"Continue," "Continuation," and "Continued" shall refer to the continuation pursuant to Section 2.7 of a Eurodollar Advance as a Eurodollar Advance from one Interest Period to the next Interest Period.

"Continuing Lenders" is defined in Section 13.23.

"Contribution and Indemnification Agreement" means that certain Fourth Amended and Restated Contribution and Indemnification Agreement dated as of the date hereof executed by the Borrower and the Guarantors, in form and substance satisfactory to the Agent and the Lenders, as the same may be amended, restated, supplemented or modified from time to time.

"Control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise. "Controlling" and "Controlled" have meanings correlative thereto.

"Convert," "Conversion," and "Converted" shall refer to a conversion pursuant to Section 2.7 or Article V of one Type of Advance into another Type of Advance.

"CSO LC Issuer" means, with respect to any CSO LC, the Borrower or a Guarantor that issued such CSO LC.

"CSO LC" means, any letter of credit issued by a CSO LC Issuer to an unaffiliated third party lender for the account of a borrower of a consumer loan in connection with the CSO Program.

"CSO LC Disbursement" means a disbursement by a CSO LC Issuer to an unaffiliated third party lender in connection with a drawing under a CSO LC.

"CSO Program" means the credit services organization program implemented by the Borrower or any Guarantor in compliance with applicable provisions of law, including without limitation in those instances where Texas law is applicable, the Texas Finance Code and Sections 302 and 393 thereof.

"Debt" means as to any Person at any time (without duplication): (a) all obligations of such Person for borrowed money, (b) all obligations of such Person evidenced by bonds, notes, debentures, or other similar instruments, (c) all obligations of such Person to pay the deferred purchase price of property or services, except trade accounts payable of such Person arising in the ordinary course of business that are not past due by more than 90 days, (d) all Capital Lease Obligations of such Person, (e) all Debt or other obligations of others Guaranteed by such Person, (f) all obligations secured by a Lien existing on property owned by such Person, whether

or not the obligations secured thereby have been assumed by such Person or are non-recourse to the credit of such Person, (g) all reimbursement obligations of such Person (whether contingent or otherwise) in respect of letters of credit, bankers' acceptances, surety or other bonds and similar instruments, and (h) all liabilities of such Person in respect of unfunded vested benefits under any Plan.

"Default" means an Event of Default or the occurrence of an event or condition which with notice or lapse of time or both would become an Event of Default.

"Default Rate" means the lesser of (a) the Maximum Rate or, (b) the sum of the Base Rate in effect from day to day plus 5% per annum.

"Deposit and Cash Management Services" means the deposit and/or cash management products and services provided by a Lender in connection with any deposit or other accounts of the Borrower or any of its Subsidiaries, including without limitation, the extensions of credit made by a Lender to or for the account of the Borrower or any of its Subsidiaries in the ordinary course of business in connection therewith.

"Disposition" is defined in Section 9.8.

"Dollars" and "$" mean lawful money of the United States of America.

"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 and any gain or loss on the sale of assets. In the event a Permitted Acquisition shall have been consummated prior to the end of the period for which EBITDA is calculated, but during the period covered by the calculation, the Borrower shall include the historical EBITDA (as calculated in accordance with this definition) of the Target in connection with a Permitted Acquisition for the time period covered by the calculation.

"Eligible Assignee" means (a) a Lender, (b) an Affiliate of a Lender, (c) an Approved Fund, and (d) any other Person (other than a natural person) approved by (i) the Agent, (ii) in the case of any assignment of a Revolving Credit Commitment, the Issuing Bank, and (iii) unless a Default has occurred and is continuing, the Borrower, such approval not to be unreasonably withheld or delayed by the Borrower; provided that notwithstanding the foregoing, "Eligible Assignee" shall not include the Borrower or any of the Borrower's Affiliates or Subsidiaries.

"Environmental Laws" means any and all federal, state, and local laws, regulations, and requirements pertaining to health, safety, or the environment, as such laws, regulations, and requirements may be amended or supplemented from time to time.

"Environmental Liabilities" means, as to any Person, all liabilities, obligations, responsibilities, Remedial Actions, losses, damages, punitive damages, consequential damages, treble damages, costs, and expenses, (including, without limitation, all reasonable fees, disbursements and expenses of counsel, expert and consulting fees and costs of investigation and feasibility studies), fines, penalties, sanctions, and interest incurred as a result of any claim or demand, by any Person, whether based in contract, tort, implied or express warranty, strict

liability, criminal or civil statute, including any Environmental Law, permit, order or agreement with any Governmental Authority or other Person, arising from environmental, health or safety conditions or the Release or threatened Release of a Hazardous Material into the environment.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended from time to time, and the regulations and published interpretations thereunder.

"ERISA Affiliate" means any corporation or trade or business which is a member of the same controlled group of corporations (within the meaning of Section 414(b) of the Code) as the Borrower, which is under common control (within the meaning of Section 414(c) of the Code) with the Borrower, or which is otherwise affiliated with the Borrower (within the meaning of Section 414(m) or Section 414(o) of the Code).

"Eurocurrency Liabilities" has the meaning specified in Regulation D of the Board of Governors of the Federal Reserve System, as in effect from time to time.

"Eurodollar Advances" means Advances the interest rates on which are determined on the basis of the rates referred to in the definition of "Adjusted Eurodollar Rate" in this Section 1.1.

"Eurodollar Margin" is defined in Section 2.11.

"Eurodollar Rate" means, for any Interest Period for all Eurodollar Loans, an interest rate per annum equal to the rate per annum obtained by dividing (a) the rate per annum (rounded upwards, if necessary, to the nearest 1/100 of 1%) appearing on Telerate Page 3750 (or any successor page) as the London interbank offered rate for deposits in Dollars at 11:00 a.m. (London time) two Business Days before the first day of such Interest Period for a period equal to such Interest Period (provided that, if for any reason such rate is not available, the term "Eurodollar Rate" shall mean, for any Interest Period for all Eurodollar Advances, the rate per annum (rounded upwards, if necessary, to the nearest 1/100 of 1%) appearing on Reuters Screen LIBO Page as the London interbank offered rate for deposits in Dollars at approximately 11:00 a.m. (London time) two Business Days prior to the first day of such Interest Period for a term comparable to such Interest Period; provided, however, if more than one rate is specified on Reuters Screen LIBO Page, the applicable rate shall be the arithmetic mean of all such rates) by (b) a percentage equal to 100% minus the Eurodollar Rate Reserve Percentage for such Interest Period. Each determination by the Agent pursuant to this definition shall be conclusive absent manifest error.

"Eurodollar Rate Reserve Percentage" for any Interest Period for all Eurodollar Loans means the reserve percentage applicable two Business Days before the first day of such Interest Period under regulations issued from time to time by the Board of Governors of the Federal Reserve System (or any successor) for determining the maximum reserve requirement (including, without limitation, any emergency, supplemental or other marginal reserve requirement) for a member bank of the Federal Reserve System in New York City with respect to liabilities or assets consisting of or including Eurocurrency Liabilities (or with respect to any other category of liabilities that includes deposits by reference to which the interest rate on Eurodollar Loans is determined) having a term equal to such Interest Period.

"Event of Default" is defined in Section 11.1.

"Exchange Act" means the Securities and Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

"Excluded Foreign Subsidiary" means any Subsidiary of the Borrower organized under the laws of any jurisdiction outside the United States in respect of which either (a) the pledge of all the ownership or equity interest of such Subsidiary as Collateral, (b) the pledge by such Subsidiary of all of its assets as Collateral or (c) the guarantee by such Subsidiary of the Obligations, would, in the good faith judgment of the Borrower and acceptable to the Agent, result in adverse tax consequences to the Borrower.

"Excluded Taxes" means, with respect to the Agent, any Lender, the Issuing Bank or any other recipient of any payment to be made by or on account of any obligation of the Borrower hereunder, (a) taxes imposed on or measured by its overall net income (however denominated), and franchise taxes imposed on it (in lieu of net income taxes), by the jurisdiction (or any political subdivision thereof) under the laws of which such recipient is organized or in which its principal office is located or, in the case of any Lender, in which its Applicable Lending Office is located, (b) any branch profits taxes imposed by the United States of America or any similar tax imposed by any other jurisdiction in which the Borrower is located and (c) in the case of a Foreign Lender (other than an assignee pursuant to a request by the Borrower under Section 4.7), any withholding tax that is imposed on amounts payable to such Foreign Lender at the time such Foreign Lender becomes a party hereto (or designates a new lending office) or is attributable to such Foreign Lender's failure or inability (other than as a result of a Change in Law) to comply with Section 4.6(e), except to the extent that such Foreign Lender (or its assignor, if any) was entitled, at the time of designation of a new lending office (or assignment), to receive additional amounts from the Borrower with respect to such withholding tax pursuant to Section 4.6(a).

"Existing Credit Agreement" is defined in the recitals of this Agreement.

"Existing Debt" means the Debt listed on Schedule 9.1.

"Federal Funds Rate" means, for any day, the rate per annum (rounded upwards, if necessary, to the nearest 1/16 of 1%) equal to the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers on such day, as published by the Federal Reserve Bank of New York on the Business Day next succeeding such day, provided that (a) if the day for which such rate is to be determined is not a Business Day, the Federal Funds Rate for such day shall be such rate on such transactions on the next preceding Business Day as so published on the next succeeding Business Day, and (b) if such rate is not so published on such next succeeding Business Day, the Federal Funds Rate for any day shall be the average rate charged to Wells Fargo Bank, National Association on such day on such transactions as determined by the Agent.

"Fiscal Quarter" means any three-month period ending December 31, March 31, June 30, or September 30.

"Fiscal Year" means each 12-month period ending September 30 of each year.

"Fixed Charge Coverage Ratio" means, for each Fiscal Quarter, the quotient determined by dividing (a) the sum of EBITDA, plus Rental Expense, minus Capital Expenditures, minus dividends paid in cash by the Borrower, minus taxes paid in cash by the Borrower and its consolidated Subsidiaries, in each case for the period of such Fiscal Quarter, plus the three prior Fiscal Quarters, by (b) the sum of the aggregate interest expense, the current portion of long-term Debt (excluding the current portion of the outstanding balance under the Revolving Credit Commitments) and Rental Expense of the Borrower and its consolidated Subsidiaries, in each case for the period of such Fiscal Quarter plus the three prior Fiscal Quarters.

"Foreign Lender" means any Lender that is organized under the laws of a jurisdiction other than that in which the Borrower is resident for tax purposes. For purposes of this definition, the United States of America, each State thereof and the District of Columbia shall be deemed to constitute a single jurisdiction.

"Fund" means any Person (other than a natural person) that is (or will be) engaged in making, purchasing, holding or otherwise investing in commercial loans and similar extensions of credit in the ordinary course of its business.

"Funded Debt" means, at any particular time, the sum of the following, calculated on a consolidated basis for the Borrower and the Subsidiaries 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) all Capital Lease Obligations, (d) all obligations as a reimbursement obligor with respect to an issued letter of credit or similar instrument (whether drawn or undrawn), and (e) all obligations under a Guarantee of borrowed money, or any other type of direct or contingent obligation other than Guarantees permitted under Section 9.1(g).

"GAAP" means generally accepted accounting principles, applied on a consistent basis, as set forth in Opinions of the Accounting Principles Board of the American Institute of Certified Public Accountants and/or in statements of the Financial Accounting Standards Board and/or their respective successors and which are applicable in the circumstances as of the date in question. Accounting principles are applied on a "consistent basis" when the accounting principles applied in a current period are comparable in all material respects to those accounting principles applied in a preceding period.

"Governmental Authority" means the government of the United States of America or any other nation, or of any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including any supra-national bodies such as the European Union or the European Central Bank).

"Guarantee" by any Person means any obligation, contingent or otherwise, of such Person directly or indirectly guaranteeing any Debt or other obligation of any other Person and, without limiting the generality of the foregoing, any obligation, direct or indirect, contingent or otherwise, of such Person (a) to purchase or pay (or advance or supply funds for the purchase or payment of) such Debt or other obligation (whether arising by virtue of partnership arrangements, by agreement to keep-well, to purchase assets, goods, securities or services, to

take-or-pay, or to maintain financial statement conditions or otherwise) or (b) entered into for the purpose of assuring in any other manner the obligee of such Debt or other obligation of the payment thereof or to protect the obligee against loss in respect thereof (in whole or in part), provided that the term Guarantee shall not include endorsements for collection or deposit in the ordinary course of business. The term "Guarantee" used as a verb has a corresponding meaning.

"Guarantor" means collectively, (a) each and every domestic Subsidiary of the Borrower in existence as of the date hereof which include but are not limited to those Subsidiaries listed on Schedule 7.14, (b) each and every Subsidiary of the Borrower organized under the laws of any jurisdiction outside the United States that executes the Guaranty or a supplement to the Guaranty in accordance with Section 8.10 and (c) each and every Significant Subsidiary formed or acquired on or after the date hereof (which are listed on Schedule 7.14 as the same may be amended from time to time in accordance with Section 8.10) that executes a supplement to the Guaranty in accordance with Section 8.10.

"Guaranty" means that certain Fourth Amended and Restated Guaranty Agreement dated as of the date hereof, executed by the Guarantors in favor of the Agent and the Lenders, in form and substance satisfactory to the Agent and the Lenders, as the same has been or may be amended, restated, supplemented, or otherwise modified from time to time.

"Hazardous Material" means any substance, product, waste, pollutant, material, chemical, contaminant, constituent, or other material which is or becomes listed, regulated, or addressed under any Environmental Law.

"Hedge Agreements" means all swaps, caps, collars or similar arrangements providing for protection against fluctuations in interest rates (whether from floating to fixed or from fixed to floating), currency exchange rates or commodities prices or the exchange of nominal interest obligations, either generally or under specific contingencies.

"Increase Date" is defined in Section 2.13(b).

"Increasing Lenders" is defined in Section 2.13(a).

"Indemnified Taxes" means Taxes other than Excluded Taxes.

"Indemnitee" is defined in Section 13.1(b).

"Information" is defined in Section 13.19.

"Interest Period" means the period commencing, with respect to any Eurodollar Advances, on the date such Eurodollar Advances are made or Converted from Advances of another Type or, in the case of each subsequent, successive Interest Period applicable to a Eurodollar Advance, the last day of the next preceding Interest Period with respect to such Advance, and ending on the numerically corresponding day in the first, second, third or sixth calendar month thereafter, as the Borrower may select as provided in Section 2.6 or 2.7 hereof, except that each such Interest Period which commences on the last Business Day of a calendar month (or on any day for which there is no numerically corresponding day in the appropriate subsequent calendar month) shall end on the last Business Day of the first, second, third or sixth

calendar month thereafter, as the case may be. Notwithstanding the foregoing: (a) each Interest Period which would otherwise end on a day which is not a Business Day shall end on the next succeeding Business Day or, if such succeeding Business Day falls in the next succeeding calendar month, on the next preceding Business Day; (b) any Interest Period for Eurodollar Advances under the Revolving Credit Loan which would otherwise extend beyond the Revolving Credit Termination Date shall end on the Revolving Credit Termination Date and the provisions of Section 5.5 shall apply; (c) any Interest Period for Eurodollar Advances under the Term Loan which would otherwise extend beyond the Term Loan Termination Date shall end on the Term Loan Termination Date and the provisions of Section 5.5 shall apply; and (d) no Interest Period for any Eurodollar Advances shall have a duration of less than one month, and, if the Interest Period for any Eurodollar Advances would otherwise be a shorter period, such Advances shall not be available hereunder.

"Inventory" means at any particular time, inventory (as defined in the UCC) of the Borrower or any of the Subsidiaries including, without limitation, all materials and goods held by or for the benefit of the Borrower or any of the Subsidiaries for sale, lease or consumption.

"Issuing Bank" means Wells Fargo Bank, National Association, in its capacity as issuer of Letters of Credit hereunder.

"LC Participation" means, with respect to any Lender, at any time, the amount of participating interest held by such Lender (or in the case of the Issuing Bank, other interests) in respect of a Letter of Credit.

"Leased Location" means any location which is leased by the Borrower or any Subsidiary and at which the Borrower or the applicable Subsidiary maintains Collateral.

"Lender" has the meaning specified in the introductory paragraph of this Agreement and, as the context requires, includes the Swing Lender.

"Letter of Credit" means, any standby letter of credit issued by the Issuing Bank for the account of the Borrower pursuant to Article III.

"Letter of Credit Disbursement" means a disbursement by the Issuing Bank to the beneficiary of a Letter of Credit in connection with a drawing thereunder.

"Letter of Credit Liabilities" means, at any time, the sum of (a) the aggregate amounts available to be drawn of all outstanding Letters of Credits and (b) the aggregate amount of all Letter of Credit Disbursements for which the Issuing Bank has not been reimbursed by the Borrower.

"Letter of Credit Request Form" means, a certificate, in substantially the form of Exhibit E hereto, properly completed and signed by the Borrower requesting issuance of a Letter of Credit.

"Lien" means any lien, mortgage, security interest, tax lien, financing statement, pledge, charge, hypothecation, assignment, preference, priority, or other encumbrance of any kind or

nature whatsoever (including, without limitation, any conditional sale or title retention agreement), whether arising by contract, operation of law, or otherwise.

"Litigation Fund Account" means a litigation fund account established and maintained by the Borrower or any Subsidiary to secure the Borrower's and/or its Subsidiaries' obligations to be incurred with County Bank of Rehoboth Beach, Delaware in connection with Pay-Day Advance Loans, such obligations to be established and governed by the Pay-Day Advance Loan Documents.

"Loan Documents" means this Agreement, the Notes, the Guaranty, the Contribution and Indemnification Agreement, the Borrower Security Agreement, the Subsidiary Security Agreement, the Trademark Security Agreement and all other promissory notes, security agreements, assignments, deeds of trust, guaranties, and other instruments, documents, and agreements now or hereafter executed and delivered pursuant to or in connection with this Agreement, as such instruments, documents, and agreements may be amended, modified, renewed, extended, or supplemented from time to time.

"Loans" means, collectively, the Revolving Credit Loan, the Term Loan, and the Swing Loan.

"Material Adverse Effect" means a material adverse effect on (a) the business, condition (financial or otherwise), operations, prospects, or properties of the Borrower and the Subsidiaries taken as a whole, or (b) the validity or enforceability of this Agreement or any of the other Loan Documents or the rights or remedies of the Agent or the Lenders hereunder or thereunder. In determining whether any individual event could reasonably be expected to result in a Material Adverse Effect, notwithstanding that such event does not itself have such effect, a Material Adverse Effect shall be deemed to have occurred if the cumulative effect of such event and all other then existing events could reasonably be expected to result in a Material Adverse Effect.

"Material Debt" is defined in Section 11.1(h).

"Maximum Rate" means, at any time and with respect to any Lender, the maximum rate of interest under applicable law that such Lender may charge the Borrower. The Maximum Rate shall be calculated in a manner that takes into account any and all fees, payments, and other charges in respect of the Loan Documents that constitute interest under applicable law. Each change in any interest rate provided for herein based upon the Maximum Rate resulting from a change in the Maximum Rate shall take effect without notice to the Borrower at the time of such change in the Maximum Rate. For purposes of determining the Maximum Rate under Texas law, the applicable rate ceiling shall be the applicable weekly ceiling described in, and computed in accordance with, Chapter 303 of the Texas Finance Code.

"Monthly Payment Date" means the third day of each calendar month of each year, the first of which shall be **[_____ 3, 2008]**.

"Multiemployer Plan" means a multiemployer plan defined as such in Section 3(37) of ERISA to which contributions have been made by the Borrower or any ERISA Affiliate and which is covered by Title IV of ERISA.

"Net Proceeds" from any issuance, sale or disposition of any shares of equity securities (or any securities convertible or exchangeable for any such shares, or any rights, warrants, or options to subscribe for or purchase any such shares) means the amount equal to (a) the aggregate gross proceeds of such issuance, sale or other disposition, less (b) the following: (i) placement agent fees, (ii) underwriting discounts and commissions, (iii) bank and other lender fees, and (iv) reasonable legal fees and other reasonable expenses payable by the issuer in connection with such issuance, sale or other disposition. "Net Proceeds" from any disposition of assets means the amount equal to (a) the aggregate gross proceeds of such disposition, less (b) the following: (i) sales or other similar taxes paid or payable by the seller in connection with such disposition, (ii) reasonable broker fees in connection with such disposition, (iii) reasonable legal fees and other reasonable expenses payable by the seller in connection with such disposition and (iv) the amount of any Debt secured by the assets that must be repaid in connection with such disposition so long as it is a Debt permitted under this Agreement.

"New Lenders" means (a) an Affiliate of a Lender; (b) an Approved Fund; and (c) any other Person (other than a natural person) approved by the Agent, the Issuing Bank, the Swing Lender and the Borrower (such approval not to be unreasonably withheld) that, immediately prior to its issuance of a Revolving Credit Commitment pursuant to Section 2.13 was not a Lender hereunder.

"Notes" means, collectively, the Revolving Credit Notes, the Term Notes, and the Swing Note.

"Obligated Party" means each Guarantor and any other Person who is or becomes party to any written agreement that guarantees or secures payment and performance of the Obligations or any part thereof.

"Obligations" means, collectively, the Primary Obligations and the Secondary Obligations.

"Other Taxes" means all present or future stamp or documentary taxes or any other excise or property taxes, charges or similar levies arising from any payment made hereunder or under any other Loan Document or from the execution, delivery or enforcement of, or otherwise with respect to, this Agreement or any other Loan Document.

"Participant" has the meaning assigned to such term in Section 13.7(d).

"Pay-Day Advance Loan Documents" means the documents, instruments and agreements which are acceptable to the Agent and the Lenders and are more specifically described on Schedule 1.1(c) attached hereto, and all amendments, modifications, renewals, extensions, restatements and supplements thereto, copies of which have been provided to the Agent and the Lenders and are satisfactory in form and substance to the Agent and the Lenders; provided that if such amendments, modifications, renewals, extensions, restatements and supplements are non-substantive from the perspective of the economics of the transactions evidenced by such documents, instruments and agreements described on Schedule 1.1(c), prior approval by the Agent and the Lenders is not required.

"Pay-Day Advance Loans" means loans which are anticipated to be repaid by the proceeds of deferred presentment checks or through an ACH debit from the account of the borrower of the Pay-Day Advance Loan.

"Payment Office" means the operational office of the Agent in Denver, Colorado, presently located at 1740 Broadway, 3rd Floor, MAC #C7300-034, Denver, Colorado 80274.

"PBGC" means the Pension Benefit Guaranty Corporation or any entity succeeding to all or any of its functions under ERISA.

"Permitted Acquisitions" means (a) those acquisitions by the Borrower or any of its Subsidiaries of all or substantially all of either the assets of, or equity interests in, a Target so long as (i) the purchase price (whether in cash or other consideration) of such acquisition shall not exceed an amount equal to 15% of the Borrower's Consolidated Net Worth as of the closing date of such acquisition, (ii) such acquisitions shall be of either the assets of a Target used in, or equity interests in a Target engaged in, the same or substantially similar businesses as the Borrower and its Subsidiaries as of the date hereof, (iii) such acquisitions must not be hostile acquisitions, (iv) no Default or Event of Default has occurred and is continuing or would result therefrom, (v) the Borrower has furnished to the Agent a Compliance Certificate setting forth (A) recalculations of compliance with the covenants contained in Article X for the prior four Fiscal Quarters then most recently ended prior to the date of such Permitted Acquisition, on a pro forma basis as if such Permitted Acquisition had occurred on the first day of such period, and such recalculations shall show that such covenants would have been complied with if the Permitted Acquisition had occurred on the first day of such period and (B) the Borrower in good faith believes that after giving effect to such Permitted Acquisition the covenants contained in Article X will continue to be met for the one year period following the consummation of such Permitted Acquisition, (vi) after giving effect to such Permitted Acquisition, the aggregate amount of Revolving Credit Loan Advances available to be advanced pursuant to Section 2.1 shall be at least $10,000,000, and (vii) the Agent shall have received from the Borrower notice of such Permitted Acquisition at least 30 days prior to the closing of such Permitted Acquisition, and (b) the Permitted Alpha Acquisition.

"Permitted Alpha Acquisition" means an acquisition by the Borrower or any of its Subsidiaries of all or substantially all of the equity interests in Alpha Corporation so long as (a) no Default or Event of Default has occurred and is continuing or would result therefrom, (b) the Borrower has furnished to the Agent a Compliance Certificate setting forth (i) recalculations of compliance with the covenants contained in Article X for the prior four Fiscal Quarters then most recently ended prior to the date of such Permitted Alpha Acquisition, on a pro forma basis as if such Permitted Alpha Acquisition had occurred on the first day of such period, and such recalculations shall show that such covenants would have been complied with if the Permitted Alpha Acquisition had occurred on the first day of such period and (ii) the Borrower in good faith believes that after giving effect to such Permitted Alpha Acquisition the covenants contained in Article X will continue to be met for the one year period following the consummation of such Permitted Alpha Acquisition, (c) after giving effect to such Permitted Alpha Acquisition, the aggregate amount of Revolving Credit Loan Advances available to be advanced pursuant to Section 2.1 shall be at least $10,000,000, (d) the Agent shall have received from the Borrower notice of such Permitted Acquisition at least 30 days prior to the closing of such Permitted Acquisition, and (e) the closing of the Permitted Alpha Acquisition shall occur no

later than September 30, 2008, otherwise such acquisition will be subject to the tests set forth in clause (a) of the definition of "Permitted Acquisitions".

"Permitted Debt" means (a) the Obligations, (b) Existing Debt and (c) other Debt permitted by Section 9.1.

"Permitted Liens" means Liens permitted by Section 9.2.

"Permitted Payments" means those dividends or other payments or distributions on account of its capital stock or made to redeem, purchase, retire, or otherwise acquire any of its capital stock (or the purchase or acquisition by any Subsidiary of any capital stock of the Borrower or another Subsidiary), so long as (a) no Default or Event of Default has occurred and is continuing or would result therefrom, (b) the Borrower has furnished to the Agent a Compliance Certificate setting forth (i) recalculations of compliance with the covenants contained in Article X for the prior four Fiscal Quarters then most recently ended prior to the date of such Permitted Payment, on a pro forma basis as if such Permitted Payment had occurred on the first day of such period, and such recalculations shall show that such covenants would have been complied with if the Permitted Payment had occurred on the first day of such period and (ii) the Borrower in good faith believes that after giving effect to such Permitted Payment the covenants contained in Article X will continue to be met for the one year period following the consummation of such Permitted Payment, and (c) the aggregate amount of all such Permitted Payments shall not exceed $10,000,000 in any Fiscal Year of the Borrower.

"Person" means any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, Governmental Authority, or other entity.

"Plan" means any employee benefit plan (within the meaning of Section 3(3) of ERISA) established or maintained by the Borrower or any ERISA Affiliate, which plan is subject to the provisions of ERISA.

"Platform" is defined in Section 13.11(b)(iii).

"Primary Obligations" means all obligations, indebtedness, and liabilities of the Borrower to the Agent, the Issuing Bank, and the Lenders, or any of them, arising pursuant to any of the Loan Documents, now existing or hereafter arising, whether direct, indirect, related, unrelated, fixed, contingent, liquidated, unliquidated, joint, several, or joint and several, including, without limitation, the obligations, indebtedness, and liabilities of the Borrower under this Agreement, the Notes, and the other Loan Documents (including without limitation, all of the Borrower's contingent reimbursement obligations in respect of Letters of Credit), and all interest accruing thereon and all attorneys' fees and other expenses incurred in the enforcement or collection thereof.

"Prime Rate" means, at any time, the rate of interest per annum then most recently announced by Wells Fargo Bank, National Association at its principal office in San Francisco as its prime rate, which rate may not be the lowest rate of interest charged by Wells Fargo Bank, National Association to its borrowers. Each change in any interest rate provided for herein based upon the Prime Rate resulting from a change in the Prime Rate shall take effect on the date the

change is announced by Wells Fargo Bank, National Association without notice to the Borrower at the time of such change in the Prime Rate.

"Principal Office" means the principal office of the Agent in Austin, Texas, presently located at 111 Congress Avenue, Suite 2200, Austin, Texas 78701.

"Prohibited Transaction" means any transaction set forth in Section 406 or 407 of ERISA or Section 4975(c)(1) of the Code for which there does not exist a statutory or administrative exemption.

"Quarterly Payment Date" means the third day of each January, April, July and October of each year, the first of which shall be **[_____ 3, 2008]**.

"Register" is defined in Section 13.7(c).

"Regulation D" means Regulation D of the Board of Governors of the Federal Reserve System as the same may be amended or supplemented from time to time.

"Related Parties" means, with respect to any Person, such Person's Affiliates and the partners, directors, officers, employees, agents and advisors of such Person and of such Person's Affiliates.

"Release" means, as to any Person, any release, spill, emission, leaking, pumping, injection, deposit, disposal, disbursement, leaching, or migration of Hazardous Materials into the indoor or outdoor environment or into or out of property owned by such Person, including, without limitation, the movement of Hazardous Materials through or in the air, soil, surface water, ground water, or property in violation of Environmental Laws. The term "Release" used as a verb has a corresponding meaning.

"Remedial Action" means all actions required to (a) clean up, remove, treat, or otherwise address Hazardous Materials in the indoor or outdoor environment, (b) prevent the Release or threat of Release or minimize the further Release of Hazardous Materials so that they do not migrate or endanger or threaten to endanger public health or welfare or the indoor or outdoor environment, or (c) perform pre-remedial studies and investigations and post-remedial monitoring and care.

"Rental Expense" means the amounts paid by the Borrower and each Subsidiary to lease facilities for business operations.

"Reportable Event" means any of the events set forth in Section 4043 of ERISA.

"Required Lenders" means at any time while no Advances or Letters of Credit Liabilities are outstanding, two or more Lenders having more than 50% of the aggregate amount of the Commitments and, at any time while Advances or Letter of Credit Liabilities are outstanding, two or more Lenders holding more than 50% of the outstanding aggregate principal amount of

the Revolving Credit Loan Advances, the Term Loan, the LC Participations, and the SL Participations.

"Reserve Requirement" means, for any Eurodollar Advance for any Interest Period therefor, the average maximum rate at which reserves (including any marginal, supplemental or emergency reserves) are required to be maintained during such Interest Period under Regulation D by member banks of the Federal Reserve System in New York City with deposits exceeding one billion Dollars against "Eurocurrency Liabilities" as such term is used in Regulation D. Without limiting the effect of the foregoing, the Reserve Requirement shall reflect any other reserves required to be maintained by such member banks by reason of any Change in Law against (i) any category of liabilities which includes deposits by reference to which the Adjusted Eurodollar Rate is to be determined, or (ii) any category of extensions of credit or other assets which include Eurodollar Advances.

"Revolving Credit Commitment" means, as to each Lender, the obligation of such Lender to (a) make the Revolving Credit Loan pursuant to Section 2.1 and (b) purchase participations (or with respect to the Swing Lender or the Issuing Bank, held other interests in) the Swing Loan and in Letters of Credit described in Articles II and III hereunder, in the aggregate principal amount up to but not exceeding the amount set forth opposite the name of such Lender on Schedule 1.1(a) hereto under the heading "Revolving Credit Commitment", as the same may be reduced pursuant to Section 2.12, terminated pursuant to Section 2.12 or 11.2 or increased pursuant to Section 2.13. As of the date hereof, the aggregate amount of all Revolving Credit Commitments is $80,000,000.

"Revolving Credit Loan" means the revolving credit loan made or to be made hereunder to Borrower pursuant to Section 2.1.

"Revolving Credit Loan Advance" means an Advance under the Revolving Credit Loan.

"Revolving Credit Notes" means the promissory notes of the Borrower payable to the order of the Lenders in the aggregate principal amount of the Revolving Credit Loan, in substantially the form of Exhibit A hereto, and all extensions, renewals, and modifications thereof.

"Revolving Credit Termination Date" means 10:00 a.m. (Austin, Texas time) on **[_____, 2011]** or such earlier date and time on which the Revolving Credit Commitments and Swing Commitment terminate as provided in this Agreement.

"Rules" is defined in Section 13.13(b).

"Secondary Obligations" means all obligations, indebtedness, and liabilities of the Borrower to the Lenders or any of them, arising pursuant to or in connection with the Deposit and Cash Management Services or any Specified Hedge Agreement, now existing or hereafter arising, whether direct, indirect, related, unrelated, fixed, contingent, liquidated, unliquidated, joint, several, or joint and several, including without limitation, the obligations of the Borrower to pay all fees, costs and expenses (including without limitation, reasonable attorneys' fees) provided for in connection with the documentation governing the Deposit and Cash Management Services or any Specified Hedge Agreement.

"Significant Subsidiary" means any direct or indirect Subsidiary of the Borrower formed or acquired after the date hereof which either (a) has assets with an aggregate book value of equal to or greater than $5,000,000, (b) is designated by the Agent or the Required Lenders as a Significant Subsidiary, or (c) owns equity interests in a foreign Significant Subsidiary.

"SL Participation" means, with respect to any Lender, at any time, the amount of participating interest held by such Lender (or in the case of the Swing Lender, other interests) in respect of the Swing Loan.

"Specified Hedge Agreement" means any Hedge Agreement entered into by Borrower or any of its Subsidiaries and any Lender, or any Person that was a Lender when such Hedge Agreement was entered into as counterparty.

"Subsidiary" means any corporation (or other entity) of which at least a majority of the outstanding shares of stock (or other ownership interests) having by the terms thereof ordinary voting power to elect a majority of the board of directors (or similar governing body) of such corporation (or other entity) (irrespective of whether or not at the time stock (or other ownership interests) of any other class or classes of such corporation (or other entity) shall have or might have voting power by reason of the happening of any contingency) is at the time directly or indirectly owned or controlled by the Borrower or one or more of the Subsidiaries or by the Borrower and one or more of the Subsidiaries.

"Subsidiary Security Agreement" means collectively, those certain Fourth Amended and Restated Subsidiary Security Agreements dated as of the date hereof executed by the Guarantors in favor of the Agent for the benefit of the Lenders, in form and substance satisfactory to the Agent and the Lenders, as the same may be amended, restated, supplemented, or modified from time to time.

"Swing Commitment" means an amount (subject to reduction or cancellation as herein provided) equal to $10,000,000.

"Swing Lender" means Wells Fargo Bank, National Association.

"Swing Loan" means the swing loan made or to be made hereunder to the Borrower pursuant to Section 2.8.

"Swing Loan Advance" means an Advance under the Swing Loan.

"Swing Note" means the promissory note of the Borrower payable to the order of the Swing Lender in the principal amount of the Swing Commitment in substantially the form of Exhibit C hereto, and all extensions, renewals, and modifications thereof.

"Syndication Agent" has the meaning set forth in the introductory paragraph of this Agreement.

"Target" means a Person that is the subject of a Permitted Acquisition, including but not limited to Alpha Corporation.

"Taxes" means all present or future taxes, levies, imposts, duties, deductions, withholdings, assessments, fees or other charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

"Term Loan" means the term loan made or to be made hereunder to Borrower pursuant to Section 2.2.

"Term Loan Commitment" means, as to each Lender, the obligation of such Lender to make the Term Loan as described in Section 2.2 hereunder in the principal amount up to but not exceeding the amount set forth opposite the name of such Lender on Schedule 1.1(a) hereto under the heading "Term Loan Commitment." As of the date hereof, the aggregate amount of the Term Loan Commitments of all Lenders equals $40,000,000.

"Term Notes" means the promissory notes of the Borrower payable to the order of the Lenders in the aggregate principal amount of the Term Loan, in substantially the form of Exhibit B hereto, and all extensions, renewals, and modifications thereof.

"Term Loan Termination Date" means 10:00 a.m. (Austin, Texas time) on **[_____, 2012]** or such earlier date and time as provided in this Agreement.

"Total Leverage Ratio" means, as of any Fiscal Quarter end, the ratio of (a) Funded Debt to (b) EBITDA, in each case for such Fiscal Quarter and the prior three Fiscal Quarters.

"Trademark Security Agreement" means those certain Security Interest Assignment of Trademarks dated as of March 31, 2000 and October 13, 2006, executed by the Borrower in favor of the Agent for the benefit of the Lenders, in form and substance satisfactory to the Agent and the Lenders, as the same may be amended, restated, supplemented or modified from time to time.

"Type" means any type of Advance (i.e., Base Rate Advance or Eurodollar Advance).

"UCC" means the Uniform Commercial Code as in effect in the State of Texas from time to time.

"Waiver" is defined in Section 8.12.

Section 1.2 Other Definitional Provisions. The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words "include," "includes" and "including" shall be deemed to be followed by the phrase "without limitation." The word "will" shall be construed to have the same meaning and effect as the word "shall." Unless the context requires otherwise (a) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or

modifications set forth herein), (b) any reference herein to any Person shall be construed to include such Person's successors and assigns, (c) the words "herein," "hereof" and "hereunder," and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof, (d) all references herein to Articles, Sections, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Exhibits and Schedules to, this Agreement, (e) any reference to any law or regulation herein shall, unless otherwise specified, refer to such law or regulation as amended, modified or supplemented from time to time and (f) the words "asset" and "property" shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights. All accounting terms not specifically defined herein shall be construed in accordance with GAAP. Terms used herein that are defined in the UCC, unless otherwise defined herein, shall have the meanings specified in the UCC. In the event of any changes in accounting principles required by GAAP or recommended by the Borrower's certified public accountants and implemented by the Borrower occur and such changes result in a change in the method of the calculation of financial covenants, standards, or terms under this Agreement, then the Borrower, the Agent, and the Lenders agree to enter into negotiations in order to amend such provisions of this Agreement so as to equitably reflect such changes with the desired result that the criteria for evaluating such covenants, standards, or terms shall be the same after such changes as if such changes had not been made. Until such time as such an amendment shall have been executed and delivered by the Agent, the Borrower and the Required Lenders, all financial covenants, standards, and terms in this Agreement shall continue to be calculated or construed as if such changes had not occurred.

Section 1.3 Consolidation of Variable Interest Entities. All references herein to consolidated financial statements of the Borrower and the Subsidiaries or to the determination of any amount for the Borrower and its Subsidiaries on a consolidated basis or any similar reference shall, in each case, be deemed to include each variable interest entity that the Borrower is required to consolidate pursuant to FASB Interpretation No. 46 — Consolidation of Variable Interest Entities: an interpretation of ARB No. 51 (January 2003), as if such variable interest entity were a Subsidiary as defined herein, but each such variable interest entity shall not be considered a Subsidiary for any other purpose hereunder.

ARTICLE II
Revolving Credit Loan, Term Loan, and Swing Loan

Section 2.1 Revolving Credit Commitments. Subject to the terms and conditions of this Agreement, each Lender severally agrees to make one or more Revolving Credit Loan Advances to the Borrower from time to time from the date hereof to but excluding the Revolving Credit Termination Date in an aggregate principal amount at any time outstanding up to but not exceeding the amount of such Lender's Revolving Credit Commitment as then in effect, provided that the aggregate amount of all Revolving Credit Loan Advances at any time outstanding shall not exceed (a) the Revolving Credit Commitments, minus (b) the sum of the outstanding Swing Loan Advances and the Letter of Credit Liabilities. Subject to the foregoing limitations, and the other terms and provisions of this Agreement, the Borrower may borrow, repay, and reborrow hereunder the amount of the Revolving Credit Commitments by means of Base Rate Advances and Eurodollar Advances and, until the Revolving Credit Termination Date, the Borrower may Convert Revolving Credit Loan Advances of one Type into Revolving Credit Loan Advances of

another Type. Revolving Credit Loan Advances of each Type made by each Lender shall be made and maintained at such Lender's Applicable Lending Office for Advances of such Type.

Section 2.2 Term Loan Commitment. Subject to the terms and conditions of this Agreement, each Lender severally agrees to extend a term loan to the Borrower on the date hereof in an aggregate principal amount up to but not exceeding the amount of such Lender's Term Loan Commitment. Such Term Loan shall be made by way of a single Advance made on the date hereof. Any portion of each Lender's Term Loan Commitment not utilized by such Advance on such date shall be permanently cancelled. Amounts advanced and repaid under the Term Loan may not be reborrowed. The Term Loan made by each Lender shall be made and maintained at such Lender's Applicable Lending Office.

Section 2.3 Notes. The obligation of the Borrower to repay each Lender for Revolving Credit Loan Advances made by such Lender and interest thereon shall be evidenced by a Revolving Credit Note executed by the Borrower, payable to the order of such Lender, in the principal amount of such Lender's Revolving Credit Commitment dated the date hereof. The obligation of the Borrower to repay each Lender for the Term Loan made by such Lender and interest thereon shall be evidenced by a Term Note executed by the Borrower, payable to the order of such Lender, in the principal amount of such Lender's Term Loan Commitment dated the date hereof.

Section 2.4 Repayment of Loans.

(a) The Borrower shall repay the outstanding principal amount of the Revolving Credit Loan and the Swing Loan on the Revolving Credit Termination Date.

(b) To the extent not otherwise required to be paid earlier as provided herein, the Borrower shall repay the aggregate principal amount of the Term Loan on each Quarterly Payment Date in installments in the principal amount of $2,500,000 (less any amounts applied to such installments as permitted pursuant to Sections 4.2 or 4.3), with final payment of the remaining principal balance on the Term Loan due on the Term Loan Termination Date.

Section 2.5 Interest. The unpaid principal amount of the Loans shall bear interest at a varying rate per annum equal from day to day to the lesser of (a) the Maximum Rate or (b) the Applicable Rate. If at any time the Applicable Rate for any Advance shall exceed the Maximum Rate, thereby causing the interest accruing on such Advance to be limited to the Maximum Rate, then any subsequent reduction in the Applicable Rate for such Advance shall not reduce the rate of interest on such Advance below the Maximum Rate until the aggregate amount of interest accrued on such Advance equals the aggregate amount of interest which would have accrued on such Advance if the Applicable Rate had at all times been in effect. Accrued and unpaid interest on the Loans shall be due and payable as follows:

(a) in the case of all Base Rate Advances, on each Monthly Payment Date;

(b) in the case of all Eurodollar Advances, on the last day of the Interest Period with respect thereto and, in the case of an Interest Period with a duration greater than three months, at three-month intervals after the first day of such Interest Period;

(c) upon the payment or prepayment of any Eurodollar Advance or the Conversion of any Eurodollar Advance to an Advance of another Type (but only on the principal amount so paid, prepaid, or Converted);

(d) with respect to Revolving Credit Loan Advances and Swing Loan Advances, on the Revolving Credit Termination Date; and

(e) with respect to the Term Loan, on the Term Loan Termination Date.

Notwithstanding the foregoing, upon the occurrence and during the continuance of an Event of Default, the outstanding principal amounts of all Advances and (to the fullest extent permitted by law) any other amounts payable by the Borrower under any Loan Document shall bear interest at the Default Rate at the Required Lenders' option beginning upon the occurrence of such Event of Default or such later date as selected by the Required Lenders. Interest payable at the Default Rate shall be payable from time to time on demand.

Section 2.6 Revolving Credit Loan Borrowing Procedure. The Borrower shall give the Agent notice by means of an Advance Request Form of each requested Revolving Credit Loan Advance at least one Business Day before the requested date of each Base Rate Advance, and at least three Business Days before the requested date of each Eurodollar Advance, specifying: (a) the requested date of such Revolving Credit Loan Advance (which shall be a Business Day), (b) the amount of such Revolving Credit Loan Advance, (c) the Type of Revolving Credit Loan Advance, and (d) in the case of a Eurodollar Advance, the duration of the Interest Period for such Revolving Credit Loan Advance. Each Eurodollar Advance under the Revolving Credit Loan shall be in a minimum principal amount of $1,000,000 or a whole multiple of $500,000 in excess thereof. Each Base Rate Advance under the Revolving Credit Loan shall be in a minimum principal amount of $500,000 or a whole multiple of $100,000 in excess thereof. The Agent shall notify each Lender of the contents of each such notice promptly. Not later than 1:00 p.m. (Austin, Texas time) on the date specified for each Revolving Credit Loan Advance hereunder, each Lender will make available to the Agent at the Principal Office in immediately available funds, for the account of the Borrower, its pro rata share of each Revolving Credit Loan Advance. After the Agent's receipt of such funds and subject to the other terms and conditions of this Agreement, the Agent will make each Revolving Credit Loan Advance available to the Borrower by depositing the same, in immediately available funds, in an account of the Borrower (designated by the Borrower) maintained with the Agent at the Principal Office. All notices by the Borrower under this Section shall be irrevocable and shall be given not later than 11:00 a.m. (Austin, Texas time) on the day which is not less than the number of Business Days specified above for such notice.

Section 2.7 Conversions and Continuations. The Borrower shall have the right from time to time to Convert all or part of an Advance of one Type into an Advance of another Type or to Continue Eurodollar Advances as Eurodollar Advances by giving the Agent written notice at least one Business Day before Conversion into a Base Rate Advance, and at least three Business Days before Conversion into or Continuation of a Eurodollar Advance, specifying: (a) the Conversion or Continuation date, (b) the amount of the Advance to be Converted or Continued, (c) in the case of Conversions, the Type of Advance to be Converted into, and (d) in the case of a Continuation of or Conversion into a Eurodollar Advance, the duration of the Interest Period applicable thereto; provided that (i) Eurodollar Advances may only be Converted on the last day of the Interest Period, (ii) except for Conversions into Base Rate Advances, no

Conversions shall be made while a Default has occurred and is continuing, and (iii) no more than five Interest Periods shall be in effect at the same time. The Agent shall notify each Lender of the contents of each such notice promptly and in any event not later than one Business Day after receipt thereof. All notices by the Borrower under this Section shall be irrevocable and shall be given not later than 11:00 a.m. (Austin, Texas time) on the day which is not less than the number of Business Days specified above for such notice. If the Borrower shall fail to give the Agent the notice as specified above for Continuation or Conversion of a Eurodollar Advance prior to the end of the Interest Period with respect thereto, such Eurodollar Advance shall be Converted automatically into a Base Rate Advance on the last day of the then current Interest Period for such Eurodollar Advance.

Section 2.8 Swing Loans.

(a) Making Swing Loans; Interest Rate. For the convenience of the parties and as an integral part of the transactions contemplated by the Loan Documents, the Swing Lender, solely for its own account, agrees, on the terms and conditions hereinafter set forth, to make Swing Loans to the Borrower (which the Borrower may repay and reborrow from time to time in accordance with the terms and provisions hereof) from time to time on any Business Day during the period from the date hereof to but excluding the Revolving Credit Termination Date in an aggregate principal amount at any one time outstanding which shall not exceed the Swing Commitment; provided that, the Swing Lender shall not be obligated to make any Swing Loan (i) which when added to the then outstanding Revolving Credit Loan Advances plus the outstanding Letter of Credit Liabilities plus the outstanding Swing Loan Advances would exceed the Revolving Credit Commitments, and (ii) at any time after any Lender has refused to purchase a participation in any Swing Loan as provided in Section 2.8(d). All Swing Loans shall bear interest at the lesser of (A) the Maximum Rate and (B) the Applicable Rate for Base Rate Advances (subject to Section 2.5) and shall be included within the Primary Obligations hereunder. Each Swing Loan shall be subject to all the terms and conditions applicable to the Revolving Credit Loan; provided that, (i) there shall be no minimum Swing Loan Advance amount or repayment for a Swing Loan except as provided in Section 2.8(c), and (ii) each Swing Loan shall be available and may be prepaid on same day telephonic notice to be followed promptly with an Advance Request Form (except for telephonic notices of prepayment) from the Borrower to the Swing Lender, so long as such notice is received by the Swing Lender prior to 11:00 a.m. (Austin, Texas time).

(b) Swing Note. The Swing Loan Advances made by the Swing Lender shall be evidenced by a single promissory note of the Borrower in substantially the form of Exhibit C hereto, payable to the order of the Swing Lender in a principal amount equal to the Swing Commitment as originally in effect and otherwise duly completed.

(c) Repayment of Swing Loan Advances. Upon the earlier to occur of (i) the date 10 Business Days after each Swing Loan Advance, and (ii) demand

by the Swing Lender, the Borrower shall promptly borrow Revolving Credit Loan Advances from the Lenders, pursuant to Section 2.1 hereof and apply the proceeds of such Revolving Credit Loan Advances to the repayment of such Swing Loan Advance then due.

(d) Participation of Lenders. In the event the Borrower shall fail to repay when due any Swing Loan Advance, each Lender with a Revolving Credit Commitment shall irrevocably and unconditionally purchase from the Swing Lender an SL Participation in such Swing Loan Advance in lawful money of the United States and in the same day funds, in an amount equal to such Lender's pro rata share (based on the Revolving Credit Commitments) of the principal amount of such Swing Loan Advances then due. If such amount is not in fact made available to the Swing Lender by any Lender with a Revolving Credit Commitment, the Swing Lender shall be entitled to recover such amount on demand from such Lender together with accrued interest thereon, for each day from the date of demand therefor, if made prior to 1:00 p.m. (Austin, Texas time) on any Business Day, or, if made at any other time, from the next Business Day following the date of such demand, until the date such amount is paid to the Swing Lender by such Lender at the Federal Funds Rate. If such Lender does not pay such amount forthwith upon the Swing Lender's demand therefor, and until such time as such Lender makes the required payment, the Swing Lender shall be deemed to continue to have outstanding a Swing Loan in the amount of such unpaid participation obligation for all purposes under the Loan Documents other than those provisions requiring the other Lenders with a Revolving Credit Commitment to purchase a participation therein. Thereafter, each payment of all or any part of the Primary Obligations evidenced by the Swing Note shall be paid to the Swing Lender for the ratable benefit of the Swing Lender and the Lenders who are participants in the Swing Loan; provided that, with respect to any participation hereunder, all interest accruing on the Swing Loan (or any portion thereof) to which such participation relates prior to the date of purchase of any participation hereunder shall be payable solely to the Swing Lender for its own account.

Section 2.9 Use of Proceeds. The proceeds of Advances shall be used by the Borrower (a) for working capital in the ordinary course of business and other general corporate purposes and (b) to finance Permitted Acquisitions.

Section 2.10 Fees. (a) On or prior to each **[_____]** during the term hereof, beginning as of the date hereof, the Borrower agrees to pay to the Agent for the account of the Agent an annual agent fee in an amount to be agreed to by the Borrower and the Agent pursuant to a side letter agreement, and (b) the Borrower agrees to pay to the Agent for the account of each Lender a "Commitment Fee" (herein so called) on the average daily unused amount of such Lender's Revolving Credit Commitment for the period from and including the date of this Agreement to and including the Revolving Credit Termination Date at the Commitment Fee Rate, based on a 360 day year and the actual number of days elapsed. The accrued Commitment Fee shall be payable in arrears on each Quarterly Payment Date and on the Revolving Credit

Termination Date. For the purpose of calculating the Commitment Fee hereunder, the Revolving Credit Commitments shall be deemed utilized by the amount of all Revolving Credit Loan Advances and all Letter of Credit Liabilities and without giving effect to any Swing Loan Advances or SL Participations.

Section 2.11 Determination of Eurodollar Margin, Base Rate Margin, and Commitment Fee Rate. The Eurodollar Margin, Base Rate Margin and Commitment Fee Rate shall be defined and determined as follows:

"Base Rate Margin" means (i) during the period commencing on the date hereof and ending on but not including the first Adjustment Date (defined below), **[___%]** per annum, and (ii) during each period, from and including one Adjustment Date to but excluding the next Adjustment Date (herein a "Calculation Period"), the percent per annum set forth in the table below in this Section 2.11 under the heading "Base Rate Margin" opposite the Total Leverage Ratio calculated for the completed four Fiscal Quarters which immediately preceded the beginning of the applicable Calculation Period.

"Commitment Fee Rate" means (i) during the period commencing on the date hereof and ending on but not including the first Adjustment Date, **[___%]** per annum, and (ii) during each Calculation Period, the percent per annum set forth in the table below in this Section 2.11 under the heading "Commitment Fee Rate" opposite the Total Leverage Ratio calculated for the completed four Fiscal Quarters which immediately preceded the beginning of the applicable Calculation Period.

"Eurodollar Margin" means (i) during the period commencing on the date hereof and ending on but not including the first Adjustment Date, **[___%]** per annum, and (ii) during each Calculation Period, the percent per annum set forth in the table below in this Section 2.11 under the heading "Eurodollar Margin" opposite the Total Leverage Ratio calculated for the completed four Fiscal Quarters which immediately preceded the beginning of the applicable Calculation Period.

Total Leverage Ratio	**Eurodollar Margin**	**Base Rate Margin**	**Commitment Fee Rate**
Less than 1.00:1.00	1.75%	0.00%	0.25%
Less than 1.50:1.00, but greater than or equal to 1.00:1.00	2.00%	0.00%	0.25%
Less than 2.00:1.00, but greater than or equal to 1.50:1.00	2.25%	0.25%	0.25%
Greater than or equal to 2.00:1.00	2.50%	0.50%	0.30%

Upon delivery of the Compliance Certificate pursuant to Section 8.1(c) in connection with the financial statements required to be delivered pursuant to Section 8.1(b) at the end of each Fiscal Quarter commencing with such Compliance Certificate delivered with respect to the Fiscal Quarter ending on **[_____, 2008]** the Eurodollar Margin, the Base Rate Margin and the Commitment Fee Rate shall automatically be adjusted as set forth in the table above, such automatic adjustment to take effect as of the first Business Day after the receipt by the Agent of the related

Compliance Certificate (each such Business Day when the Eurodollar Margin, the Base Rate Margin or the Commitment Fee Rate is adjusted pursuant to this sentence or below, herein an "Adjustment Date"). If the Borrower fails to deliver such Compliance Certificate which so sets forth the Total Leverage Ratio within the period of time required by Section 8.1(c), the Eurodollar Margin, the Base Rate Margin and the Commitment Fee Rate shall automatically be adjusted to the highest applicable percentage set forth in the grid above, such automatic adjustment to take effect as of the first Business Day after the last day on which the Borrower was required to deliver the applicable Compliance Certificate in accordance with Section 8.1(c) and to remain in effect until subsequently adjusted in accordance herewith upon the delivery of a Compliance Certificate.

If, as a result of any restatement of or other adjustment to the financial statements of the Borrower or for any other reason, the Borrower or the Lenders determine that (i) the Total Leverage Ratio as calculated by the Borrower as of any applicable date was inaccurate and (ii) a proper calculation of the Total Leverage Ratio would have resulted in higher pricing for such period, the Borrower shall promptly and retroactively be obligated to pay to the Agent for the account of the applicable Lenders, promptly on demand by the Agent (or, after the occurrence of an actual or deemed entry of an order for relief with respect to the Borrower under the Bankruptcy Code of the United States, automatically and without further action by the Agent, any Lender or the Issuing Bank), an amount equal to the excess of the amount of interest and fees that should have been paid for such period over the amount of interest and fees actually paid for such period. This paragraph shall not limit the rights of the Agent, any Lender or the Issuing Bank, as the case may be, under Sections 2.5, 2.8(a), 2.10, 3.3 or 3.5 or under Article XI. The Borrower's obligations under this paragraph shall survive for a period of six (6) months after the termination of the Commitments and the repayment of all other Obligations hereunder.

Section 2.12 Reduction or Termination of Revolving Credit Commitments.

(a) Optional. The Borrower shall have the right to terminate in whole or reduce in part the unused portion of the Revolving Credit Commitments (including the Swing Commitment) upon at least three Business Days prior notice (which notice shall be irrevocable) to the Agent and each Lender specifying the effective date thereof, whether a termination or reduction is being made, and the amount of any partial reduction, provided that each partial reduction shall be in the amount of $5,000,000 (or in the case of the Swing Commitment, $1,000,000) or an integral multiple thereof and the Revolving Credit Commitments (other than the Swing Commitment) shall not be reduced below the outstanding Letter of Credit Liabilities, and the Borrower shall simultaneously prepay the amount by which the unpaid principal amount of the Revolving Credit Loan Advances, the Swing Loan Advances and outstanding Letter of Credit Liabilities exceeds the Revolving Credit Commitments (after giving effect to such notice) plus accrued and unpaid interest on the principal amount so prepaid. The Revolving Credit Commitments may not be reinstated after they have been terminated or reduced. In addition the Swing Commitment may never be more than the Revolving Credit Commitments (exclusive of the amount of the Swing Commitment).

(b) Mandatory. Upon the occurrence of any event requiring a mandatory prepayment under Section 4.3(c), (i) the Revolving Credit Commitments shall automatically reduce by

the amount equal to 100% of the Net Proceeds from the sale of assets occurring on such date to the extent such amount exceeds either (A) $2,000,000 per Disposition or (B) $6,000,000 in the aggregate for all Dispositions which have occurred since the date hereof, and (ii) the Borrower shall simultaneously prepay the amount by which the unpaid principal amount of the Advances plus the Letter of Credit Liabilities exceeds the Revolving Credit Commitments (after giving effect to such reduction) plus accrued and unpaid interest on the principal amount so prepaid.

Section 2.13 Increase in Revolving Credit Commitments.

(a) Request for Increase. So long as (i) no Default has occurred and is continuing, and (ii) the Borrower has not otherwise terminated or reduced in part any unused portion of the aggregate Revolving Credit Commitments at any time pursuant to Section 2.12, the Borrower may by notice to the Agent, request, not more than two (2) times, an increase in the amount of the aggregate Revolving Credit Commitments within the limitations hereafter described, which notices shall set forth the amount of such increase. In accordance with Section 2.13(d), the amount of the aggregate Revolving Credit Commitments may be so increased either by having one or more New Lenders that have been approved by the Borrower become Lenders and/or by having any one or more of the then existing Lenders (at their respective election in their sole discretion) increase the amount of their Revolving Credit Commitments ("Increasing Lenders"), provided that (i) the Revolving Credit Commitment of any New Lender shall not be less than $5,000,000 and the sum of the Revolving Credit Commitments of the New Lenders and the increases in the Revolving Credit Commitments of the Increasing Lenders shall be in an aggregate amount of not less than $10,000,000 (and, if in excess thereof, in integral multiples of $1,000,000); (ii) the aggregate amount of all the increases in the Revolving Credit Commitments pursuant to this Section 2.13 shall not exceed $30,000,000 and the aggregate Revolving Credit Commitments shall not exceed $110,000,000; (iii) the Borrower, each New Lender and/or each Increasing Lender shall have executed and delivered to the Agent a commitment and acceptance (the "Commitment and Acceptance") substantially in the form of Exhibit G hereto, and the Agent shall have accepted and executed the same, (iv) the Borrower shall have executed and delivered to the Agent a Revolving Credit Note or Revolving Credit Notes payable to the order of each New Lender and/or each Increasing Lender, each such Revolving Credit Note to be in the amount of such New Lender's Revolving Credit Commitment or such Increasing Lender's Revolving Credit Commitment (as applicable); (v) if requested by the Agent, the Borrower shall have delivered to the Agent opinions of Borrower's in-house counsel (substantially similar to the forms of opinions provided for in Section 6.1(l), modified to apply to the increase in the Revolving Credit Commitments and each new Revolving Credit Note and Commitment and Acceptance executed and delivered in connection therewith); (vi) the Guarantors shall have consented in writing to the new Revolving Credit Commitments or increases in Revolving Credit Commitments (as applicable) and shall have agreed that their Guaranty and the Subsidiary Security Agreement continues in full force and effect, and (vii) the Borrower, each New Lender and/or each Increasing Lender shall otherwise have executed and delivered such other instruments and documents as the Agent shall have reasonably requested in connection with such new Revolving Credit Commitment or increase in the Revolving Credit Commitment (as applicable). The form and substance of the documents required under clauses (iii) through (vii) above shall be reasonably acceptable to the Agent. The Agent shall provide written notice to all of the Lenders hereunder of the

admission of any New Lender or the increase in the Revolving Credit Commitment of any Increasing Lender hereunder and shall furnish to each of the Lenders copies of the documents required under clause (iii), (v), (vi) and (vii) above.

(b) Payments Related to Increase. Upon the effective date of any increase in the aggregate Revolving Credit Commitments pursuant to the provisions hereof (such date hereinafter referred to as the "Increase Date"), which Increase Date shall be mutually agreed upon by the Borrower, each New Lender, each Increasing Lender and the Agent, each New Lender and/or Increasing Lender shall make a payment to the Agent in an amount sufficient, upon the application of such payments by all New Lenders and Increasing Lenders to the reduction of the outstanding Revolving Credit Loans held by the Lenders (including the Increasing Lenders) to cause the principal amount outstanding under the Revolving Credit Loans made by each Lender to be equal to each Lender's Applicable Percentage of the Revolving Credit Commitments as so increased as described herein. The Borrower hereby irrevocably authorizes each New Lender and/or each Increasing Lender to fund to the Agent the payment required to be made pursuant to the immediately preceding sentence for application to the reduction of the outstanding Revolving Credit Loans held by the other Lenders, and each such payment shall constitute a Revolving Credit Loan hereunder. If, as a result of the repayment of the Revolving Credit Loans provided for in this Section 2.13(b), any payment of a Eurodollar Advance occurs on a day which is not the last day of the applicable Interest Period, the Borrower will pay to the Agent for the benefit of any of the Lenders (including any Increasing Lender to the extent of Eurodollar Advances held by such Increasing Lender prior to such Increase Date) holding a Eurodollar Advance any loss or cost incurred by such Lender resulting therefrom in accordance with Section 5.5. Upon the Increase Date, all Revolving Credit Loans outstanding hereunder (including any Revolving Credit Loans made by the New Lenders and/or Increasing Lenders on the Increase Date) shall be Base Rate Advances, subject to the Borrower's right to Convert the same to Eurodollar Advances on or after such date in accordance with the provisions of Section 2.7.

(c) Participations in Letters of Credit and Swing Loans. Upon the Increase Date and the making of the Revolving Credit Loans by the New Lenders and/or Increasing Lenders in accordance with the provisions of Section 2.13(b), each New Lender and/or each Increasing Lender shall also be deemed to have irrevocably and unconditionally purchased and received without recourse or warranty, from the Lenders immediately prior to the Increase Date, an undivided interest and participation in any Letter of Credit and Swing Loan, as applicable, then outstanding, ratably, such that each Lender (including each New Lender) with Revolving Credit Commitments holds a participation interest in each such Letter of Credit and Swing Loan, as applicable, in proportion to such Lender's Applicable Percentage of the Revolving Credit Commitments as so increased.

(d) Lender Elections to Increase. Upon the notice by the Borrower to the Agent pursuant to Section 2.13(a) hereof, each of the then existing Lenders shall have the right (at such Lender's election) to increase its Revolving Credit Commitment by an amount equal to such Lender's Applicable Percentage of the proposed increase in the aggregate Revolving Credit Commitments. If less than all of the proposed increase in aggregate Revolving Credit Commitments is elected by the existing Lenders, then any of the then existing Lenders shall have the right to increase its Revolving Credit Commitment in an amount greater than such Lender's Applicable Percentage of the proposed increase in the aggregate Revolving Credit

Commitments with the Agent's approval. If the entire amount of the proposed increase in aggregate Revolving Credit Commitments is still not obtained, the Borrower may with the Agent's cooperation add New Lenders, such New Lenders to be reasonably acceptable to the Agent, with new Revolving Credit Commitments which when added to the increase in Revolving Credit Commitments of the Increasing Lenders, shall equal the requested increase in the aggregate Revolving Credit Commitments. In the event the sum of each New Lender's Revolving Credit Commitment and the increase in each Increasing Lender's Revolving Credit Commitment is less than the requested increase in the aggregate Revolving Credit Commitments, the Borrower may elect to accept the increase in the aggregate Revolving Credit Commitments to be equal to such lesser amount. Notwithstanding anything to the contrary, Agent shall not be liable for any failure to obtain Increasing Lenders or New Lenders hereunder or any failure to increase the aggregate Revolving Credit Commitments by the amount so requested by the Borrower pursuant to Section 2.13(a).

(e) No Commitment to Increase. Nothing contained herein shall constitute, or otherwise be deemed to be a commitment or agreement on the part of any Lender to increase its Revolving Credit Commitment hereunder at any time. No Lender (except only for itself) shall have the right to decline Borrower's request pursuant to Section 2.13(a) for an increase in the aggregate Revolving Credit Commitments.

(f) Conflicting Provisions. This Section shall supersede any provisions in Section 13.9 to the contrary.

ARTICLE III

Letters of Credit

Section 3.1 Letters of Credit.

(a) Subject to the terms and conditions of this Agreement, the Issuing Bank agrees to issue one or more Letters of Credit for the account of the Borrower or any Guarantor from time to time from the date hereof to but excluding the date 30 days prior to the Revolving Credit Termination Date; provided, however, that the outstanding Letter of Credit Liabilities shall not at any time exceed the lesser of (i) $5,000,000, and (ii) an amount equal to (A) the aggregate Revolving Credit Commitments, minus (B) the sum of the outstanding Revolving Credit Loan Advances and Swing Loan Advances. Each Letter of Credit shall have an expiration date not beyond five Business Days prior to the Revolving Credit Termination Date, shall be payable in Dollars, must support a transaction that is entered into in the ordinary course of the Borrower's business, must be satisfactory in form and substance to the Issuing Bank, and shall be issued pursuant to such documents and instruments (including, without limitation, the Issuing Bank's standard application for issuance of letters of credit as then in effect) as the Issuing Bank may require. No Letter of Credit shall require any payment by the Issuing Bank to the beneficiary thereunder pursuant to a drawing prior to the third Business Day following presentment of a draft and any related documents to the Issuing Bank.

(b) By the issuance of each Letter of Credit and without any further action on the part of the Issuing Bank or any of the Lenders in respect thereof, the Issuing Bank hereby grants to each Lender and each Lender hereby agrees to acquire from the Issuing Bank a

participation in each Letter of Credit and the related Letter of Credit Liabilities, effective upon the issuance thereof without recourse or warranty, equal to such Lender's pro rata share (based on the Revolving Credit Commitments) of such Letter of Credit and Letter of Credit Liabilities. In furtherance of the foregoing, each Lender hereby absolutely and unconditionally agrees to pay to the Issuing Bank, as and when required by Section 3.4, such Lender's pro rata share of each Letter of Credit Disbursement. Each Lender acknowledges and agrees that its obligation to acquire participations pursuant to this Section 3.1(b) in respect of each Letter of Credit is absolute and unconditional and shall not be affected by any circumstance whatsoever, including without limitation the occurrence and continuance of any Default, and that each such payment shall be made without any offset, abatement, withholding, or reduction whatsoever. This agreement to grant and acquire participations is an agreement between the Issuing Bank and the Lenders, and neither the Borrower nor any beneficiary of a Letter of Credit shall be entitled to rely thereon. The Borrower agrees that each Lender purchasing a participation from the Issuing Bank pursuant to this Section 3.1(b) may exercise all its rights to payment against the Borrower including the right of setoff, with respect to such participation as fully as if such Lender were the direct creditor of the Borrower in the amount of such participation.

(c) The Issuing Bank agrees with each Lender that it shall transfer to such Lender, without any offset, abatement, withholding, or reduction whatsoever, such Lender's proportionate share of any payment of a reimbursement obligation of the Borrower with respect to a Letter of Credit Disbursement, including interest payments made to the Issuing Bank on such Letter of Credit Disbursement, based on the proportion that the payment made by such Lender to the Issuing Bank in respect of the principal amount of such Letter of Credit Disbursement bears to the outstanding principal amount of such Letter of Credit Disbursement.

Section 3.2 Procedure for Issuing Letters of Credit. Each Letter of Credit shall be issued on at least three Business Days prior notice from the Borrower to the Issuing Bank by means of a Letter of Credit Request Form describing the transaction proposed to be supported thereby and specifying (a) the date on which such Letter of Credit is to be issued (which shall be a Business Day) and the face amount thereof, (b) the name and address of the beneficiary, (c) whether such Letter of Credit shall permit a single drawing or multiple drawings, (d) the conditions permitting the drawing or drawings thereunder, (e) whether the draft thereunder shall be a sight or time draft and, if the latter, the date when the draft shall be payable, (f) the form of the draft and any other documents required to be presented at the time of any drawing (such notice to set forth the exact wording of such documents or to attach copies thereof), and (g) the expiration date of such Letter of Credit. Upon fulfillment of the applicable conditions precedent in Article VI, the Issuing Bank shall make the applicable Letter of Credit available to the Borrower or, if so requested by the Borrower, to the beneficiary of the Letter of Credit.

Section 3.3 Presentment and Reimbursement. (a) Promptly upon receipt of any documents purporting to represent a demand for payment under a Letter of Credit, the Issuing Bank shall give notice to the Borrower of the receipt thereof, which notice may be telephonic to be followed by written notice (which notice may be made by electronic mail or other electronic media) to the Borrower's general counsel and chief financial officer. If the Issuing Bank shall have determined that a demand for payment under a Letter of Credit appears on its face to be in conformity with the terms and conditions of such Letter of Credit, the Issuing Bank shall give

notice to the Borrower, which notice may be telephonic, of the receipt and amount of such drawing and the date on which payment thereon will be made. If the Borrower shall not have discharged in full by 10:00 a.m. (Austin, Texas time) on the date of such payment, its obligation to reimburse the Issuing Bank in the amount of such drawing under such Letter of Credit, then the amount of such drawing for which the Issuing Bank shall not have been reimbursed by the Borrower shall be paid by the Borrower to the Issuing Bank or, to the extent the Issuing Bank shall have received payments with respect to such drawing from the Lenders, to the Issuing Bank for the account of the Lenders, within three Business Days after the date of such drawing (but in any event before the Revolving Credit Termination Date), together with interest on such amount at the Default Rate from the date of payment by the Issuing Bank to the beneficiary under the Letter of Credit (each such payment made after 10:00 a.m. (Austin, Texas time) on such due date to be deemed to be made on the next succeeding Business Day). The obligations of the Borrower under this Section 3.3 shall be unconditional, absolute, and irrevocable in all respects.

Section 3.4 Payment. If the Issuing Bank shall pay any draft presented under a Letter of Credit issued by it and if the Borrower shall not have discharged in full its reimbursement obligation by 10:00 a.m. (Austin, Texas time) on the date of such Letter of Credit Disbursement, then the Issuing Bank shall as promptly as practicable give telephonic (which shall be promptly confirmed in writing) or facsimile notice to each Lender of the date of such payment and the amount of such payment and each Lender shall pay to the Issuing Bank, in immediately available funds, not later than 3:00 p.m. (Austin, Texas time) on the date of such payment (or, if Issuing Bank shall notify the Lenders of such payment after 11:00 a.m. (Austin, Texas time) then not later than 12:00 p.m. (Austin, Texas time) on the next succeeding Business Day), an amount equal to such Lender's pro rata share of such drawing; provided that, if any Lender shall for any reason fail to pay the Issuing Bank its pro rata share of the drawing on the date of such payment, the Issuing Bank shall itself fund such Lender's pro rata share while retaining the right to proceed against such Lender for reimbursement therefor. In the event that the Issuing Bank shall fund a Lender's pro rata share of a drawing, the amount so funded shall bear interest at a rate per annum equal to the Federal Funds Rate and shall be payable by such Lender when it reimburses the Issuing Bank for funding its pro rata part (with interest to accrue from and including the date of such funding to and excluding the date of reimbursement). In the event that a Lender, after notice, pays its pro rata share of a drawing hereunder and such payment is not required to fund a Letter of Credit Disbursement, the Issuing Bank shall return such payment to the Lender with interest calculated at a rate per annum equal to the Federal Funds Rate (with interest to accrue from and including the date of such funding to and excluding the date of return). The obligation of each Lender to pay to the Issuing Bank such Lender's pro rata part of any drawing under a Letter of Credit shall be absolute and unconditional under any and all circumstances (including without limitation the passage of the Revolving Credit Termination Date), and such obligations shall be several and not joint.

Section 3.5 Letter of Credit Fee. The Borrower shall pay to the Agent, for the account of the Lenders, a nonrefundable letter of credit fee for each Letter of Credit payable in arrears on each Quarterly Payment Date in an amount equal to the applicable Eurodollar Margin multiplied by the undrawn amount of such Letter of Credit, based on a 360 day year and the actual number of days in the stated term of such Letter of Credit. In addition, the Borrower shall pay to the Issuing Bank, solely for its own account as issuer of Letters of Credit, nonrefundable fronting, amendment, transfer, negotiation and other fees as determined in accordance with the Issuing Bank's then current fee policy.

Section 3.6 Obligations Absolute. The obligations of the Borrower under this Agreement and the other Loan Documents (including without limitation the obligation of the Borrower to reimburse the Issuing Bank for draws under any Letter of Credit) shall be absolute, unconditional, and irrevocable, and shall be performed strictly in accordance with the terms of this Agreement and the other Loan Documents under all circumstances whatsoever, including without limitation the following circumstances:

(a) Any lack of validity or enforceability of any Letter of Credit or any other Loan Document;

(b) Any amendment or waiver of or any consent to departure from any Loan Document;

(c) The existence of any claim, set-off, counterclaim, defense or other rights which the Borrower, any Obligated Party, or any other Person may have at any time against any beneficiary of any Letter of Credit, the Issuing Bank, any Lender, the Agent, or any other Person, whether in connection with this Agreement or any other Loan Document or any unrelated transaction;

(d) Any statement, draft, or other document presented under any Letter of Credit proving to be forged, fraudulent, invalid, or insufficient in any respect or any statement therein being untrue or inaccurate in any respect whatsoever;

(e) Payment by the Issuing Bank under any Letter of Credit against presentation of a draft or other document which does not comply with the terms of such Letter of Credit; or

(f) Any other circumstance or happening whatsoever, whether or not similar to any of the foregoing.

Section 3.7 Limitation of Liability. The Borrower assumes all risks of the acts or omissions of any beneficiary of any Letter of Credit with respect to its use of such Letter of Credit. Neither the Issuing Bank, the Lenders, the Agent, nor any of their officers or directors shall have any responsibility or liability to the Borrower or any other Person for: (a) the failure of any draft to bear any reference or adequate reference to any Letter of Credit, or the failure of any documents to accompany any draft at negotiation, or the failure of any Person to surrender or to take up any Letter of Credit or to send documents apart from drafts as required by the terms of any Letter of Credit, or the failure of any Person to note the amount of any instrument on any Letter of Credit, each of which requirements, if contained in any Letter of Credit itself, it is agreed may be waived by the Issuing Bank, (b) errors, omissions, interruptions, or delays in transmission or delivery of any messages, (c) the validity, sufficiency, or genuineness of any draft or other document, or any endorsement(s) thereon, even if any such draft, document or endorsement should in fact prove to be in any and all respects invalid, insufficient, fraudulent, or forged or any statement therein is untrue or inaccurate in any respect, (d) the payment by the Issuing Bank to the beneficiary of any Letter of Credit against presentation of any draft or other document that does not comply with the terms of the Letter of Credit, or (e) any other circumstance whatsoever in making or failing to make any payment under a Letter of Credit. The Borrower shall have a claim against the Issuing Bank, and the Issuing Bank shall be liable to the Borrower, to the extent of any direct, but not consequential, damages suffered by the Borrower which the Borrower proves in a final nonappealable judgment were caused by (i) the

Issuing Bank's willful misconduct or gross negligence in determining whether documents presented under any Letter of Credit complied with the terms thereof or (ii) the Issuing Bank's willful failure to pay under any Letter of Credit after presentation to it of documents strictly complying with the terms and conditions of such Letter of Credit. The Issuing Bank may accept documents that appear on their face to be in order, without responsibility for further investigation, regardless of any notice or information to the contrary.

ARTICLE IV

Payments

Section 4.1 Method of Payment. Except as provided in Article III, all payments of principal, interest, and other amounts to be made by the Borrower under this Agreement and the other Loan Documents shall be made to the Agent at the Payment Office for the account of each Lender's Applicable Lending Office in Dollars and in immediately available funds by credit to Account Number 4518-151436, without setoff, deduction, or counterclaim, not later than 1:00 p.m. (Austin, Texas time) on the date on which such payment shall become due (each such payment made after such time on such due date to be deemed to have been made on the next succeeding Business Day). The Borrower shall, at the time of making each such payment, specify to the Agent the sums payable by the Borrower under this Agreement and the other Loan Documents to which such payment is to be applied (and in the event that the Borrower fails to so specify, or if an Event of Default has occurred and is continuing, the Agent may apply such payment to the Obligations in such order and manner as it may elect in its sole discretion, subject to Section 4.4 hereof). Each payment received by the Agent under this Agreement or any other Loan Document for the account of a Lender shall be paid by the Agent to such Lender, in immediately available funds, for the account of such Lender's Applicable Lending Office within one Business Day following receipt thereof. Whenever any payment under this Agreement or any other Loan Document shall be stated to be due on a day that is not a Business Day, such payment may be made on the next succeeding Business Day, and such extension of time shall in such case be included in the computation of the payment of interest, the Commitment Fee and any other fees, as the case may be.

Section 4.2 Voluntary Prepayment. The Borrower may, upon at least one Business Day prior notice to the Agent in the case of Base Rate Advances (except as otherwise provided for under Section 2.8(a) for Swing Loan Advances), and at least three Business Days prior notice to the Agent in the case of Eurodollar Advances, voluntarily prepay the Advances in whole at any time or from time to time in part without premium or penalty but with accrued interest to the date of prepayment on the amount so prepaid, provided that (a) any prepayments of Eurodollar Advances, if prepaid on other than the last day of the Interest Period for such Advances, shall be accompanied by all additional amounts which may be required pursuant to Sections 5.1 and 5.5 and (b) each partial prepayment shall be in the principal amount of $500,000 or a whole multiple of $100,000 in excess thereof. All notices under this Section shall be irrevocable and shall be given not later than 11:00 a.m. (Austin, Texas time) on the day which is not less than the number of Business Days specified above for such notice. Any such voluntary prepayments shall be applied as the Borrower and the Agent may agree, but in the absence of such agreement, first to the Swing Loan Advances, then to Letter of Credit Disbursements for which the Issuing Bank has not been reimbursed by the Borrower, then to Base Rate Advances under the Revolving Credit Loan, then to Eurodollar Advances under the Revolving Credit Loan, then to the

remaining Letter of Credit Liabilities and then to the Term Loan to be applied to the scheduled payments in inverse order of maturity. Any prepayments hereunder shall be accompanied with accrued and unpaid interest on the amount prepaid to the date of prepayment.

Section 4.3 Mandatory Prepayments.

(a) If at any time the amount equal to the sum of (i) the outstanding principal amount of all Revolving Credit Loan Advances and the Swing Loan Advances, plus (ii) the Letter of Credit Liabilities, exceeds the Revolving Credit Commitments, the Borrower shall promptly prepay Revolving Credit Loan Advances, Swing Loan Advances and the Letter of Credit Disbursements by the amount of the excess or, if no Revolving Credit Loan Advances, Swing Loan Advances or Letter of Credit Disbursements are outstanding, the Borrower shall immediately pledge to the Agent cash or Cash Equivalent Investments (subject to no other Liens) in an amount equal to the excess as security for the Obligations. Any such mandatory prepayments shall be applied first to the Term Loan, then to the Swing Loan Advances, then to Letter of Credit Disbursements for which the Issuing Bank has not been reimbursed by the Borrower, then to Base Rate Advances under the Revolving Credit Loan, then to Eurodollar Advances under the Revolving Credit Loan, and then to the remaining Letter of Credit Liabilities. Any prepayments hereunder shall be accompanied with accrued and unpaid interest on the amount prepaid to the date of prepayment.

(b) After any reduction in the Revolving Credit Commitments pursuant to Section 2.12, the Borrower shall promptly prepay the outstanding Revolving Credit Loan Advances and Swing Loan Advances by the amount which the sum of the outstanding principal amount of the Advances under the Revolving Credit Loan and the Swing Loan plus the Letter of Credit Liabilities exceeds the Revolving Credit Commitments, as reduced.

(c) Upon the Disposition of any assets (other than Dispositions of equity interests or Dispositions of assets permitted under Sections 9.8(a) and (d)), the Borrower shall promptly prepay the Advances by an amount equal to the Net Proceeds of such Disposition; provided however, with respect to any Dispositions permitted under Sections 9.8(b), (c) and (e), the Borrower shall promptly prepay the Advances by an amount equal to the Net Proceeds of such Disposition to the extent such amount exceeds either (i) $2,000,000 per Disposition or (ii) $6,000,000 in the aggregate for all Dispositions which have occurred since the date hereof. Any such mandatory prepayments shall be applied first to the Term Loan, then to the Swing Loan Advances, then to Letter of Credit Disbursements for which the Issuing Bank has not been reimbursed by the Borrower, then to the Base Rate Advances under the Revolving Credit Loan, then to Eurodollar Advances under the Revolving Credit Loan, and then to the remaining Letter of Credit Liabilities. Any prepayments hereunder shall be accompanied with accrued and unpaid interest on the amount prepaid to the date of prepayment.

Section 4.4 Pro Rata Treatment. Except to the extent otherwise provided herein: (a) each Advance shall be made by the Lenders under Section 2.1, the Term Loan shall be made by the Lenders under Section 2.2, each payment of the Commitment Fee under Section 2.10, each payment of the Letter of Credit fee under Section 3.5 (except as provided therein) shall be made for the account of the Lenders, pro rata according to their respective Commitments; (b) each termination or reduction of the Revolving Credit Commitments under Section 2.12 shall be applied to the Revolving Credit Commitments of the Lenders, pro rata according to the

respective Revolving Credit Commitments; (c) the making, Conversion, and Continuation of Advances of a particular Type (other than Conversions provided for by Section 5.4) shall be made pro rata among the Lenders holding Advances of such Type according to the amounts of their respective Commitments; (d) each payment and prepayment of principal of or interest on Advances by the Borrower or any Obligated Party of a particular Type of Loan shall be made to the Agent for the account of the Lenders pro rata in accordance with the respective unpaid principal amounts of such Advances of such Loan held by such Lenders; (e) any and all other monies received by the Agent from any source other than pursuant to any of clauses (a) through (d) hereinabove (including, without limitation, from the Borrower or any Guarantor) to be applied first against the Primary Obligations and shall be for the pro rata benefit and account of the Lenders based upon each Lender's aggregate outstanding Advances of all Types and LC Participations and SL Participations to the aggregate outstanding Advances of all Types and LC Participations and SL Participations of all Lenders and then against the Secondary Obligations and shall be for the pro rata benefit and account of the Lenders based upon their respective unpaid amounts of the Secondary Obligations; and (f) the Lenders shall purchase from the Issuing Bank and the Swing Lender pursuant to Section 3.1 and Section 2.8 respectively, participations in the Letters of Credit and the related Letter of Credit Liabilities and the Swing Loans respectively, pro rata in accordance with their Revolving Credit Commitments.

Section 4.5 Non-Receipt of Funds by the Agent.

(a) Funding by Lenders; Presumption by Agent. Unless the Agent shall have received notice from a Lender prior to the proposed date of any Advance that such Lender will not make available to the Agent such Lender's share of such Advance, the Agent may assume that such Lender has made such share available on such date in accordance with Section 2.6 and may, in reliance upon such assumption, make available to the Borrower a corresponding amount. In such event, if a Lender has not in fact made its share of the applicable Advance available to the Agent, then the applicable Lender and the Borrower severally agree to pay to the Agent forthwith on demand such corresponding amount with interest thereon, for each day from and including the date such amount is made available to the Borrower to but excluding the date of payment to the Agent, at (i) in the case of a payment to be made by such Lender, the greater of the Federal Funds Rate and a rate determined by the Agent in accordance with banking industry rules on interbank compensation and (ii) in the case of a payment to be made by the Borrower, the interest rate applicable to Base Rate Advances. If the Borrower and such Lender shall pay such interest to the Agent for the same or an overlapping period, the Agent shall promptly remit to the Borrower the amount of such interest paid by the Borrower for such period. If such Lender pays its share of the applicable Advance to the Agent, then the amount so paid shall constitute such Lender's Loan included in such Advance. Any payment by the Borrower shall be without prejudice to any claim the Borrower may have against a Lender that shall have failed to make such payment to the Agent.

(b) Payments by Borrower; Presumptions by Agent. Unless the Agent shall have received notice from the Borrower prior to the date on which any payment is due to the Agent for the account of the Lenders or the Issuing Bank hereunder that the Borrower will not make such payment, the Agent may assume that the Borrower has made such payment on such date in accordance herewith and may, in reliance upon such assumption, distribute to the Lenders or the Issuing Bank, as the case may be, the amount due. In such event, if the

Borrower has not in fact made such payment, then each of the Lenders or the Issuing Bank, as the case may be, severally agrees to repay to the Agent forthwith on demand the amount so distributed to such Lender or the Issuing Bank, with interest thereon, for each day from and including the date such amount is distributed to it to but excluding the date of payment to the Agent, at the greater of the Federal Funds Rate and a rate determined by the Agent in accordance with banking industry rules on interbank compensation.

Section 4.6 Taxes.

(a) Payments Free of Taxes. Any and all payments by or on account of any obligation of the Borrower hereunder or under any other Loan Document shall be made free and clear of and without reduction or withholding for any Indemnified Taxes or Other Taxes, provided that if the Borrower shall be required by applicable law to deduct any Indemnified Taxes (including any Other Taxes) from such payments, then (i) the sum payable shall be increased as necessary so that after making all required deductions (including deductions applicable to additional sums payable under this Section) the Agent, Lender or Issuing Bank, as the case may be, receives an amount equal to the sum it would have received had no such deductions been made, (ii) the Borrower shall make such deductions and (iii) the Borrower shall timely pay the full amount deducted to the relevant Governmental Authority in accordance with applicable law.

(b) Payment of Other Taxes by the Borrower. Without limiting the provisions of clause (a) above, the Borrower shall timely pay any Other Taxes to the relevant Governmental Authority in accordance with applicable law.

(c) Indemnification by the Borrower. The Borrower shall indemnify the Agent, each Lender and the Issuing Bank, within 10 days after demand therefor, for the full amount of any Indemnified Taxes or Other Taxes (including Indemnified Taxes or Other Taxes imposed or asserted on or attributable to amounts payable under this Section) paid by the Agent, such Lender or the Issuing Bank, as the case may be, and any penalties, interest and reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes or Other Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to the Borrower by a Lender or the Issuing Bank (with a copy to the Agent), or by the Agent on its own behalf or on behalf of a Lender or the Issuing Bank, shall be conclusive absent manifest error.

(d) Evidence of Payments. As soon as practicable after any payment of Indemnified Taxes or Other Taxes by the Borrower to a Governmental Authority, the Borrower shall deliver to the Agent the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Agent.

(e) Status of Lenders. Any Foreign Lender that is entitled to an exemption from or reduction of withholding tax under the law of the jurisdiction in which the Borrower is resident for tax purposes, or any treaty to which such jurisdiction is a party, with respect to payments hereunder or under any other Loan Document shall deliver to the Borrower (with a copy to the Agent), at the time or times prescribed by applicable law or reasonably requested by the Borrower or the Agent, such properly completed and executed documentation

prescribed by applicable law as will permit such payments to be made without withholding or at a reduced rate of withholding. In addition, any Lender, if requested by the Borrower or the Agent, shall deliver such other documentation prescribed by applicable law or reasonably requested by the Borrower or the Agent as will enable the Borrower or the Agent to determine whether or not such Lender is subject to backup withholding or information reporting requirements. Without limiting the generality of the foregoing, in the event that the Borrower is resident for tax purposes in the United States of America, any Foreign Lender shall deliver to the Borrower and the Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the request of the Borrower or the Agent, but only if such Foreign Lender is legally entitled to do so), whichever of the following is applicable:

(i) duly completed copies of Internal Revenue Service Form W-8BEN claiming eligibility for benefits of an income tax treaty to which the United States of America is a party,

(ii) duly completed copies of Internal Revenue Service Form W-8ECI,

(iii) in the case of a Foreign Lender claiming the benefits of the exemption for portfolio interest under section 881(c) of the Code, (x) a certificate to the effect that such Foreign Lender is not (A) a "bank" within the meaning of section 881(c)(3)(A) of the Code, (B) a "10 percent shareholder" of the Borrower within the meaning of section 881(c)(3)(B) of the Code, or (C) a "controlled foreign corporation" described in section 881(c)(3)(C) of the Code and (y) duly completed copies of Internal Revenue Service Form W-8BEN, or

(iv) any other form prescribed by applicable law as a basis for claiming exemption from or a reduction in United States Federal withholding tax duly completed together with such supplementary documentation as may be prescribed by applicable law to permit the Borrower to determine the withholding or deduction required to be made.

(f) Treatment of Certain Refunds. If the Agent, a Lender or the Issuing Bank determines, in its sole discretion, that it has received a refund of any Taxes or Other Taxes as to which it has been indemnified by the Borrower or with respect to which the Borrower has paid additional amounts pursuant to this Section, it shall pay to the Borrower an amount equal to such refund (but only to the extent of indemnity payments made, or additional amounts paid, by the Borrower under this Section with respect to the Taxes or Other Taxes giving rise to such refund), net of all out-of-pocket expenses of the Agent, such Lender or the Issuing Bank, as the case may be, and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund), provided that the Borrower, upon the request of the Agent, such Lender or the Issuing Bank, agrees to repay the amount paid over to the Borrower (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) to the Agent, such Lender or the Issuing Bank in the event the Agent, such Lender or the Issuing Bank is required to repay such refund to such Governmental Authority. This clause shall not be construed to require the Agent, any Lender or the Issuing Bank to make available its tax returns (or any other information relating to its taxes that it deems confidential) to the Borrower or any other Person.

Section 4.7 Mitigation Obligations; Replacement of Lenders.

(a) Designation of a Different Lending Office. If any Lender requests compensation under Section 5.1, or requires the Borrower to pay any additional amount to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 4.6, then such Lender shall use reasonable efforts to designate a different lending office for funding or booking its Loans hereunder or to assign its rights and obligations hereunder to another of its offices, branches or affiliates, if, in the judgment of such Lender, such designation or assignment (i) would eliminate or reduce amounts payable pursuant to Section 4.6 or 5.1, as the case may be, in the future and (ii) would not subject such Lender to any unreimbursed cost or expense and would not otherwise be disadvantageous to such Lender. The Borrower hereby agrees to pay all reasonable costs and expenses incurred by any Lender in connection with any such designation or assignment.

(b) Replacement of Lenders. If any Lender requests compensation under Section 5.1, or if the Borrower is required to pay any additional amount to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 4.6, or if any Lender defaults in its obligation to fund Loans hereunder, then the Borrower may, at its sole expense and effort, upon notice to such Lender and the Agent, require such Lender to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in, and consents required by, Section 13.7), all of its interests, rights and obligations under this Agreement and the related Loan Documents to an assignee that shall assume such obligations (which assignee may be another Lender, if a Lender accepts such assignment), provided that:

(i) the Borrower shall have paid to the Agent the assignment fee specified in Section 13.7;

(ii) such Lender shall have received payment of an amount equal to the outstanding principal of its Loans and LC Participations, accrued interest thereon, accrued fees and all other amounts payable to it hereunder and under the other Loan Documents (including any amounts under Section 5.5) from the assignee (to the extent of such outstanding principal and accrued interest and fees) or the Borrower (in the case of all other amounts);

(iii) in the case of any such assignment resulting from a claim for compensation under Section 5.1 or payments required to be made pursuant to Section 4.6, such assignment will result in a reduction in such compensation or payments thereafter; and

(iv) such assignment does not conflict with applicable law.

A Lender shall not be required to make any such assignment or delegation if, prior thereto, as a result of a waiver by such Lender or otherwise, the circumstances entitling the Borrower to require such assignment and delegation cease to apply.

Section 4.8 Computation of Interest. Interest on the Advances based on the Prime Rate shall be computed on the basis of a year of 365 or 366 days, as the case may be. All other interest on the Advances and all other amounts payable by the Borrower hereunder shall be

computed on the basis of a year of 360 days and the actual number of days elapsed (including the first day but excluding the last day) unless such calculation would result in a usurious rate, in which case interest shall be calculated on the basis of a year of 365 or 366 days, as the case may be.

Section 4.9 Proceeds of Collateral and Collections under the Guaranty.

(a) Proceeds. Except as otherwise permitted by Section 4.3, any proceeds received by the Agent from the sale or other liquidation of the Collateral and from collections under the Guaranty shall first be applied as payment of the accrued and unpaid fees of the Agent hereunder and then to all other unpaid or unreimbursed Obligations (including reasonable attorneys' fees and expenses) owing to the Agent in its capacity as Agent only. Any amount of such proceeds remaining after the applications described in the preceding sentence shall be distributed:

(i) first, to the Lenders, pro rata, in accordance with the respective unpaid amounts of the Primary Obligations (including in such Primary Obligations for purposes of this calculation all Letter of Credit Liabilities) until all Primary Obligations are paid in full and provided that each Lender's pro rata portion of such proceeds applicable to Letter of Credit Liabilities shall be held by the Agent (and not disbursed to the Lenders) as collateral for the Letter of Credit Liabilities relating thereto;

(ii) then to the Lenders, pro rata, in accordance with the respective unpaid amounts of the Secondary Obligations; and

(iii) after all Primary Obligations are paid in full, and all Letter of Credit Liabilities have terminated or are otherwise satisfied, all remaining portions of the proceeds of the Collateral then held by the Agent or such Lender as collateral for the Letter of Credit Liabilities shall be distributed to the Lenders, pro rata, in accordance with their respective unpaid amounts of the Secondary Obligations.

(b) Noncash Proceeds. Notwithstanding anything to the contrary contained herein, if the Agent shall ever acquire any Collateral through foreclosure or by a conveyance in lieu of foreclosure or by retaining any of the Collateral in satisfaction of all or part of the Obligations or if any proceeds of Collateral received by the Agent to be distributed and shared pursuant to this Section 4.9 are in a form other than immediately available funds, the Agent shall not be required to remit any share thereof under the terms hereof and the Lenders shall only be entitled to their undivided interests in the Collateral or noncash proceeds as determined hereby. The Lenders shall receive the applicable portions (as determined in accordance with Section 4.9(a)) of any immediately available funds consisting of proceeds from such Collateral or proceeds of such noncash proceeds so acquired only if any when paid in connection with the subsequent disposition thereof. While any Collateral or other property to be shared pursuant to this Section 4.9 is held by the Agent pursuant to this clause (b), the Agent shall hold such Collateral or other property for the benefit of the Lenders and all matters relating to the management, operation, further disposition or any other aspect of such Collateral or other property shall be resolved by the agreement of the Required Lenders.

(c) Payments Set Aside. To the extent that any payment by or on behalf of the Borrower is made to the Agent or any Lender, or the Agent or any Lender exercises its right of set-off, and such payment or the proceeds of such set-off or any part thereof is subsequently invalidated, declared to be fraudulent or preferential, set aside or required (including pursuant to any settlement entered into by the Agent or such Lender in its discretion) to be repaid to a trustee, receiver or any other party, in connection with any proceeding under the Bankruptcy Code of the United States of America, or any other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency, reorganization or similar laws of the applicable jurisdictions or otherwise, then (i) to the extent of such recovery, the obligation or part thereof originally intended to be satisfied shall be revived and continued in full force and effect as if such payment had not been made or such set-off had not occurred, and (ii) each Lender severally agrees to pay to the Agent upon demand its applicable share of any amount so recovered from or repaid by the Agent, plus interest thereon from the date of such demand to the date such payment is made at a rate per annum equal to the Federal Funds Rate from time to time in effect.

ARTICLE V

Yield Protection

Section 5.1 Increased Costs.

(a) Increased Costs Generally. If any Change in Law shall:

(i) impose, modify or deem applicable any reserve, special deposit, compulsory loan, insurance charge or similar requirement against assets of, deposits with or for the account of, or credit extended or participated in by, any Lender (except any reserve requirement reflected in the Adjusted Eurodollar Rate) or the Issuing Bank;

(ii) subject any Lender or the Issuing Bank to any tax of any kind whatsoever with respect to this Agreement, any Letter of Credit, any participation in a Letter of Credit or any Eurodollar Advance made by it, or change the basis of taxation of payments to such Lender or the Issuing Bank in respect thereof (except for Indemnified Taxes or Other Taxes covered by Section 4.6 and the imposition of, or any change in the rate of, any Excluded Tax payable by such Lender or the Issuing Bank); or

(iii) impose on any Lender or the Issuing Bank or the London interbank market any other condition, cost or expense affecting this Agreement or Eurodollar Advances made by such Lender or any Letter of Credit or participation therein;

and the result of any of the foregoing shall be to increase the cost to such Lender of making or maintaining any Eurodollar Advance (or of maintaining its obligation to make any such Loan), or to increase the cost to such Lender or the Issuing Bank of participating in, issuing or maintaining any Letter of Credit (or of maintaining its obligation to participate in or to issue any Letter of Credit), or to reduce the amount of any sum received or receivable by such Lender or the Issuing Bank hereunder (whether of principal, interest or any other

amount) then, upon request of such Lender or the Issuing Bank, the Borrower will pay to such Lender or the Issuing Bank, as the case may be, such additional amount or amounts as will compensate such Lender or the Issuing Bank, as the case may be, for such additional costs incurred or reduction suffered.

(b) Capital Requirements. If any Lender or the Issuing Bank determines that any Change in Law affecting such Lender or the Issuing Bank or any lending office of such Lender or such Lender's or the Issuing Bank's holding company, if any, regarding capital requirements has or would have the effect of reducing the rate of return on such Lender's or the Issuing Bank's capital or on the capital of such Lender's or the Issuing Bank's holding company, if any, as a consequence of this Agreement, the Commitments of such Lender or the Loans made by, or participations in Letters of Credit held by, such Lender, or the Letters of Credit issued by the Issuing Bank, to a level below that which such Lender or the Issuing Bank or such Lender's or the Issuing Bank's holding company could have achieved but for such Change in Law (taking into consideration such Lender's or the Issuing Bank's policies and the policies of such Lender's or the Issuing Bank's holding company with respect to capital adequacy), then from time to time the Borrower will pay to such Lender or the Issuing Bank, as the case may be, such additional amount or amounts as will compensate such Lender or the Issuing Bank or such Lender's or the Issuing Bank's holding company for any such reduction suffered.

(c) Certificates for Reimbursement. A certificate of a Lender or the Issuing Bank setting forth the amount or amounts necessary to compensate such Lender or the Issuing Bank or its holding company, as the case may be, as specified in clauses (a) or (b) of this Section and delivered to the Borrower shall be conclusive absent manifest error. The Borrower shall pay such Lender or the Issuing Bank, as the case may be, the amount shown as due on any such certificate within 10 days after receipt thereof.

(d) Delay in Requests. Failure or delay on the part of any Lender or the Issuing Bank to demand compensation pursuant to this Section shall not constitute a waiver of such Lender's or the Issuing Bank's right to demand such compensation, provided that the Borrower shall not be required to compensate a Lender or the Issuing Bank pursuant to this Section for any increased costs incurred or reductions suffered more than six months prior to the date that such Lender or the Issuing Bank, as the case may be, notifies the Borrower of the Change in Law giving rise to such increased costs or reductions and of such Lender's or the Issuing Bank's intention to claim compensation therefor (except that, if the Change in Law giving rise to such increased costs or reductions is retroactive, then the six—month period referred to above shall be extended to include the period of retroactive effect thereof).

Section 5.2 Limitation on Types of Advances. Anything herein to the contrary notwithstanding, if with respect to any Eurodollar Advances for any Interest Period therefor:

(a) The Agent determines (which determination shall be conclusive) that quotations of interest rates for the relevant deposits referred to in the definition of "Eurodollar Rate" in Section 1.1 hereof are not being provided in the relative amounts or for the relative maturities for purposes of determining the rate of interest for such Advances as provided in this Agreement; or

(b) Required Lenders determine (which determination shall be conclusive absent manifest error) and notify the Agent that the relevant rates of interest referred to in the definition of "Eurodollar Rate" in Section 1.1 hereof on the basis of which the rate of interest for such Advances for such Interest Period is to be determined do not accurately reflect the cost to the Lenders of making or maintaining such Advances for such Interest Period;

then the Agent shall give the Borrower prompt notice thereof specifying the relevant amounts or periods, and so long as such condition remains in effect, the Lenders shall be under no obligation to make additional Eurodollar Advances or to Convert Base Rate Advances into Eurodollar Advances and the Borrower shall, on the last day(s) of the then current Interest Period(s) for the outstanding Eurodollar Advances, either prepay such Eurodollar Advances or Convert such Eurodollar Advances into Base Rate Advances in accordance with the terms of this Agreement.

Section 5.3 Illegality. Notwithstanding any other provision of this Agreement, in the event that it becomes unlawful for any Lender or its Applicable Lending Office to (a) honor its obligation to make Eurodollar Advances hereunder or (b) maintain Eurodollar Advances hereunder, then such Lender shall promptly notify the Borrower (with a copy to the Agent) thereof and such Lender's obligation to make or maintain Eurodollar Advances and to Convert Base Rate Advances into Eurodollar Advances hereunder shall be suspended until such time as such Lender may again make and maintain Eurodollar Advances (in which case the provisions of Section 5.4 hereof shall be applicable).

Section 5.4 Treatment of Affected Advances. If the Eurodollar Advances of any Lender (such Eurodollar Advances being hereinafter called "Affected Advances") are to be Converted pursuant to Section 5.1 or 5.3 hereof, such Lender's Affected Advances shall be automatically Converted into Base Rate Advances on the last day(s) of the then current Interest Period(s) for the Affected Advances (or, in the case of a Conversion required by Section 5.1(b) or 5.3 hereof, on such earlier date as such Lender may specify to the Borrower with a copy to the Agent) and, unless and until such Lender gives notice as provided below that the circumstances specified in Section 5.1 or 5.3 hereof which gave rise to such Conversion no longer exist:

(a) To the extent that such Lender's Affected Advances have been so Converted, all payments and prepayments of principal which would otherwise be applied to such Lender's Affected Advances shall be applied instead to its Base Rate Advances; and

(b) All Affected Advances which would otherwise be made or Continued by such Lender as Eurodollar Advances shall be made as or Converted into Base Rate Advances and all Affected Advances of such Lender which would otherwise be Converted into Eurodollar Advances shall be Converted instead into (or shall remain as) Base Rate Advances.

If such Lender gives notice to the Borrower (with a copy to the Agent) that the circumstances specified in Section 5.1 or 5.3 hereof which gave rise to the Conversion of such Lender's Affected Advances pursuant to this Section 5.4 no longer exist (which such Lender agrees to do promptly upon such circumstances ceasing to exist) at a time when Affected Advances are outstanding, such Lender's Base Rate Advances shall be automatically Converted, on the first day(s) of the next succeeding Interest Period(s) for such outstanding Affected Advances to the extent necessary so that, after giving effect thereto, all Eurodollar Advances held by the Lenders holding Eurodollar Advances and by such Lender are held pro rata (as to principal amounts, and Interest Periods) in accordance with their respective Revolving Credit Commitments.

Section 5.5 Compensation. The Borrower shall pay to the Agent for the account of each Lender, upon the request of such Lender through the Agent, such amount or amounts as shall be sufficient (in the reasonable opinion of such Lender) to compensate it for any loss, cost, or expense incurred by it as a result of:

(a) Any payment, prepayment or Conversion of a Eurodollar Advance for any reason (including, without limitation, the acceleration of the outstanding Advances pursuant to Section 11.2 and assignments pursuant to Section 4.7(b)) on a date other than the last day of an Interest Period for such Eurodollar Advance; or

(b) Any failure by the Borrower for any reason (including, without limitation, the failure of any conditions precedent specified in Article VI to be satisfied) to borrow, Convert, or prepay a Eurodollar Advance on the date for such borrowing, Conversion, or prepayment, specified in the relevant notice of borrowing, prepayment, or Conversion under this Agreement.

Section 5.6 Additional Costs in Respect of Letters of Credit. If as a result of any Change in Law there shall be imposed, modified, or deemed applicable any tax, reserve, special deposit, or similar requirement against or with respect to or measured by reference to Letters of Credit issued or to be issued hereunder or the Issuing Bank's commitment to issue Letters of Credit hereunder, and the result shall be to increase the cost to the Issuing Bank of issuing or maintaining any Letter of Credit or its commitment to issue Letters of Credit hereunder or reduce any amount receivable by the Issuing Bank hereunder in respect of any Letter of Credit (which increase in cost, or reduction in amount receivable, shall be the result of the Issuing Bank's reasonable allocation of the aggregate of such increases or reductions resulting from such event), then, upon demand by the Issuing Bank, the Borrower agrees to pay the Issuing Bank, from time to time as specified by the Issuing Bank, such additional amounts as shall be sufficient to compensate the Issuing Bank for such increased costs or reductions in amount. A statement as to such increased costs or reductions in amount incurred by the Issuing Bank, submitted by the Issuing Bank to the Borrower, shall be conclusive as to the amount thereof, provided that the determination thereof is made on a reasonable basis.

ARTICLE VI

Conditions Precedent

Section 6.1 Initial Extension of Credit. The obligation of each Lender to make its initial Advance and of the Issuing Bank to issue the initial Letter of Credit is subject to the condition precedent that the Agent shall have received on or before the day of such Advance or such Letter of Credit all of the following, each dated (unless otherwise indicated) the date hereof, in form and substance satisfactory to the Agent:

(a) Resolutions. Resolutions of the Board of Directors of the Borrower and each Guarantor certified by its Secretary or an Assistant Secretary which authorize the execution, delivery, and performance of the Loan Documents to which it is or is to be a party;

(b) Incumbency Certificate. A certificate of incumbency certified by the Secretary or an Assistant Secretary of the Borrower and each Guarantor certifying the names of each of its

officers authorized to sign the Loan Documents to which it is or is to be a party (including the certificates contemplated herein) together with specimen signatures of such officers;

(c) Certificate or Articles of Incorporation and Certificate of Limited Partnership. The certificate or articles of incorporation or certificate of limited partnership, as applicable, of the Borrower and each Guarantor certified by the Secretary of State of the State of its organization;

(d) Bylaws and Limited Partnership Agreement. The bylaws or limited partnership agreement, as applicable, of the Borrower and each Guarantor certified by the Secretary or an Assistant Secretary of such Person;

(e) Existence and Good Standing. Certificates of the appropriate government officials of the state of organization of the Borrower and each Guarantor as to its existence and good standing and certificates of appropriate government officials of each state in which the Borrower and each Guarantor is required to qualify to do business and where failure to so qualify could reasonably be expected to have a Material Adverse Effect, as to the Borrower's and each Guarantor's qualification to do business and good standing in such state, all dated a current date;

(f) Notes. The Notes executed by the Borrower;

(g) Guaranty. The Guaranty executed by the Guarantors;

(h) Contribution and Indemnification Agreement. The Contribution and Indemnification Agreement executed by the Borrower and the Guarantors;

(i) Borrower Security Agreement. The Borrower Security Agreement executed by the Borrower;

(j) Subsidiary Security Agreement. The Subsidiary Security Agreement executed by each Guarantor, as applicable;

(k) Opinion of Counsel. A favorable opinion of legal counsel to the Borrower and each Guarantor (which opinion may be prepared in part by Borrower's in-house counsel) satisfactory to the Agent, as to such matters as the Agent may reasonably request;

(l) Fees of Lenders. Evidence that all fees of the Agent and the Lenders payable pursuant to side letter agreements shall have been paid in full by the Borrower;

(m) Attorneys' Fees and Expenses. Evidence that the costs and expenses (including attorneys' fees) referred to in Section 13.1, to the extent incurred, shall have been paid in full by the Borrower; and

(n) Financial Statements. Audited consolidated financial statements of the Borrower and its Subsidiaries as at and for the Fiscal Year ended September 30, 2007, and unaudited consolidated financial statements of the Borrower and its Subsidiaries for the six-month period ended March 31, 2008.

(o) Financial Statements of Alpha Corporation. Audited consolidated financial statements of Alpha Corporation and its Subsidiaries as of and for the fiscal year ending December 31, 2007, and unaudited consolidated financial statements of Alpha Corporation and its Subsidiaries for the three-month period ended March 31, 2008.

Section 6.2 All Extensions of Credit. The obligation of each Lender to make any Advance and of the Issuing Bank to issue any Letter of Credit (including the initial Advance and the initial Letter of Credit) is subject to the following additional conditions precedent:

(a) Advance Request Form, Telephonic Request, or Letter of Credit Request Form. The Agent in respect of Revolving Credit Loan Advances and the Term Loan, the Swing Lender in respect of Swing Loan Advances, and the Issuing Bank in respect of Letters of Credit shall have received, in accordance with Section 2.6, 2.8 or 3.2, as the case may be, an Advance Request Form, a telephonic request, or Letter of Credit Request Form, as applicable, executed by an authorized officer of the Borrower;

(b) No Default. No Default shall have occurred and be continuing, or would result from such Advance or Letter of Credit;

(c) Representations and Warranties. All of the representations and warranties contained in Article VII hereof and in the other Loan Documents shall be true and correct in all material respects on and as of the date of such Advance or issuance of Letter of Credit with the same force and effect as if such representations and warranties had been made on and as of such date except to the extent such representations and warranties speak to a specific date;

(d) No Material Adverse Effect. Neither any Material Adverse Effect or any material adverse change in the financial or capital markets shall have occurred since the date of the most recent financial statements delivered to the Agent and the Lenders pursuant to Section 8.1 hereof; and

(e) Additional Documentation. The Agent shall have received such additional approvals, opinions, or documents as the Agent or its legal counsel, Winstead PC, may reasonably request.

ARTICLE VII

Representations and Warranties

To induce the Agent, the Issuing Bank, and the Lenders to enter into this Agreement, the Borrower represents and warrants to the Agent, the Issuing Bank, and the Lenders that:

Section 7.1 Existence. The Borrower and each Subsidiary (a) is a corporation (or other entity as set forth on Schedule 7.14) duly organized, validly existing, and in good standing under the laws of the jurisdiction of its incorporation or organization; (b) has all requisite power and authority to own its assets and carry on its business as now being or as proposed to be conducted; and (c) is qualified to do business in all jurisdictions in which the nature of its business makes such qualification necessary and where failure to so qualify would have a Material Adverse Effect. Each of the Borrower and the Guarantors has the power and authority

to execute, deliver, and perform its obligations under the Loan Documents to which it is or may become a party.

Section 7.2 Financial Statements. The financial statements delivered to the Agent pursuant to Section 6.1(o) are true and correct, have been prepared in accordance with GAAP, and fairly and accurately present, on a consolidated basis, the financial condition of the Borrower and its Subsidiaries as of the respective dates indicated therein and the results of operations for the respective periods indicated therein. As of the date hereof, neither the Borrower nor any of its Subsidiaries has any material contingent liabilities, liabilities for taxes, unusual forward or long-term commitments, or unrealized or anticipated losses from any unfavorable commitments except as referred to or reflected in such financial statements, and there has been no Material Adverse Effect since the effective date of the most recent financial statements referred to in this Section.

Section 7.3 Action; No Breach. The execution, delivery, and performance by the Borrower and each Guarantor of the Loan Documents to which it is or may become a party, and compliance with the terms and provisions hereof and thereof have been duly authorized by all requisite action on the part of the Borrower and each Guarantor and do not and will not (a) violate or conflict with, or result in a breach of, or require any consent, other than such consents which have been obtained and copies of which have been provided to the Agent, under (i) the articles of incorporation or bylaws or the applicable organizational documents of the Borrower or any Guarantor, (ii) any applicable law, rule, or regulation or any order, writ, injunction, or decree of any Governmental Authority or arbitrator, including without limitation, the provisions of the Texas Pawnshop Act (Chapter 371 of the Texas Finance Code) and the consumer loan provisions of the Texas Finance Code, or (iii) any agreement or instrument to which the Borrower or any of the Guarantors is a party or by which any of them or any of their property is bound or subject, or (b) constitute a default under any such agreement or instrument, or result in the creation or imposition of any Lien upon any of the revenues or assets of the Borrower or any Guarantor (except for Liens in favor of the Agent for the benefit of the Lenders).

Section 7.4 Operation of Business. The Borrower and each of its Subsidiaries possess all licenses, permits, franchises, patents, copyrights, trademarks, and tradenames, or rights thereto, necessary to conduct their respective businesses substantially as now conducted and as presently proposed to be conducted, and the Borrower and each of its Subsidiaries are not in violation of any valid rights of others with respect to any of the forgoing except where such violation individually or in combination with all other such violations could not reasonably be expected to have a Material Adverse Effect.

Section 7.5 Litigation and Judgments. There is no action, suit, investigation, or proceeding before or by any Governmental Authority or arbitrator pending, or to the knowledge of the Borrower, threatened against or affecting the Borrower or any Subsidiary, that could, if adversely determined, reasonably be expected to have a Material Adverse Effect. As of the date hereof, there are no outstanding judgments against the Borrower or any Subsidiary, except for those certain default judgments in an aggregate amount not exceeding $100,000 outstanding on the date hereof.

Section 7.6 Rights in Properties; Liens. The Borrower and each Subsidiary have good and indefeasible title to or valid leasehold interests in their respective properties and assets, real

and personal, including the properties, assets, and leasehold interests reflected in the financial statements described in Section 7.2, and none of the properties, assets, or leasehold interests of the Borrower or any Subsidiary is subject to any Lien, except as permitted by Section 9.2.

Section 7.7 Enforceability. The Loan Documents to which the Borrower or a Guarantor is a party, when delivered, shall constitute the legal, valid, and binding obligations of the Borrower or such Guarantor, as applicable, enforceable against the Borrower or such Guarantor, as applicable, in accordance with their respective terms, except as limited by bankruptcy, insolvency, or other laws of general application relating to the enforcement of creditors' rights and general principles of equity.

Section 7.8 Approvals. No authorization, approval, or consent of, and no filing or registration with, any Governmental Authority or third party is or will be necessary for the execution, delivery, or performance by the Borrower of this Agreement and by the Borrower or any Guarantor of the other Loan Documents to which the Borrower or such Guarantor, as applicable, is or may become a party or for the validity or enforceability thereof.

Section 7.9 Debt. The Borrower and the Subsidiaries have no Debt, except as permitted by Section 9.1.

Section 7.10 Taxes. The Borrower and each Subsidiary have filed all tax returns (federal, state, and local) required to be filed, including all income, franchise, employment, property, and sales tax returns, and have paid all of their respective liabilities for taxes, assessments, governmental charges, and other levies that are due and payable other than those being contested in good faith by appropriate proceedings diligently pursued for which adequate reserves have been established. The Borrower knows of no pending investigation of the Borrower or any Subsidiary by any taxing authority or of any pending but unassessed tax liability of the Borrower or any Subsidiary.

Section 7.11 Use of Proceeds; Margin Securities. Neither the Borrower nor any Subsidiary is engaged principally, or as one of its important activities, in the business of extending credit for the purpose of purchasing or carrying margin stock (within the meaning of Regulations T, U, or X of the Board of Governors of the Federal Reserve System), and no part of the proceeds of any Advance will be used to purchase or carry any margin stock or to extend credit to others for the purpose of purchasing or carrying margin stock.

Section 7.12 ERISA. As of the date hereof, the Borrower, each Subsidiary, each ERISA Affiliate, and each Plan are in compliance in all material respects with all applicable provisions of ERISA and the Code except for events of noncompliance that will not have a Material Adverse Effect. Neither a Reportable Event nor a Prohibited Transaction has occurred and is continuing with respect to any Plan. No notice of intent to terminate a Plan has been filed, nor has any Plan been terminated. No circumstances exist which constitute grounds entitling the PBGC to institute proceedings to terminate, or appoint a trustee to administer, a Plan, nor has the PBGC instituted any such proceedings. Neither the Borrower nor any ERISA Affiliate has completely or partially withdrawn from a Multiemployer Plan. With respect to any Plan that is subject to Title IV or Section 302 of ERISA or Section 412 or 4971 of the Code (a) no circumstances exist which constitute grounds entitling the PBGC to institute proceedings to terminate, or appoint a trustee to administer, a Plan, nor has the PBGC instituted any such proceedings, (b) the Borrower and each ERISA Affiliate have met their minimum funding

requirements under ERISA, and no "accumulated funding deficiency" (for which an excise tax is due or would be due in the absence of a waiver) as defined in Section 412 of the Code or Section 302(a)(2) of ERISA, whichever may apply, has been incurred with respect to any Plan, whether or not waived, (c) the present value of all vested benefits under each Plan do not exceed the fair market value of all Plan assets allocable to such benefits, determined on a termination basis as of the most recent valuation date of the Plan and in accordance with ERISA, and (d) neither the Borrower nor any ERISA Affiliate (i) has incurred any liability to the PBGC under ERISA, (ii) is subject to any lien imposed under Section 412(n) of the Code or Section 302(f) or 4068 of ERISA, whichever may apply, with respect to any Plan or (iii) is required to provide security to a Plan under Section 401(a)(29) of the Code.

Section 7.13 Disclosure. All factual information (taken as a whole) furnished by or on behalf of the Borrower in writing to the Agent or any Lender (including, without limitation, all information contained in the Loan Documents) for purposes of or in connection with this Agreement, the other Loan Documents or any transaction contemplated herein or therein is, and all other such factual information (taken as a whole) hereafter furnished by or on behalf of the Borrower to the Agent or any Lender, will be true and accurate in all material respects on the date as of which such information is dated or certified and not incomplete by omitting to state any fact necessary to make such information (taken as a whole) not misleading in any material respect at such time in light of the circumstances under which such information was provided.

Section 7.14 Subsidiaries. As of the date hereof, the Borrower has no Subsidiaries other than those listed on Schedule 7.14 hereto, and Schedule 7.14 sets forth (a) the type of each Subsidiary listed thereon, and (b) the jurisdiction of incorporation or organization of each Subsidiary, and the percentage of the Borrower's (or intervening Subsidiary's) ownership of the outstanding voting stock or other ownership interests of each Subsidiary. All of the outstanding capital stock of each corporate Subsidiary has been validly issued, is fully paid, and is nonassessable. There are no outstanding subscriptions, options, warrants, calls, or rights to acquire, and no outstanding securities or instruments convertible into, capital stock of any Subsidiary except as listed on Schedule 7.14.

Section 7.15 Agreements. Neither the Borrower nor any Subsidiary is a party to any indenture, loan, or credit agreement, or to any lease or other agreement or instrument, or subject to any charter or corporate restriction which could reasonably be expected to have a Material Adverse Effect. Neither the Borrower nor any Subsidiary is in default in any material respect in the performance, observance, or fulfillment of any of the obligations, covenants, or conditions contained in any agreement or instrument material to its business to which it is a party other than defaults which could not reasonably be expected to have a Material Adverse Effect.

Section 7.16 Compliance with Laws. Neither the Borrower nor any Subsidiary is in violation of any law, rule, regulation, order, or decree of any Governmental Authority or arbitrator, including without limitation, the provisions of the Texas Pawnshop Act (Chapter 371 of the Texas Finance Code), the consumer loan provisions of the Texas Finance Code and provisions of the Brady Law and other laws, rules and regulations related to the regulation of firearms, other than violations which could not reasonably be expected to have a Material Adverse Effect.

Section 7.17 Investment Company Act. Neither the Borrower nor any Subsidiary is an "investment company" within the meaning of the Investment Company Act of 1940, as amended.

Section 7.18 Public Utility Holding Company Act. Neither the Borrower nor any Subsidiary is a "holding company"' or a "subsidiary company" of a "holding company" or an "affiliate" of a "holding company" or a "public utility" within the meaning of the Public Utility Holding Company Act of 2005, as amended.

Section 7.19 Environmental Matters. Except for those matters which will not individually or collectively have a Material Adverse Effect:

(a) The Borrower, each Subsidiary, and all of their respective properties, assets, and operations are in full compliance with all Environmental Laws. The Borrower is not aware of, nor has the Borrower received notice of, any past, present, or future conditions, events, activities, practices, or incidents which may interfere with or prevent the compliance or continued compliance of the Borrower and the Subsidiaries with all Environmental Laws;

(b) The Borrower and each Subsidiary have obtained all permits, licenses, and authorizations that are required under applicable Environmental Laws, and all such permits are in good standing and the Borrower and its Subsidiaries are in compliance with all of the terms and conditions of such permits;

(c) No Hazardous Materials exist on, about, or within or have been used, generated, stored, transported, disposed of on, or Released from any of the properties or assets of the Borrower or any Subsidiary. The use which the Borrower and the Subsidiaries make and intend to make of their respective properties and assets will not result in the use, generation, storage, transportation, accumulation, disposal, or Release of any Hazardous Material on, in, or from any of their properties or assets except in compliance with Environmental Laws;

(d) the Borrower nor any of its Subsidiaries nor any of their respective currently or previously owned or leased properties or operations is subject to any outstanding or, to the best of its knowledge, threatened order from or agreement with any Governmental Authority or other Person or subject to any judicial or docketed administrative proceeding with respect to (i) failure to comply with Environmental Laws, (ii) Remedial Action, or (iii) any Environmental Liabilities arising from a Release or threatened Release;

(e) There are no conditions or circumstances associated with the currently or previously owned or leased properties or operations of the Borrower or any of its Subsidiaries that could reasonably be expected to give rise to any Environmental Liabilities;

(f) Neither the Borrower nor any of its Subsidiaries is a treatment, storage, or disposal facility requiring a permit under the Resource Conservation and Recovery Act, 42 U.S.C. § 6901 *et seq*., regulations thereunder or any comparable provision of state law. The Borrower and its Subsidiaries are in compliance with all applicable financial responsibility requirements of all Environmental Laws;

(g) Neither the Borrower nor any of its Subsidiaries has filed or failed to file any notice required under applicable Environmental Law reporting a Release; and

(h) No Lien arising under any Environmental Law has attached to any property or revenues of the Borrower or its Subsidiaries.

ARTICLE VIII

Positive Covenants

The Borrower covenants and agrees that, as long as the Obligations or any part thereof are outstanding or any Lender has any Commitment hereunder, or the Issuing Bank has any obligation to issue Letters of Credit hereunder, the Borrower will perform and observe the following positive covenants:

Section 8.1 Reporting Requirements. The Borrower will furnish to the Agent, the Issuing Bank, and each Lender:

(a) Annual Audited Financial Statements. As soon as available, and in any event within 90 days after the end of each Fiscal Year of the Borrower and the Subsidiaries, beginning with the Fiscal Year ending September 30, 2008, a copy of the annual audited financial statements of the Borrower and the Subsidiaries for such Fiscal Year containing, on a consolidated basis, balance sheets and statements of income, retained earnings, and cash flow as at the end of such Fiscal Year and for the 12-month period then ended, in each case setting forth in comparative form the figures for the preceding Fiscal Year, all in reasonable detail and audited and certified by BDO Seidman, LLP, or other independent certified public accountants of recognized standing acceptable to the Agent, to the effect that such report has been prepared in accordance with GAAP;

(b) Quarterly Financial Statements. As soon as available and in any event within 45 days after the end of each Fiscal Quarter in each Fiscal Year of the Borrower (for the first three Fiscal Quarters in each Fiscal Year), a copy of an unaudited financial report of the Borrower and the Subsidiaries as of the end of such Fiscal Quarter and for the portion of the Fiscal Year then ended, containing, on a consolidated basis (and, at the request of the Agent, on a consolidating basis), balance sheets and statements of income, and a year-to-date cash flow statement in each case setting forth in comparative form the figures for the corresponding period of the preceding Fiscal Year, all in reasonable detail certified by the chief financial officer of the Borrower to have been prepared in accordance with GAAP and to fairly and accurately present (subject to year-end audit adjustments and the absence of footnotes) the financial condition and results of operations of the Borrower and the Subsidiaries, on a consolidated basis (and, at the request of the Agent, on a consolidating basis), at the date and for the periods indicated therein;

(c) Compliance Certificate. As soon as available, and in any event within 45 days after the end of each Fiscal Quarter of each Fiscal Year of the Borrower for the first three Fiscal Quarters of each Fiscal Year and within 90 days after the end of the fourth Fiscal Quarter of each Fiscal Year, a certificate (the "Compliance Certificate") of the chief financial officer of the Borrower (i) stating that to the best of such officer's knowledge, no Default has occurred and is continuing, or if a Default has occurred and is continuing, a statement as to the nature thereof and the action that is proposed to be taken with respect thereto, and (ii) showing in reasonable detail the most recent Fiscal Quarter calculations demonstrating compliance with Article X;

(d) Projections. As soon as available and in any event within 30 days after the end of each Fiscal Year, projections of consolidated financial statements of the Borrower and its Subsidiaries for the upcoming Fiscal Year;

(e) Management Letters. Promptly upon receipt thereof, a copy of any management letter or written report submitted to the Borrower or any Subsidiary by independent certified public accountants with respect to the business, condition (financial or otherwise), operations, prospects, or properties of the Borrower or any Subsidiary;

(f) Notice of Litigation. Promptly after the commencement thereof, notice of all actions, suits, and proceedings before any Governmental Authority or arbitrator affecting the Borrower or any Subsidiary which, if determined adversely to the Borrower or such Subsidiary, could reasonably be expected to have a Material Adverse Effect;

(g) Notice of Default. As soon as possible and in any event within 10 days after the Borrower knows of the occurrence of each Default, a written notice setting forth the details of such Default and the action that the Borrower has taken and proposes to take with respect thereto;

(h) ERISA Reports. Promptly after the filing or receipt thereof, copies of all reports, including annual reports or informational returns, notices which the Borrower or any ERISA Affiliate files with or receives from the PBGC or the U.S. Department of Labor under ERISA, and any tax returns the Borrower or any ERISA Affiliate file with the Internal Revenue Service related to any Plan; and as soon as possible and in any event within five days after the Borrower or any ERISA Affiliate knows or has reason to know that any Reportable Event (as to which the thirty day notice requirement to the PBGC has not been waived) or Prohibited Transaction has occurred with respect to any Plan or that the PBGC or the Borrower or any Subsidiary or any ERISA Affiliate has instituted or will institute proceedings under Title IV of ERISA to terminate any Plan, a certificate of the chief financial officer of the Borrower setting forth the details as to such Reportable Event or Prohibited Transaction or Plan termination and the action that the Borrower proposes to take with respect thereto;

(i) Notice of Material Adverse Effect. As soon as possible and in any event within 10 days after the Borrower knows of the occurrence thereof, written notice of any matter that could reasonably be expected to have a Material Adverse Effect;

(j) Proxy Statements, Etc. As soon as available, one copy of each financial statement, report, notice or proxy statement sent by the Borrower or any Subsidiary to its stockholders generally and one copy of each regular, periodic or special report, registration statement, or prospectus filed by the Borrower or any Subsidiary with any securities exchange or the Securities and Exchange Commission or any successor agency;

(k) CSO Program Agreements. As soon as available and in any event within 30 days after the execution and delivery thereof, copies of each credit services organization and lender agreement or other similar agreement between the Borrower or any Guarantor and an unaffiliated, third—party lender in connection with any CSO Program and, at the request of the Agent, copies of any other agreements related thereto; and

(l) General Information. Promptly, such other information concerning the Borrower or any Subsidiary as the Agent or any Lender may from time to time reasonably request.

Section 8.2 Maintenance of Existence; Conduct of Business. The Borrower will preserve and maintain, and will cause each Subsidiary to preserve and maintain, its corporate (or partnership, limited liability company or other entity) existence and all of its leases, privileges, licenses, permits, franchises, qualifications, and rights that are necessary or desirable in the ordinary conduct of its business. The Borrower will conduct, and will cause each Subsidiary to conduct, its business in an orderly and efficient manner in accordance with good business practices customary in the industry in which the Borrower and the Subsidiaries are engaged.

Section 8.3 Maintenance of Properties. The Borrower will maintain, keep, and preserve, and cause each Subsidiary to maintain, keep, and preserve, all of its properties (tangible and intangible) necessary or useful in the proper conduct of its business in good working order and condition (ordinary wear and tear excepted).

Section 8.4 Taxes and Claims. The Borrower will pay or discharge, and will cause each Subsidiary to pay or discharge, at or before maturity or before becoming delinquent (a) all taxes, levies, assessments, and governmental charges imposed on it or its income or profits or any of its property, and (b) all lawful claims for labor, material, and supplies, which, if unpaid, might become a Lien upon any of its property; provided, however, that neither the Borrower nor any Subsidiary shall be required to pay or discharge any tax, levy, assessment, or governmental charge which is being contested in good faith by appropriate proceedings diligently pursued, and for which adequate reserves have been established.

Section 8.5 Insurance. The Borrower will maintain, and will cause each Subsidiary to maintain, insurance with financially sound and reputable insurance companies in such amounts and covering such risks as is usually carried by corporations engaged in similar businesses and owning similar properties in the same general areas in which the Borrower and the Subsidiaries operate, provided that in any event the Borrower will maintain and cause each Subsidiary to maintain workmen’s compensation insurance, property insurance, comprehensive general liability insurance, reasonably satisfactory to the Agent.

Section 8.6 Inspection Rights; Audits. At any reasonable time and from time to time, the Borrower will permit, and will cause each Subsidiary to permit, representatives of the Agent and each Lender to examine, copy, and make extracts from its books and records, to visit and inspect its properties, and to discuss its business, operations, and financial condition with its officers, employees, and independent certified public accountants.

Section 8.7 Keeping Books and Records. The Borrower will maintain, and will cause each Subsidiary to maintain, proper books of record and account in which full, true, and correct entries in conformity with GAAP shall be made of all dealings and transactions in relation to its business and activities.

Section 8.8 Compliance with Laws. The Borrower will comply, and will cause each Subsidiary to comply, in all respects with all applicable laws, rules, regulations, orders, and decrees of any Governmental Authority or arbitrator, including without limitation, the provisions of the Texas Pawnshop Act (Chapter 371 of the Texas Finance Code), the consumer loan provisions of the Texas Finance Code and the provisions of the Brady Law and other laws, rules

and regulations related to the regulation of firearms, other than such non-compliance which could not reasonably be expected to have a Material Adverse Effect.

Section 8.9 Compliance with Agreements. The Borrower will comply, and will cause each Subsidiary to comply, in all respects with all agreements, contracts, and instruments binding on it or affecting its properties or business other than such non-compliance which could not reasonably be expected to have a Material Adverse Effect.

Section 8.10 Further Assurances. The Borrower will, and will cause each Subsidiary to, execute and deliver such further agreements and instruments and take such further action as may be reasonably requested by the Agent to carry out the provisions and purposes of this Agreement and the other Loan Documents. Without limiting the foregoing, upon the creation, formation or acquisition of any Significant Subsidiary or a new store by a new Significant Subsidiary or by a Guarantor in a new state, the Borrower shall, within 30 calendar days following the date the Borrower has knowledge that such creation, formation or acquisition, as the case maybe, has been consummated, all in form and substance satisfactory to the Agent:

(a) provide written notice of such creation, formation or acquisition to the Agent;

(b) cause each such Significant Subsidiary (other than an Excluded Foreign Subsidiary) to execute and deliver (i) a supplement to the Guaranty, a supplement to the Contribution and Indemnification Agreement, (ii) if requested by the Agent or the Required Lenders, a supplement to the Subsidiary Security Agreement, Uniform Commercial Code financing statements (delivery only), and a Waiver for each Leased Location (subject in all respects to a best efforts standard of performance), and (iii) a legal opinion of the Borrower's and Guarantors' counsel (which may in the Agent's discretion be a legal opinion of the Borrower's in-house counsel); and

(c) cause the holder of the equity interest of such Excluded Foreign Subsidiary to execute and deliver amendments and supplements to the Loan Documents and take any other actions as Agent deems advisable or necessary to grant to Agent for the benefit of the Secured Parties (as defined in the Borrower Security Agreement and the Subsidiary Security Agreement), a perfected first priority security interest in such equity interest (provided that in no event shall more than 66% of the total outstanding voting equity interest of any such new Excluded Foreign Subsidiary be required to be so pledged).

If any Subsidiary is created or acquired after the date hereof, the Borrower shall deliver to the Agent (i) an amended Schedule 7.14 to this Agreement to reflect the addition of the new Subsidiary and (ii) if such Subsidiary is a Significant Subsidiary, any other documents which would have otherwise been required to be delivered to the Agent and the Lenders if such Significant Subsidiary had been a Guarantor as of the date hereof.

Section 8.11 ERISA. With respect to any Plan that is subject to Title IV or Section 302 of ERISA or Section 412 or 4971 of the Code, the Borrower will comply, and will cause each Subsidiary to comply, with all minimum funding requirements, and all other material requirements of ERISA, if applicable, so as not to give rise to any liability thereunder which could reasonably be expected to have a Material Adverse Effect.

Section 8.12 Landlord's Waivers or Subordinations. At the request of the Agent or the Required Lenders, the Borrower will, and will cause each Subsidiary to, deliver promptly a waiver or subordination of the landlord's lien in the Collateral (a "Waiver") by the landlord of a Leased Location (subject in all respects to a best efforts standard of performance), the Waiver to be in form and substance reasonably satisfactory to the Agent.

ARTICLE IX

Negative Covenants

The Borrower covenants and agrees that, as long as the Obligations or any part thereof are outstanding or any Lender has any Commitment hereunder or the Issuing Bank has any obligation to issue Letters of Credit hereunder, the Borrower will perform and observe the following negative covenants:

Section 9.1 Debt. The Borrower will not incur, create, assume, or permit to exist, and will not permit any Subsidiary to incur, create, assume, or permit to exist, any Debt, except:

(a) Debt to the Lenders and the Issuing Bank pursuant to the Loan Documents;

(b) Debt listed on Schedule 9.1;

(c) unsecured Debt owed by a Guarantor to another Guarantor evidenced by a promissory note which is issued to satisfy any applicable state regulatory requirement for the issuance of a license for consumer loan activity, such promissory note being pledged to and held by the Agent as Collateral;

(d) Guarantee by the Borrower of real estate lease obligations of a Guarantor;

(e) subordinated Debt which is fully subordinated to the Obligations, on terms specifically including, without limitation, that payments on such Debt shall be prohibited if a Default exists or would result from such payment, the maturity date of such Debt shall be later than the later of (i) the Revolving Credit Termination Date or (ii) the Term Loan Termination Date, and other terms and conditions and pursuant to documentation, all in form and substance satisfactory to the Agent and the Required Lenders;

(f) Debt consisting of CSO LCs;

(g) Guarantees of the Debt permitted in clause (f) above;

(h) Debt assumed by the Borrower or any Subsidiary in connection with Permitted Acquisitions in an aggregate amount not to exceed $5,000,000 at any one time outstanding;

(i) purchase money Debt which in each case shall not exceed 100% of the lesser of the total purchase price and the fair market value of such acquired asset as determined at the time of acquisition;

(j) Guarantees by the Borrower or any Subsidiary of real estate lease obligations of an employee or agent of Borrower or a Guarantor; and

(k) Debt (other than Debt described in clauses (a) through and including (j) above) in an aggregate amount not to exceed $2,000,000.00 at any one time outstanding.

Section 9.2 Limitation on Liens. The Borrower will not incur, create, assume, or permit to exist, and will not permit any Subsidiary to incur, create, assume, or permit to exist, any Lien upon any of its property, assets, or revenues, whether now owned or hereafter acquired, except:

(a) Liens disclosed on Schedule 9.2 hereto and Liens in favor of the Agent for the benefit of the Lenders;

(b) Liens for taxes, assessments, or other governmental charges which are not delinquent or which are being diligently contested in good faith and for which adequate reserves have been established;

(c) Liens of mechanics, materialmen, warehousemen, carriers, landlords or other similar statutory Liens securing obligations that are not yet due and are incurred in the ordinary course of business;

(d) Liens resulting from good faith deposits to secure payments of workmen's compensation or other social security programs or to secure the performance of tenders, statutory obligations, surety and appeal bonds, bids, contracts (other than for payment of Debt), or leases made in the ordinary course of business;

(e) Liens on the Litigation Fund Account in favor of County Bank of Rehoboth Beach, Delaware;

(f) purchase money Liens securing Permitted Debt described in Section 9.1(i), provided that the Debt secured by any such Lien encumbers only the asset so purchased;

(g) financing statements filed in connection with operating lease transactions for computers;

(h) Liens in favor of a landlord of a Leased Location on only the assets of the Borrower or any Subsidiary located at such Leased Location so long as no financing statement will be filed in connection with such Lien unless (i) the collateral description listed on such financing statement is limited to the assets of the Borrower or applicable Subsidiary located at such Leased Location, and (ii) if requested by the Agent or the Required Lenders, the Borrower or applicable Subsidiary has obtained a Waiver for such Leased Location from such landlord (subject in all respects to a best efforts standard of performance), such Waiver to be in form and substance satisfactory to the Agent;

(i) Liens in favor of former holders of equity interests in a Target on holdback and escrow accounts established by the Borrower pursuant to purchase agreements related to Permitted Acquisitions; and

(j) Liens on deposit accounts of the Borrower or any Subsidiary required by the issuers of debit cards in connection with the Borrower's or any such Subsidiary's acceptance of debit card payments.

Neither the Borrower nor any Subsidiary shall enter into or assume any agreement (other than the Loan Documents) prohibiting the creation or assumption of any Lien upon its properties or assets whether now owned or hereafter acquired; provided that in connection with the creation of purchase money Liens permitted hereby, the Borrower or the Subsidiary may agree that it will not permit any other Liens (other than the Liens in favor of the Agent for the benefit of the Lenders) to encumber the assets subject to such purchase money Lien. Further, the Borrower will not and will not permit any Subsidiaries directly or indirectly to create or otherwise cause or suffer to exist to become effective any consensual encumbrance or restriction of any kind on the ability of any Subsidiary to: (i) pay dividends or make any other distribution on any of such Subsidiaries' capital stock owned by the Borrower or any Subsidiary of the Borrower; (ii) subject to subordination provisions pay any Debt owed to the Borrower or any other Subsidiary; (iii) make loans or advances to the Borrower or any other Subsidiary; or (iv) transfer any of its properties or assets to the Borrower or any other Subsidiary not restricted hereby.

Section 9.3 Mergers, Etc. The Borrower will not, and will not permit any Subsidiary to become a party to a merger or consolidation, or to purchase or otherwise acquire all or a substantial part of the business or assets of any Person or any shares or other equity interest of any Person (whether or not certificated), or wind-up, dissolve, or liquidate itself; provided that, (i) a domestic Subsidiary may wind-up, dissolve or liquidate if no Default exists or would result therefrom and its assets are transferred to the Borrower or another domestic Significant Subsidiary; (ii) a foreign Subsidiary may wind-up, dissolve or liquidate if no Default exists or would result therefrom; (iii) any Subsidiary may merge with and into the Borrower if the Borrower is the surviving entity and no Default exists or would result therefrom; (iv) any Subsidiary may merge with and into any other domestic Significant Subsidiary if the domestic Significant Subsidiary is the surviving entity, no Default exists or would result therefrom and Section 8.10 is complied with; (v) any foreign Subsidiary may merge with any other foreign Subsidiary if no Default exists or would result therefrom; (vi) the Borrower or a Subsidiary may make investments permitted under Section 9.5 hereof; (vii) the Borrower or a Subsidiary may make Permitted Acquisitions; (viii) any Subsidiary that is not a Significant Subsidiary may merge with and into any other Subsidiary if the other Subsidiary is the surviving entity and no Default exists or would result therefrom; and (ix) the Borrower or any Subsidiary may acquire assets as permitted under Section 9.7.

Section 9.4 Restricted Payments. The Borrower will not declare or pay any dividends or make any other payment or distribution (whether in cash, property, or obligations) on account of its capital stock, or redeem, purchase, retire, or otherwise acquire any of its capital stock, or permit any of its Subsidiaries to purchase or otherwise acquire any capital stock of the Borrower or another Subsidiary, or set apart any money for a sinking or other analogous fund for any dividend or other distribution on its capital stock or for any redemption, purchase, retirement, or other acquisition of any of its capital stock; provided however, the Borrower may declare or pay Permitted Payments.

Section 9.5 Investments. Other than pawn loans, Pay-Day Advance Loans (and participations therein) and other consumer loans (and participations therein) extended in the ordinary course of business, the Borrower will not make, and will not permit any Subsidiary to make, any advance, loan, extension of credit, or capital contribution to or investment in, or purchase to own, or permit any Subsidiary to purchase or own, any stock, bonds, notes, debentures, or other securities of any Person, except:

(a) investments that are permitted and approved by the Borrower in accordance with the Corporate Investment Policy adopted by the Borrower's board of directors on July 21, 2006, as may be amended or modified to permit Hedge Agreements, other than any investments in Albemarle & Bond Holdings plc;

(b) investments in Subsidiaries existing on the date of this Agreement and investments in subsequently created Subsidiaries so long as the Borrower and the Subsidiaries have complied with the terms and conditions of Section 8.10;

(c) any loans or investments not covered in the previous sections of this Section 9.5 (including any additional investments made after the date hereof in Albemarle & Bond Holdings plc) not to exceed $15,000,000 in the aggregate;

(d) Permitted Acquisitions;

(e) any CSO LC Disbursements made by the CSO LC Issuer in connection with the CSO Program; and

(f) investments in Albemarle & Bond Holdings plc existing on the date of this Agreement.

Section 9.6 Limitation on Issuance of Capital Stock. The Borrower will not permit any of its Subsidiaries to, at any time issue, sell, assign, or otherwise dispose of (a) any of its capital stock (or any equivalent interest therein), (b) any securities exchangeable for or convertible into or carrying any rights to acquire any of its capital stock (or any equivalent interest therein), or (c) any option, warrant, or other right to acquire any of its capital stock (or any equivalent interest therein), except issuances by a Subsidiary to the Borrower.

Section 9.7 Transactions With Affiliates. The Borrower will not enter into, and will not permit any Subsidiary to enter into, any transaction, including, without limitation, the purchase, sale, or exchange of property or the rendering of any service, with any Affiliate of the Borrower or such Subsidiary, except, so long as no Default has occurred and is continuing or would result therefrom, any of the following: (a) the transfers of assets with a book value not greater than $2,500,000 in the aggregate during each Fiscal Year, (b) upon fair and reasonable terms no less favorable to the Borrower or such Subsidiary than would be obtained in a comparable arm's-length transaction with a Person not an Affiliate of the Borrower or such Subsidiary, (c) transfers of assets to Borrower or any Obligated Party so long as, if such assets are subject to a Lien in favor of the Agent, then Borrower or such transferee Obligated Party shall grant promptly first priority perfected Liens in such assets to the Agent, (d) transfers of cash to any Subsidiary so long as such cash is deposited into a deposit account that is subject to a first priority perfected Lien in favor of the Agent, (e) transfers of cash to any other Subsidiary so long as such cash shall be used by the transferee Subsidiary in the ordinary course of business, or (f) transfers by any Subsidiary that is not an Obligated Party of any assets not constituting Collateral (including cash) to another Subsidiary that is not an Obligated Party.

Section 9.8 Disposition of Assets. The Borrower will not sell, lease, assign, transfer, or otherwise dispose (collectively "Dispositions") of any of its assets, or permit any Subsidiary to do so with any of its assets, except:

(a) Dispositions of Inventory in the ordinary course of business;

(b) Dispositions of obsolete, worn or used equipment;

(c) Dispositions in the ordinary course of business of short-term consumer loans and any other rights related to such consumer loans arising under the CSO Program (including reimbursement obligations under CSO LCs) (collectively the "Consumer Obligations") so long as (i) such consumers have defaulted on such loans and (ii) the related CSO LCs have been fully drawn;

(d) Dispositions to a Guarantor as to which Agent has in its possession an executed Guaranty, Contribution and Indemnification Agreement, and Subsidiary Security Agreement, if applicable;

(e) Dispositions of certain store locations (including sales of real property and operating business (which may include the sale of Inventory, pawn loans and interests in Pay-Day Advance Loans of the Borrower or any Subsidiary in connection with the sale of such location and sales of the Consumer Obligations described in Section 9.8(c) above in connection with the sale of such location), but excluding liquidating sales of Inventory, pawn loans and interests in Pay-Day Advance Loans and Consumer Obligations made in connection with the CSO Program of the Borrower or any Subsidiary, which do not occur in connection with the sale of any real property or operating business) owned by the Borrower or any of its Subsidiaries as of the date hereof so long as the Net Proceeds of such Disposition are promptly paid to the Agent in accordance with Section 4.3;

(f) Dispositions to the Borrower or a Subsidiary permitted under Section 9.7; and

(g) Dispositions to an employee or agent of Borrower or a Guarantor to compensate such employee or agent for any liabilities incurred pursuant to any Guarantee permitted by Section 9.1(j).

Section 9.9 Nature of Business. The Borrower will not, and will not permit any Subsidiary to, engage in any business other than the businesses in which they are engaged on the date hereof and similar businesses thereto in connection with the providing of consumer loan products or financial services, directly and indirectly. Without in any way limiting the foregoing, such businesses shall include, but not be limited to, the following: pawn loans, check-cashing, money wires, Pay-Day Advance Loans, other consumer loans, directly (as a lender) and indirectly (as a participant), jewelry and merchandise sales, insurance products and services, credit services, loan broker services and other businesses, services and products incidental to the foregoing.

Section 9.10 Environmental Protection. The Borrower will not, and will not permit any of its Subsidiaries to, (a) use (or permit any tenant to use) any of their respective properties or assets for the handling, processing, storage, transportation, or disposal of any Hazardous Material, (b) generate any Hazardous Material, (c) conduct any activity that is likely to cause a Release or threatened Release of any Hazardous Material, or (d) otherwise conduct any activity or use any of their respective properties or assets in any manner that is likely to violate any Environmental Law or create any Environmental Liabilities for which the Borrower or any of its Subsidiaries would be responsible.

Section 9.11 Accounting. The Borrower will not, and will not permit any of its Subsidiaries to, change its Fiscal Year or make any change in accounting treatment or reporting practices, except as permitted by GAAP and disclosed to the Agent.

Section 9.12 Prepayment of Debt. The Borrower will not, and will not permit any Subsidiary to, prepay any Debt except (i) the Obligations and (ii) intercompany Debt among Guarantors permitted pursuant to Section 9.1(c).

ARTICLE X

Financial Covenants

The Borrower covenants and agrees that, as long as the Obligations or any part thereof are outstanding or any Lender has any Commitment hereunder or the Issuing Bank has any obligation to issue Letters of Credit hereunder, the Borrower will perform and observe the following financial covenants:

Section 10.1 Consolidated Net Worth. The Borrower will maintain at all times Consolidated Net Worth in an amount not less than the sum of (a) 90% of Consolidated Net Worth as of the date hereof ($_____), plus (b) an amount equal to 50% of Consolidated Net Income (not less than zero dollars [$0.00]) for all periods subsequent to the Fiscal Quarter ending June 30, 2008, plus (c) an amount equal to 100% of the Net Proceeds of all equity offerings (including conversions of debt securities into common stock) of the Borrower subsequent to June 30, 2008.

Section 10.2 Total Leverage Ratio. The Borrower will maintain a Total Leverage Ratio at the end of each Fiscal Quarter of not greater than 2.50 to 1.00.

Section 10.3 Fixed Charge Coverage Ratio. The Borrower will maintain a Fixed Charge Coverage Ratio at the end of each Fiscal Quarter of not less than 1.25 to 1.00.

ARTICLE XI

Default

Section 11.1 Events of Default. Each of the following shall be deemed an "Event of Default":

(a) The Borrower or any Obligated Party shall fail to pay the Obligations or any part thereof within three (3) days after the same becomes due.

(b) Any representation or warranty made or deemed made by the Borrower or any Obligated Party (or any of their respective officers) in any Loan Document or in any certificate, report, notice, or financial statement furnished at any time in connection with this Agreement shall be false, misleading, or erroneous in any material respect when made or deemed to have been made.

(c) The Borrower shall fail to perform, observe, or comply with any covenant, agreement, or term contained in Section 8.1, Article IX, or Article X of this Agreement; or

the Borrower or any Obligated Party shall fail to perform, observe, or comply with any other covenant, agreement, or term contained in this Agreement or any other Loan Document (other than covenants to pay the Obligations) and such failure shall continue for a period of 15 days.

(d) The Borrower, any Subsidiary, or any Obligated Party shall commence a voluntary proceeding seeking liquidation, reorganization, or other relief with respect to itself or its debts under any bankruptcy, insolvency, or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian, or other similar official of it or a substantial part of its property or shall consent to any such relief or to the appointment of or taking possession by any such official in an involuntary case or other proceeding commenced against it or shall make a general assignment for the benefit of creditors or shall generally fail to pay its debts as they become due or shall take any corporate action to authorize any of the foregoing.

(e) An involuntary proceeding shall be commenced against the Borrower, any Subsidiary, or any Obligated Party seeking liquidation, reorganization, or other relief with respect to it or its debts under any bankruptcy, insolvency, or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official for it or a substantial part of its property, and such involuntary proceeding shall remain undismissed and unstayed for a period of 30 days.

(f) The Borrower, any Subsidiary, or any Obligated Party shall fail to discharge within a period of 45 days after the commencement thereof any attachment, sequestration, or similar proceeding or proceedings involving an aggregate amount in excess of $1,000,000 against any of its assets or properties.

(g) A final judgment or judgments for the payment of money in excess of $1,000,000 in the aggregate shall be rendered by a court or courts against the Borrower, any of its Subsidiaries, or any Obligated Party and the same shall not be discharged (or provision shall not be made for such discharge), or a stay of execution thereof shall not be procured, within 45 days from the date of entry thereof and the Borrower or the relevant Subsidiary or Obligated Party shall not, within said period of 45 days, or such longer period during which execution of the same shall have been stayed, appeal therefrom and cause the execution thereof to be stayed during such appeal.

(h) The Borrower, any Subsidiary, or any Obligated Party shall fail to pay when due any principal of or interest on any Material Debt (hereinafter defined) (other than the Obligations), or the maturity of any such Debt shall have been accelerated, or any such Debt shall have been required to be prepaid prior to the stated maturity thereof, or any event shall have occurred that permits any holder or holders of such Debt or any Person acting on behalf of such holder or holders to accelerate the maturity thereof or require any such prepayment. For purposes of this clause (h), the term "Material Debt" means Debt owed by the Borrower or any Subsidiary the principal amount of which exceeds $1,000,000.

(i) This Agreement or any other Loan Document shall cease to be in full force and effect or shall be declared null and void or the validity or enforceability thereof shall be contested or challenged by the Borrower, any Subsidiary, any Obligated Party or any of their

respective shareholders, or the Borrower or any Obligated Party shall deny that it has any further liability or obligation under any of the Loan Documents.

(j) Any of the following events shall occur or exist with respect to the Borrower or any ERISA Affiliate: (i) any Prohibited Transaction involving any Plan; (ii) any Reportable Event with respect to any Plan; (iii) the filing under Section 4041 of ERISA of a notice of intent to terminate any Plan or the termination of any Plan; (iv) any event or circumstance that might constitute grounds entitling the PBGC to institute proceedings under Section 4042 of ERISA for the termination of, or for the appointment of a trustee to administer, any Plan, or the institution by the PBGC of any such proceedings; or (v) complete or partial withdrawal under Section 4201 or 4204 of ERISA from a Multiemployer Plan or the reorganization, insolvency, or termination of any Multiemployer Plan; and in each case above, such event or condition, together with all other events or conditions, if any, have subjected or could in the reasonable opinion of Required Lenders subject the Borrower to any tax, penalty, or other liability to a Plan, a Multiemployer Plan, the PBGC, or otherwise (or any combination thereof) which in the aggregate exceed or could reasonably be expected to exceed $1,000,000.

(k) Any Person or group of related Persons for purposes of Section 13(d) of the Exchange Act sells or acquires after the date hereof "beneficial ownership" (within the meaning of Section 13(d) of the Exchange Act) in excess of 33% of the total voting power of all classes of capital stock then outstanding of the Borrower entitled (without regard to the occurrence of any contingency) to vote in elections of directors of the Borrower.

(l) The Borrower or any of its Subsidiaries, or any of their properties, revenues, or assets, shall become the subject of an order of forfeiture, seizure, or divestiture and the same shall not have been discharged (or provisions shall not be made for such discharge) within 30 days from the date of entry thereof.

(m) Any Material Adverse Effect shall occur.

Section 11.2 Remedies.

(a) Remedies. If any Event of Default shall occur and be continuing, the Agent may (and if directed by Required Lenders, shall) do any one or more of the following:

(i) Acceleration. Declare all outstanding principal of and accrued and unpaid interest on the Notes, all outstanding Letter of Credit Disbursements, and all other obligations of the Borrower under the Loan Documents immediately due and payable, and the same shall thereupon become immediately due and payable, without notice, demand, presentment, notice of dishonor, notice of acceleration, notice of intent to accelerate, protest, or other formalities of any kind, all of which are hereby expressly waived by the Borrower.

(ii) Termination of Revolving Credit Commitments and Swing Commitment. Terminate the Revolving Credit Commitments and the Swing Commitment and the obligation of the Issuing Bank to issue Letters of Credit without notice to the Borrower.

(iii) Judgment. Reduce any claim to judgment.

(iv) Foreclosure. Foreclose or otherwise enforce any Lien granted to the Agent for the benefit of itself and the Lenders to secure payment and performance of the Obligations in accordance with the terms of the Loan Documents.

(v) Rights. Exercise any and all rights and remedies afforded by the laws of the State of Texas or any other jurisdiction, by any of the Loan Documents, by equity, or otherwise.

Provided, however, that upon the occurrence of an Event of Default under subsection (d) or (e) of Section 11.1, the Revolving Credit Commitments of all of the Lenders and the obligation of the Issuing Bank to issue Letters of Credit shall automatically terminate, and the outstanding principal of and accrued and unpaid interest on the Notes and all other obligations of the Borrower under the Loan Documents shall thereupon become immediately due and payable without notice, demand, presentment, notice of dishonor, notice of acceleration, notice of intent to accelerate, protest, or other formalities of any kind, all of which are hereby expressly waived by the Borrower.

(b) Setoff. If an Event of Default shall have occurred and be continuing, each Lender, the Issuing Bank, and each of their respective Affiliates is hereby authorized at any time and from time to time, to the fullest extent permitted by applicable law, to set off and apply any and all deposits (general or special, time or demand, provisional or final, in whatever currency) at any time held and other obligations (in whatever currency) at any time owing by such Lender, the Issuing Bank or any such Affiliate to or for the credit or the account of the Borrower or any Obligated Party against any and all of the obligations of the Borrower or such Obligated Party now or hereafter existing under this Agreement or any other Loan Document to such Lender or the Issuing Bank, irrespective of whether or not such Lender or the Issuing Bank shall have made any demand under this Agreement or any other Loan Document and although such obligations of the Borrower or such Obligated Party may be contingent or unmatured or are owed to a branch or office of such Lender or the Issuing Bank different from the branch or office holding such deposit or obligated on such indebtedness. The rights of each Lender, the Issuing Bank and their respective Affiliates under this Section are in addition to other rights and remedies (including other rights of setoff) that such Lender, the Issuing Bank or their respective Affiliates may have. Each Lender and the Issuing Bank agrees to notify the Borrower and the Agent promptly after any such setoff and application, provided that the failure to give such notice shall not affect the validity of such setoff and application.

(c) Cash Collateral. If an Event of Default shall have occurred and be continuing the Borrower shall, if requested by the Agent or Required Lenders, pledge to the Agent as security for the Obligations an amount in immediately available funds equal to the then outstanding Letter of Credit Liabilities, such funds to be held in a cash collateral account at the Agent without any right of withdrawal by the Borrower.

Section 11.3 Performance by the Agent. If the Borrower shall fail to perform any covenant or agreement in accordance with the terms of the Loan Documents, the Agent may, at the direction of Required Lenders, perform or attempt to perform such covenant or agreement on

behalf of the Borrower. In such event, the Borrower shall, at the request of the Agent, promptly pay any amount reasonably expended by the Agent or the Lenders in connection with such performance or attempted performance to the Agent at the Principal Office, together with interest thereon at the Default Rate from and including the date of such expenditure to but excluding the date such expenditure is paid in full. Notwithstanding the foregoing, it is expressly agreed that neither the Agent nor any Lender shall have any liability or responsibility for the performance of any obligation of the Borrower under this Agreement or any of the other Loan Documents.

ARTICLE XII

The Agent

Section 12.1 Appointment and Authority. Each of the Lenders and the Issuing Bank hereby irrevocably appoints Wells Fargo Bank, National Association to act on its behalf as the Agent hereunder and under the other Loan Documents and authorizes the Agent to take such actions on its behalf and to exercise such powers as are delegated to the Agent by the terms hereof or thereof, together with such actions and powers as are reasonably incidental thereto. The provisions of this Article are solely for the benefit of the Agent, the Lenders and the Issuing Bank, and neither the Borrower nor any Obligated Party shall have rights as a third party beneficiary of any of such provisions.

Section 12.2 Rights as a Lender. The Person serving as the Agent hereunder shall have the same rights and powers in its capacity as a Lender as any other Lender and may exercise the same as though it were not the Agent and the term "Lender" or "Lenders" shall, unless otherwise expressly indicated or unless the context otherwise requires, include the Person serving as the Agent hereunder in its individual capacity. Such Person and its Affiliates may accept deposits from, lend money to, act as the financial advisor or in any other advisory capacity for and generally engage in any kind of business with the Borrower or any Subsidiary or other Affiliate thereof as if such Person were not the Agent hereunder and without any duty to account therefor to the Lenders.

Section 12.3 Exculpatory Provisions. The Agent shall not have any duties or obligations except those expressly set forth herein and in the other Loan Documents. Without limiting the generality of the foregoing, the Agent:

(a) shall not be subject to any fiduciary or other implied duties, regardless of whether a Default has occurred and is continuing;

(b) shall not have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated hereby or by the other Loan Documents that the Agent is required to exercise as directed in writing by the Required Lenders (or such other number or percentage of the Lenders as shall be expressly provided for herein or in the other Loan Documents), provided that the Agent shall not be required to take any action that, in its opinion or the opinion of its counsel, may expose the Agent to liability or that is contrary to any Loan Document or applicable law; and

(c) shall not, except as expressly set forth herein and in the other Loan Documents, have any duty to disclose, and shall not be liable for the failure to disclose, any information

relating to the Borrower or any of its Affiliates that is communicated to or obtained by the Person serving as the Agent or any of its Affiliates in any capacity.

The Agent shall not be liable for any action taken or not taken by it (i) with the consent or at the request of the Required Lenders (or such other number or percentage of the Lenders as shall be necessary, or as the Agent shall believe in good faith shall be necessary, under the circumstances as provided in Sections 13.9 and 11.2) or (ii) in the absence of its own gross negligence or willful misconduct. The Agent shall be deemed not to have knowledge of any Default unless and until notice describing such Default is given to the Agent by the Borrower, a Lender or the Issuing Bank.

The Agent shall not be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with this Agreement or any other Loan Document, (ii) the contents of any certificate, report or other document delivered hereunder or thereunder or in connection herewith or therewith, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth herein or therein or the occurrence of any Default, (iv) the validity, enforceability, effectiveness or genuineness of this Agreement, any other Loan Document or any other agreement, instrument or document or (v) the satisfaction of any condition set forth in Article VI or elsewhere herein, other than to confirm receipt of items expressly required to be delivered to the Agent.

Section 12.4 Reliance by Agent. The Agent shall be entitled to rely upon, and shall not incur any liability for relying upon, any notice, request, certificate, consent, statement, instrument, document or other writing (including any electronic message, Internet or intranet website posting or other distribution) believed by it to be genuine and to have been signed, sent or otherwise authenticated by the proper Person. The Agent also may rely upon any statement made to it orally or by telephone and believed by it to have been made by the proper Person, and shall not incur any liability for relying thereon. In determining compliance with any condition hereunder to the making of a Loan, or the issuance of a Letter of Credit, that by its terms must be fulfilled to the satisfaction of a Lender or the Issuing Bank, the Agent may presume that such condition is satisfactory to such Lender or the Issuing Bank unless the Agent shall have received notice to the contrary from such Lender or the Issuing Bank prior to the making of such Loan or the issuance of such Letter of Credit. The Agent may consult with legal counsel (who may be counsel for the Borrower), independent accountants and other experts selected by it, and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts.

Section 12.5 Delegation of Duties. The Agent may perform any and all of its duties and exercise its rights and powers hereunder or under any other Loan Document by or through any one or more sub-agents appointed by the Agent. The Agent and any such sub-agent may perform any and all of its duties and exercise its rights and powers by or through their respective Related Parties. The exculpatory provisions of this Article shall apply to any such sub-agent and to the Related Parties of the Agent and any such sub-agent, and shall apply to their respective activities in connection with the syndication of the credit facilities provided for herein as well as activities as Agent.

Section 12.6 Resignation of Agent. The Agent may at any time give notice of its resignation to the Lenders, the Issuing Bank and the Borrower. Upon receipt of any such notice

of resignation, the Required Lenders shall have the right, in consultation with the Borrower, to appoint a successor, which shall be a bank with an office in the United States of America, or an Affiliate of any such bank with an office in the United States of America. If no such successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within 30 days after the retiring Agent gives notice of its resignation, then the retiring Agent may on behalf of the Lenders and the Issuing Bank, appoint a successor Agent meeting the qualifications set forth above provided that if the Agent shall notify the Borrower and the Lenders that no qualifying Person has accepted such appointment, then such resignation shall nonetheless become effective in accordance with such notice and (a) the retiring Agent shall be discharged from its duties and obligations hereunder and under the other Loan Documents (except that in the case of any collateral security held by the Agent on behalf of the Lenders or the Issuing Bank under any of the Loan Documents, the retiring Agent shall continue to hold such collateral security until such time as a successor Agent is appointed) and (b) all payments, communications and determinations provided to be made by, to or through the Agent shall instead be made by or to each Lender and the Issuing Bank directly, until such time as the Required Lenders appoint a successor Agent as provided for above in this Section. Upon the acceptance of a successor's appointment as Agent hereunder, such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring (or retired) Agent, and the retiring Agent shall be discharged from all of its duties and obligations hereunder or under the other Loan Documents (if not already discharged therefrom as provided above in this Section). The fees payable by the Borrower to a successor Agent shall be the same as those payable to its predecessor unless otherwise agreed between the Borrower and such successor. After the retiring Agent's resignation hereunder and under the other Loan Documents, the provisions of this Article and Section 13.1 shall continue in effect for the benefit of such retiring Agent, its sub-agents and their respective Related Parties in respect of any actions taken or omitted to be taken by any of them while the retiring Agent was acting as Agent.

Section 12.7 Non-Reliance on Agent and Other Lenders. Each Lender and the Issuing Bank acknowledges that it has, independently and without reliance upon the Agent or any other Lender or any of their Related Parties and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Lender and the Issuing Bank also acknowledges that it will, independently and without reliance upon the Agent or any other Lender or any of their Related Parties and based on such documents and information as it shall from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or based upon this Agreement, any other Loan Document or any related agreement or any document furnished hereunder or thereunder.

Section 12.8 Sharing of Payments, Etc. If any Lender shall, by exercising any right of setoff or counterclaim or otherwise, obtain payment in respect of any principal of or interest on any of its Loans or other obligations hereunder resulting in such Lender's receiving payment of a proportion of the aggregate amount of its Loans and accrued interest thereon or other such obligations greater than its pro rata share thereof as provided herein, then the Lender receiving such greater proportion shall (a) notify the Agent of such fact, and (b) purchase (for cash at face value) participations in the Loans and such other obligations of the other Lenders, or make such other adjustments as shall be equitable, so that the benefit of all such payments shall be shared by the Lenders ratably in accordance with the aggregate amount of principal of and accrued interest on their respective Loans and other amounts owing them, provided that:

(a) if any such participations are purchased and all or any portion of the payment giving rise thereto is recovered, such participations shall be rescinded and the purchase price restored to the extent of such recovery, without interest; and

(b) the provisions of this clause shall not be construed to apply to (i) any payment made by the Borrower pursuant to and in accordance with the express terms of this Agreement or (ii) any payment obtained by a Lender as consideration for the assignment of or sale of a participation in any of its Loans or participations in Letter of Credit Disbursements to any assignee or participant, other than to the Borrower or any Subsidiary thereof (as to which the provisions of this clause shall apply).

The Borrower and each Obligated Party consent to the foregoing and agree, to the extent each of them may effectively do so under applicable law, that any Lender acquiring a participation pursuant to the foregoing arrangements may exercise against the Borrower or any Obligated Party rights of setoff and counterclaim with respect to such participation as fully as if such Lender were a direct creditor of the Borrower and each Obligated Party in the amount of such participation.

Section 12.9 Indemnification. THE LENDERS HEREBY AGREE TO INDEMNIFY THE AGENT AND THE ISSUING BANK FROM AND HOLD THE AGENT AND THE ISSUING BANK HARMLESS AGAINST (TO THE EXTENT NOT REIMBURSED UNDER SECTIONS 13.1 AND 13.2, BUT WITHOUT LIMITING THE OBLIGATIONS OF THE BORROWER UNDER SECTIONS 13.1 AND 13.2), RATABLY IN ACCORDANCE WITH THEIR RESPECTIVE REVOLVING CREDIT COMMITMENTS, ANY AND ALL LIABILITIES, OBLIGATIONS, LOSSES, DAMAGES, PENALTIES, ACTIONS, JUDGMENTS, DEFICIENCIES, SUITS, COSTS, EXPENSES (INCLUDING REASONABLE ATTORNEYS' FEES), AND DISBURSEMENTS OF ANY KIND OR NATURE WHATSOEVER WHICH MAY BE IMPOSED ON, INCURRED BY, OR ASSERTED AGAINST THE AGENT AND THE ISSUING BANK IN ANY WAY RELATING TO OR ARISING OUT OF ANY OF THE LOAN DOCUMENTS OR ANY ACTION TAKEN OR OMITTED TO BE TAKEN BY THE AGENT AND THE ISSUING BANK UNDER OR IN RESPECT OF ANY OF THE LOAN DOCUMENTS; PROVIDED, FURTHER, THAT NO LENDER SHALL BE LIABLE FOR ANY PORTION OF THE FOREGOING TO THE EXTENT CAUSED BY THE AGENT'S OR THE ISSUING BANK'S GROSS NEGLIGENCE OR WILLFUL MISCONDUCT. WITHOUT LIMITING ANY OTHER PROVISION OF THIS SECTION, EACH LENDER AGREES TO REIMBURSE THE AGENT AND THE ISSUING BANK PROMPTLY UPON DEMAND FOR ITS PRO RATA SHARE (CALCULATED ON THE BASIS OF THE REVOLVING CREDIT COMMITMENTS) OF ANY AND ALL OUT-OF-POCKET EXPENSES (INCLUDING REASONABLE ATTORNEYS' FEES) INCURRED BY THE AGENT AND THE ISSUING BANK IN CONNECTION WITH THE PREPARATION, EXECUTION, DELIVERY, ADMINISTRATION, MODIFICATION, AMENDMENT OR ENFORCEMENT (WHETHER THROUGH NEGOTIATIONS, LEGAL PROCEEDINGS, OR OTHERWISE) OF, OR LEGAL ADVICE IN RESPECT OF RIGHTS OR RESPONSIBILITIES UNDER, THE LOAN DOCUMENTS, TO THE EXTENT THAT THE AGENT OR THE ISSUING BANK IS NOT REIMBURSED FOR SUCH EXPENSES BY THE BORROWER.

Section 12.10 Several Commitments. The Commitments and other obligations of the Lenders under this Agreement are several. The default by any Lender in making an Advance in

accordance with its Commitment shall not relieve the other Lenders of their obligations under this Agreement. In the event of any default by any Lender in making any Advance, each nondefaulting Lender shall be obligated to make its Advance but shall not be obligated to advance the amount which the defaulting Lender was required to advance hereunder. In no event shall any Lender be required to advance an amount or amounts to the Borrower which shall in the aggregate exceed such Lender's Revolving Credit Commitment. No Lender shall be responsible for any act or omission of any other Lender.

Section 12.11 Agent May File Proofs of Claim. In case of the pendency of any receivership, insolvency, liquidation, bankruptcy, reorganization, arrangement, adjustment, composition or other judicial proceeding relative to the Borrower or any Obligated Party, the Agent (irrespective of whether the principal of any Advance or Letter of Credit Liabilities shall then be due and payable as herein expressed or by declaration or otherwise and irrespective of whether the Agent shall have made any demand on the Borrower) shall be entitled and empowered, by intervention in such proceeding or otherwise

(a) to file and prove a claim for the whole amount of the principal and interest owing and unpaid in respect of the Advances, Letter of Credit Liabilities and all other Obligations that are owing and unpaid and to file such other documents as may be necessary or advisable in order to have the claims of the Lenders and the Agent (including any claim for the reasonable compensation, expenses, disbursements and advances of the Lenders and the Agent and their respective agents and counsel and all other amounts due the Lenders and the Agent under Sections 2.10 and 13.1) allowed in such judicial proceeding; and

(b) to collect and receive any monies or other property payable or deliverable on any such claims and to distribute the same;

and any custodian, receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such judicial proceeding is hereby authorized by each Lender to make such payments to the Agent and, in the event that the Agent shall consent to the making of such payments directly to the Lenders, to pay to the Agent any amount due for the reasonable compensation, expenses, disbursements and advances of the Agent and its agents and counsel, and any other amounts due the Agent under Sections 2.10 and 13.1.

Nothing contained herein shall be deemed to authorize the Agent to authorize or consent to or accept or adopt on behalf of any Lender any plan of reorganization, arrangement, adjustment or composition affecting the Obligations or the rights of any Lender or to authorize the Agent to vote in respect of the claim of any Lender in any such proceeding.

Section 12.12 Collateral and Guaranty Matters. The Lenders irrevocably authorize the Agent, at its option and in its discretion:

(a) to release any Lien on any property granted to or held by the Agent under any Loan Document (i) upon termination of the Commitments and payment in full of all Obligations (other than contingent indemnification obligations) and the expiration or termination of all Letters of Credit, (ii) that is sold or to be sold as part of or in connection with any sale permitted hereunder or under any other Loan Document, or (iii) subject to Section 13.9, if approved, authorized or ratified in writing by the Required Lenders; and

(b) to release any Guarantor from its obligations under the Guaranty if such Person ceases to be a Subsidiary as a result of a transaction permitted hereunder.

Upon request by the Agent at any time, the Required Lenders will confirm in writing the Agent's authority to release its interest in particular types or items of property, or to release any Guarantor from its obligations under the Guaranty pursuant to this Section 12.12.

Section 12.13 No Other Duties, Etc. Anything herein to the contrary notwithstanding, none of the bookrunners, arrangers or Syndication Agent listed on the cover page hereof shall have any powers, duties or responsibilities under this Agreement or any of the other Loan Documents, except in its capacity, as applicable, as the Agent, a Lender, the Swing Lender or the Issuing Bank hereunder.

ARTICLE XIII

Miscellaneous

Section 13.1 Expenses; Indemnity; Damage Waiver.

(a) Costs and Expenses. The Borrower shall pay (i) all reasonable out-of-pocket expenses incurred by the Agent and its Affiliates (including the reasonable fees, charges and disbursements of counsel for the Agent), and shall pay all fees and time charges and disbursements for attorneys who may be employees of the Agent, in connection with the syndication of the credit facilities provided for herein, the preparation, negotiation, execution, delivery and administration of this Agreement and the other Loan Documents or any amendments, modifications or waivers of the provisions hereof or thereof (whether or not the transactions contemplated hereby or thereby shall be consummated), (ii) all reasonable out-of-pocket expenses incurred by the Issuing Bank in connection with the issuance, amendment, renewal or extension of any Letter of Credit or any demand for payment thereunder and (iii) all out-of-pocket expenses incurred by the Agent, any Lender or the Issuing Bank (including the fees, charges and disbursements of any counsel for the Agent, any Lender or the Issuing Bank), and shall pay all fees and time charges for attorneys who may be employees of the Agent, any Lender or the Issuing Bank, in connection with the enforcement or protection of its rights (A) in connection with this Agreement and the other Loan Documents, including its rights under this Section, or (B) in connection with the Loans made or Letters of Credit issued hereunder, including all such out-of-pocket expenses incurred during any workout, restructuring or negotiations in respect of such Loans or Letters of Credit.

(b) Indemnification by the Borrower. The Borrower shall indemnify the Agent (and any sub-agent thereof), each Lender and the Issuing Bank, and each Related Party of any of the foregoing Persons (each such Person being called an "Indemnitee") against, and hold each Indemnitee harmless from, any and all losses, claims, damages, liabilities and related expenses (including the reasonable fees, charges and disbursements of any counsel for any Indemnitee), and shall indemnify and hold harmless each Indemnitee from all reasonable fees and time charges and disbursements for attorneys who may be employees of any Indemnitee, incurred by any Indemnitee or asserted against any Indemnitee by any third party or by the Borrower or any Obligated Party arising out

of, in connection with, or as a result of (i) the execution or delivery of this Agreement, any other Loan Document or any agreement or instrument contemplated hereby or thereby, the performance by the parties hereto of their respective obligations hereunder or thereunder or the consummation of the transactions contemplated hereby or thereby, (ii) any Loan or Letter of Credit or the use or proposed use of the proceeds therefrom (including any refusal by the Issuing Bank to honor a demand for payment under a Letter of Credit if the documents presented in connection with such demand do not strictly comply with the terms of such Letter of Credit), (iii) any actual or alleged presence or Release of Hazardous Materials on or from any property owned or operated by the Borrower or any of its Subsidiaries, or any Environmental Liability related in any way to the Borrower or any of its Subsidiaries, or (iv) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory, whether brought by a third party or by the Borrower or any other Obligated Party, and regardless of whether any Indemnitee is a party thereto, provided that such indemnity shall not, as to any Indemnitee, be available to the extent that such losses, claims, damages, liabilities or related expenses (x) are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from the gross negligence or willful misconduct of such Indemnitee or (y) result from a claim brought by the Borrower or any Obligated Party against an Indemnitee for breach in bad faith of such Indemnitee's obligations hereunder or under any other Loan Document, if the Borrower or such Obligated Party has obtained a final and nonappealable judgment in its favor on such claim as determined by a court of competent jurisdiction.

(c) Reimbursement by Lenders. To the extent that the Borrower for any reason fails to indefeasibly pay any amount required under clause (a) or (b) of this Section to be paid by it to the Agent (or any sub-agent thereof), the Issuing Bank or any Related Party of any of the foregoing, each Lender severally agrees to pay to the Agent (or any such sub-agent), the Issuing Bank or such Related Party, as the case may be, such Lender's Applicable Percentage (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought) of such unpaid amount, provided that the unreimbursed expense or indemnified loss, claim, damage, liability or related expense, as the case may be, was incurred by or asserted against the Agent (or any such sub-agent) or the Issuing Bank in its capacity as such, or against any Related Party of any of the foregoing acting for the Agent (or any such sub-agent) or Issuing Bank in connection with such capacity. The obligations of the Lenders under this clause (c) are subject to the provisions of Section 12.10.

(d) Waiver of Consequential Damages, Etc. To the fullest extent permitted by applicable law, the Borrower shall not assert, and hereby waives, any claim against any Indemnitee, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement, any other Loan Document or any agreement or instrument contemplated hereby, the transactions contemplated hereby or thereby, any Loan or Letter of Credit or the use of the proceeds thereof. No Indemnitee referred to in clause (b) above shall be liable for any damages arising from the use by unintended recipients of any information or other materials distributed by it through

telecommunications, electronic or other information transmission systems in connection with this Agreement or the other Loan Documents or the transactions contemplated hereby or thereby.

(e) Payments. All amounts due under this Section shall be payable promptly after demand therefor.

Section 13.2 Limitation of Liability. None of the Agent, the Issuing Bank, any Lender, or any Affiliate, officer, director, employee, attorney, or agent thereof shall have any liability with respect to, and the Borrower hereby waives, releases, and agrees not to sue any of them upon, any claim for any special, indirect, incidental, or consequential damages suffered or incurred by the Borrower in connection with, arising out of, or in any way related to, this Agreement or any of the other Loan Documents, or any of the transactions contemplated by this Agreement or any of the other Loan Documents, including without limitation, any damages suffered or incurred by the Borrower in connection with Swing Loan Advances made by telephonic notice pursuant to Section 2.8(a) hereto, except for such Person's gross negligence or willful misconduct.

Section 13.3 No Duty. All attorneys, accountants, appraisers, and other professional Persons and consultants retained by the Agent, the Issuing Bank and the Lenders shall have the right to act exclusively in the interest of the Agent, the Issuing Bank and the Lenders and shall have no duty of disclosure, duty of loyalty, duty of care, or other duty or obligation of any type or nature whatsoever to the Borrower or any of the Borrower's shareholders or any other Person.

Section 13.4 No Fiduciary Relationship. The relationship between the Borrower and each of the Agent, the Issuing Bank and the Lenders is solely that of debtor and creditor, and neither the Agent, the Issuing Bank nor any Lender has any fiduciary or other special relationship with the Borrower, and no term or condition of any of the Loan Documents shall be construed so as to deem the relationship between the Borrower and any of the Agent, the Issuing Bank and the Lenders to be other than that of debtor and creditor.

Section 13.5 Equitable Relief. The Borrower recognizes that in the event the Borrower fails to pay, perform, observe, or discharge any or all of the Obligations, any remedy at law may prove to be inadequate relief to the Agent, the Issuing Bank and the Lenders. The Borrower therefore agrees that the Agent, the Issuing Bank and the Lenders, if the Agent, the Issuing Bank or the Lenders so request, shall be entitled to temporary and permanent injunctive relief in any such case without the necessity of proving actual damages.

Section 13.6 No Waiver; Cumulative Remedies. No failure on the part of the Agent, the Issuing Bank or any Lender to exercise and no delay in exercising, and no course of dealing with respect to, any right, power, or privilege under this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power, or privilege under this Agreement preclude any other or further exercise thereof or the exercise of any other right, power, or privilege. The rights and remedies provided for in this Agreement and the other Loan Documents are cumulative and not exclusive of any rights and remedies provided by law.

Section 13.7 Successors and Assigns.

(a) Successors and Assigns Generally. The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby, except that neither the Borrower nor any Obligated Party may assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of the Agent and each Lender and no Lender may assign or otherwise transfer any of its rights or obligations hereunder except (i) to an assignee in accordance with the provisions of clause (b) of this Section, (ii) by way of participation in accordance with the provisions of clause (d) of this Section or (iii) by way of pledge or assignment of a security interest subject to the restrictions of clause (f) of this Section (and any other attempted assignment or transfer by any party hereto shall be null and void). Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby, Participants to the extent provided in clause (d) of this Section and, to the extent expressly contemplated hereby, the Related Parties of each of the Agent and the Lenders) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) Assignments by Lenders. Any Lender may at any time assign to one or more assignees all or a portion of its rights and obligations under this Agreement (including all or a portion of its Commitment and the Loans at the time owing to it); provided that any such assignment shall be subject to the following conditions:

(i) Minimum Amounts.

(A) in the case of an assignment of the entire remaining amount of the assigning Lender's Commitment and the Loans at the time owing to it or in the case of an assignment to a Lender, an Affiliate of a Lender or an Approved Fund, no minimum amount need be assigned; and

(B) in any case not described in clause (b)(i)(A) of this Section, the aggregate amount of the Commitment (which for this purpose includes Loans outstanding thereunder) or, if the applicable Commitment is not then in effect, the principal outstanding balance of the Loans of the assigning Lender subject to each such assignment (determined as of the date the Assignment and Assumption with respect to such assignment is delivered to the Agent or, if "Trade Date" is specified in the Assignment and Assumption, as of the Trade Date) shall not be less than $5,000,000, in the case of any assignment in respect of a revolving facility, or $1,000,000 in the case of any assignment in respect of a term facility, unless each of the Agent and, so long as no Default has occurred and is continuing, the Borrower otherwise consents (each such consent not to be unreasonably withheld or delayed).

(ii) Proportionate Amounts. Each partial assignment shall be made as an assignment of a proportionate part of all the assigning Lender's rights

and obligations under this Agreement with respect to the Loan or the Commitment assigned.

(iii) Required Consents. No consent shall be required for any assignment except to the extent required by clause (b)(i)(B) of this Section and, in addition:

(A) the consent of the Borrower (such consent not to be unreasonably withheld or delayed) shall be required unless (x) a Default has occurred and is continuing at the time of such assignment or (y) such assignment is to a Lender, an Affiliate of a Lender or an Approved Fund;

(B) the consent of the Agent (such consent not to be unreasonably withheld or delayed) shall be required for assignments in respect of (i) an unfunded or revolving facility if such assignment is to a Person that is not a Lender with a Commitment in respect of such facility, an Affiliate of such Lender or an Approved Fund with respect to such Lender or (ii) a funded term facility to a Person who is not a Lender, an Affiliate of a Lender or an Approved Fund;

(C) the consent of the Issuing Bank (such consent not to be unreasonably withheld or delayed) shall be required for any assignment that increases the obligation of the assignee to participate in exposure under one or more Letters of Credit (whether or not then outstanding); and

(D) the consent of the Swing Lender (such consent not to be unreasonably withheld or delayed) shall be required for any assignment in respect of Revolving Credit Loans and Revolving Credit Commitments.

(iv) Assignment and Assumption. The parties to each assignment shall execute and deliver to the Agent an Assignment and Assumption, together with a processing and recordation fee of $3,000, and the assignee, if it is not a Lender, shall deliver to the Agent an Administrative Questionnaire.

(v) No Assignment to Borrower. No such assignment shall be made to the Borrower or any of the Borrower's Affiliates or Subsidiaries.

(vi) No Assignment to Natural Persons. No such assignment shall be made to a natural person.

Subject to acceptance and recording thereof by the Agent pursuant to clause (c) of this Section, from and after the effective date specified in each Assignment and Assumption,

the assignee thereunder shall be a party to this Agreement and, to the extent of the interest assigned by such Assignment and Assumption, have the rights and obligations of a Lender under this Agreement, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Assumption, be released from its obligations under this Agreement (and, in the case of an Assignment and Assumption covering all of the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto) but shall continue to be entitled to the benefits of Sections 5.1 and 13.1 with respect to facts and circumstances occurring prior to the effective date of such assignment. Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this Section shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with clause (d) of this Section.

(c) Register. The Agent, acting solely for this purpose as an agent of the Borrower, shall maintain at its Principal Office a copy of each Assignment and Assumption delivered to it and a register for the recordation of the names and addresses of the Lenders, and the Commitments of, and principal amounts of the Loans owing to, each Lender pursuant to the terms hereof from time to time (the "Register"). The entries in the Register shall be conclusive, and the Borrower, the Agent and the Lenders may treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement, notwithstanding notice to the contrary. The Register shall be available for inspection by the Borrower and any Lender, at any reasonable time and from time to time upon reasonable prior notice.

(d) Participations. Any Lender may at any time, without the consent of, or notice to, the Borrower or the Agent, sell participations to any Person (other than a natural person or the Borrower or any of the Borrower's Affiliates or Subsidiaries) (each, a "Participant") in all or a portion of such Lender's rights and/or obligations under this Agreement (including all or a portion of its Commitment and/or the Loans owing to it); provided that (i) such Lender's obligations under this Agreement shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations and (iii) the Borrower, the Agent and the Lenders, and Issuing Bank shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement.

Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement; provided that such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, modification or waiver with respect to the following that affects such Participant: (A) any increase of such Lender's Commitments, (B) any reduction of the principal amount of, or interest to be paid on, the Advances and LC Participations of such Lender, (C) any reduction of any commitment fee or other amount payable to such Lender under any Loan Document, or (D) any postponement of any date for the payment of any amount payable in respect of the Advances or LC Participations of such Lender. Subject to clause (e) of this Section, the Borrower agrees that each Participant shall be entitled to the benefits of Section 5.1 to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to clause (b) of this Section. To the extent permitted by law, each Participant also shall

be entitled to the benefits of Section 11.2(b) as though it were a Lender, provided such Participant agrees to be subject to Sections 4.9(c) and 12.8 as though it were a Lender.

(e) Limitations upon Participant Rights. A Participant shall not be entitled to receive any greater payment under Sections 4.6 and 5.1 than the applicable Lender would have been entitled to receive with respect to the participation sold to such Participant, unless the sale of the participation to such Participant is made with the Borrower's prior written consent. A Participant that would be a Foreign Lender if it were a Lender shall not be entitled to the benefits of Section 4.6 unless the Borrower is notified of the participation sold to such Participant and such Participant agrees, for the benefit of the Borrower, to comply with Section 4.6(e) as though it were a Lender.

(f) Certain Pledges. Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement to secure obligations of such Lender, including any pledge or assignment to secure obligations to a Federal Reserve Bank; provided that no such pledge or assignment shall release such Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto.

Section 13.8 Survival. All representations and warranties made in this Agreement or any other Loan Document or in any document, statement, or certificate furnished in connection with this Agreement shall survive the execution and delivery of this Agreement and the other Loan Documents, and no investigation by the Agent, the Issuing Bank or any Lender or any closing shall affect the representations and warranties or the right of the Agent, the Issuing Bank or any Lender to rely upon them. Without prejudice to the survival of any other obligation of the Borrower hereunder, the obligations of the Borrower under Article V and Sections 13.1 and 13.2 shall survive repayment of the Notes and termination of the Commitments and the Letters of Credit.

Section 13.9 Amendments, Etc. No amendment or waiver of any provision of this Agreement, the Notes, or any other Loan Document to which the Borrower or any Obligated Party is a party, nor any consent to any departure by the Borrower or any Obligated Party therefrom, shall in any event be effective unless the same shall be agreed or consented to by Required Lenders and the Borrower or the Obligated Party, as applicable, and each such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given; provided, that no amendment, waiver, or consent shall: (a) increase the Commitment of any Lender or subject any Lender to any additional obligations without the written consent of such Lender; (b) reduce the principal of, or interest on, the Notes or any fees or other amounts due to the Lenders (or any of them) hereunder or under any other Loan Document without the written consent of each Lender directly affected thereby; (c) postpone any date fixed for any payment of principal of, or interest on, the Notes or Letter of Credit Disbursements or any fees or other amounts due to the Lenders (or any of them) hereunder or under any other Loan Document without the written consent of each Lender directly affected thereby; (d) waive any of the conditions specified in Article VI without the written consent of each Lender; (e) change the percentage of the Commitments or of the aggregate unpaid principal amount of the Notes or Letter of Credit Liabilities or the number of Lenders which shall be required for the Lenders or any of them to take any action under this Agreement without the written consent of each Lender; (f) change any provision contained in this Section 13.9 without the written consent of each

Lender; (g) release the Borrower from any of its obligations under this Agreement or the other Loan Documents or, except as provided in Section 12.12, release any Guarantor from its obligations under its Guaranty without the written consent of each Lender; and (h) release any Collateral securing the Guaranty, or the Obligations except in accordance with and as contemplated by the Loan Documents without the written consent of each Lender. Notwithstanding anything to the contrary contained in this Section, no amendment, waiver, or consent shall be made (i) with respect to Article XII hereof without the prior written consent of the Agent, (ii) with respect to Section 2.8 hereof without the prior written consent of the Swing Lender, or (iii) with respect to Article III hereof without the prior written consent of the Issuing Bank.

Section 13.10 Maximum Interest Rate. No provision of this Agreement or of any other Loan Document shall require the payment or the collection of interest in excess of the maximum amount permitted by applicable law. If any excess of interest in such respect is hereby provided for, or shall be adjudicated to be so provided, in any Loan Document or otherwise in connection with this loan transaction, the provisions of this Section shall govern and prevail and neither the Borrower nor the sureties, guarantors, successors, or assigns of the Borrower shall be obligated to pay the excess amount of such interest or any other excess sum paid for the use, forbearance, or detention of sums loaned pursuant hereto. In the event any Lender ever receives, collects, or applies as interest any such sum, such amount which would be in excess of the maximum amount permitted by applicable law shall be applied as a payment and reduction of the principal of the indebtedness evidenced by the Notes and the LC Participations; and, if the principal of the Notes and the LC Participations has been paid in full, any remaining excess shall forthwith be paid to the Borrower. In determining whether or not the interest paid or payable exceeds the Maximum Rate, the Borrower and each Lender shall, to the extent permitted by applicable law, (a) characterize any non-principal payment as an expense, fee, or premium rather than as interest, (b) exclude voluntary prepayments and the effects thereof, and (c) amortize, prorate, allocate, and spread the total amount of interest throughout the entire contemplated term of the indebtedness evidenced by the Notes and LC Participations so that interest for the entire term does not exceed the Maximum Rate.

Section 13.11 Notices.

(a) Notices Generally. Except in the case of notices and other communications expressly permitted to be given by telephone (and except as provided in clause (b) below), all notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by telecopier as follows:

(i) if to the Borrower or any Obligated Party, to it at the address specified below the Borrower's name on the signature page hereof;

(ii) if to the Agent, to it at the address specified below its name on the signature page hereof;

(iii) if to the Issuing Bank, to it at the address specified below its name on the signature page hereof; and

(iv) if to a Lender, to it at its address (or telecopier number) set forth in its Administrative Questionnaire.

Notices sent by hand or overnight courier service, or mailed by certified or registered mail, shall be deemed to have been given when received; notices sent by telecopier shall be deemed to have been given when sent (except that, if not given during normal business hours for the recipient, shall be deemed to have been given at the opening of business on the next Business Day for the recipient). Notices delivered through electronic communications to the extent provided in clause (b) below, shall be effective as provided in said clause (b).

(b) Electronic Communications. (i) Notices and other communications to the Lenders and the Issuing Bank hereunder may be delivered or furnished by electronic communication (including e-mail and Internet or intranet websites) pursuant to procedures approved by the Agent, provided that the foregoing shall not apply to notices to any Lender or the Issuing Bank pursuant to Article II if such Lender or the Issuing Bank, as applicable, has notified the Agent that it is incapable of receiving notices under such Article by electronic communication. The Agent or the Borrower may, in its discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it, provided that approval of such procedures may be limited to particular notices or communications.

(ii) Unless the Agent otherwise prescribes, (A) notices and other communications sent to an e-mail address shall be deemed received upon the sender's receipt of an acknowledgement from the intended recipient (such as by the "return receipt requested" function, as available, return e-mail or other written acknowledgement), provided that if such notice or other communication is not sent during the normal business hours of the recipient, such notice or communication shall be deemed to have been sent at the opening of business on the next Business Day for the recipient, and (B) notices or communications posted to an Internet or intranet website shall be deemed received upon the deemed receipt by the intended recipient at its e-mail address as described in the foregoing clause (A) of notification that such notice or communication is available and identifying the website address therefor.

(iii) The Borrower agrees that any Agent may make any material delivered by the Borrower to such Agent, as well as any amendments, waivers, consents, and other written information, documents, instruments and other materials relating to the Borrower, any of its Subsidiaries, or any other materials or matters relating to this Agreement, the other Loan Documents or any of the transactions contemplated hereby (collectively, the "Communications") available to the Lenders by posting such notices on an electronic delivery system (which may be provided by an Agent, an Affiliate of an Agent, or any Person that is not an Affiliate of an Agent), such as IntraLinks, or a substantially similar electronic system (the "Platform"). The Borrower acknowledges that (A) the distribution of material through an electronic medium is not necessarily secure and that there are confidentiality and other risks associated with such distribution, (B) the Platform is provided "as is" and "as available" and (C) neither any Agent nor any of its Affiliates warrants the accuracy, completeness, timeliness, sufficiency, or sequencing of the Communications posted

on the Platform. Each Agent and its Affiliates expressly disclaim with respect to the Platform any liability for errors in transmission, incorrect or incomplete downloading, delays in posting or delivery, or problems accessing the Communications posted on the Platform and any liability for any losses, costs, expenses or liabilities that may be suffered or incurred in connection with the Platform. No warranty of any kind, express, implied or statutory, including, without limitation, any warranty of merchantability, fitness for a particular purpose, non-infringement of third party rights or freedom from viruses or other code defects, is made by any Agent or any of its Affiliates in connection with the Platform.

(iv) Each Lender agrees that notice to it specifying that any Communication has been posted to the Platform shall for purposes of this Agreement constitute effective delivery to such Lender of such information, documents or other materials comprising such Communication. Each Lender agrees (A) to notify, on or before the date such Lender becomes a party to this Agreement, each Agent in writing of such Lender's e-mail address to which a notice may be sent (and from time to time thereafter to ensure that each Agent has on record an effective e-mail address for such Lender) and (B) that any notice may be sent to such e-mail address.

(c) Change of Address, Etc. Any party hereto may change its address or telecopier number for notices and other communications hereunder by notice to the other parties hereto.

Section 13.12 Governing Law; Venue; Service of Process.

(a) Governing Law. This Agreement shall be governed by, and construed in accordance with, the law of the State of Texas.

(b) Submission to Jurisdiction. The Borrower and each Obligated Party irrevocably and unconditionally submits, for itself and its property, to the nonexclusive jurisdiction of the courts of the State of Texas sitting in Travis County and of the United States District Court Western District of Texas sitting in Travis County; and any appellate court from any thereof, in any action or proceeding arising out of or relating to this Agreement or any other Loan Document, or for recognition or enforcement of any judgment, and each of the parties hereto irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in such Texas State court or, to the fullest extent permitted by applicable law, in such Federal court. Each of the parties hereto agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Agreement or in any other Loan Document shall affect any right that the Agent, any Lender or the Issuing Bank may otherwise have to bring any action or proceeding relating to this Agreement or any other Loan Document against the Borrower or any Obligated Party or its properties in the courts of any jurisdiction.

(c) Waiver of Venue. The Borrower and each Obligated Party irrevocably and unconditionally waives, to the fullest extent permitted by applicable law, any objection that it may now or hereafter have to the laying of venue of any action or proceeding arising out of or relating to this Agreement or any other Loan Document in any court referred to in clause (b) of this Section. Each of the parties hereto hereby

irrevocably waives, to the fullest extent permitted by applicable law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

(d) Service of Process. Each party hereto irrevocably consents to service of process in the manner provided for notices in Section 13.11. Nothing in this Agreement will affect the right of any party hereto to serve process in any other manner permitted by applicable law.

Section 13.13 Binding Arbitration.

(a) Arbitration. The parties hereto agree, upon demand by any party, to submit to binding arbitration all claims, disputes and controversies between or among them (and their respective employees, officers, directors, attorneys, and other agents), whether in tort, contract or otherwise arising out of or relating to in any way (i) the loan and related Loan Documents which are the subject of this Agreement and its negotiation, execution, collateralization, administration, repayment, modification, extension, substitution, formation, inducement, enforcement, default or termination; or (ii) requests for additional credit.

(b) Governing Rules. Any arbitration proceeding will (i) proceed in a location in Texas selected by the American Arbitration Association ("AAA"); (ii) be governed by the Federal Arbitration Act (Title 9 of the United States Code), notwithstanding any conflicting choice of law provision in any of the documents between the parties; and (iii) be conducted by the AAA, or such other administrator as the parties shall mutually agree upon, in accordance with the AAA's commercial dispute resolution procedures, unless the claim or counterclaim is at least $1,000,000.00 exclusive of claimed interest, arbitration fees and costs in which case the arbitration shall be conducted in accordance with the AAA's optional procedures for large, complex commercial disputes (the commercial dispute resolution procedures or the optional procedures for large, complex commercial disputes to be referred to, as applicable, as the "Rules"). If there is any inconsistency between the terms hereof and the Rules, the terms and procedures set forth herein shall control. Any party who fails or refuses to submit to arbitration following a demand by any other party shall bear all costs and expenses incurred by such other party in compelling arbitration of any dispute. Nothing contained herein shall be deemed to be a waiver by any party that is a bank of the protections afforded to it under 12 U.S.C. §91 or any similar applicable state law.

(c) No Waiver of Provisional Remedies, Self-Help and Foreclosure. The arbitration requirement does not limit the right of any party to (i) foreclose against real or personal property collateral; (ii) exercise self-help remedies relating to collateral or proceeds of collateral such as setoff or repossession; or (iii) obtain provisional or ancillary remedies such as replevin, injunctive relief, attachment or the appointment of a receiver, before during or after the pendency of any arbitration proceeding. This exclusion does not constitute a waiver of the right or obligation of any party to submit any dispute to arbitration or reference hereunder, including those arising from the exercise of the actions detailed in clauses (i), (ii) and (iii) of this Section 13.13(c).

(d) Arbitrator Qualifications and Powers. Any arbitration proceeding in which the amount in controversy is $5,000,000.00 or less will be decided by a single arbitrator selected according to the Rules, and who shall not render an award of greater than $5,000,000.00. Any dispute in which the amount in controversy exceeds $5,000,000.00 shall be decided by majority vote of a panel of three arbitrators; provided however, that all three arbitrators must actively participate in all hearings and deliberations. The arbitrator will be a neutral attorney licensed in the State of Texas with a minimum of ten years experience in the substantive law applicable to the subject matter of the dispute to be arbitrated. The arbitrator will determine whether or not an issue is arbitratable and will give effect to the statutes of limitation in determining any claim. In any arbitration proceeding the arbitrator will decide (by documents only or with a hearing at the arbitrator's discretion) any pre-hearing motions which are similar to motions to dismiss for failure to state a claim or motions for summary adjudication. The arbitrator shall resolve all disputes in accordance with the substantive law of Texas and may grant any remedy or relief that a court of such state could order or grant within the scope hereof and such ancillary relief as is necessary to make effective any award. The arbitrator shall also have the power to award recovery of all costs and fees, to impose sanctions and to take such other action as the arbitrator deems necessary to the same extent a judge could pursuant to the Federal Rules of Civil Procedure, the Texas Rules of Civil Procedure or other applicable law. Judgment upon the award rendered by the arbitrator may be entered in any court having jurisdiction. The institution and maintenance of an action for judicial relief or pursuit of a provisional or ancillary remedy shall not constitute a waiver of the right of any party, including the plaintiff, to submit the controversy or claim to arbitration if any other party contests such action for judicial relief.

(e) Discovery. In any arbitration proceeding discovery will be permitted in accordance with the Rules. All discovery shall be expressly limited to matters directly relevant to the dispute being arbitrated and must be completed no later than 20 days before the hearing date and within 180 days of the filing of the dispute with the AAA. Any requests for an extension of the discovery periods, or any discovery disputes, will be subject to final determination by the arbitrator upon a showing that the request for discovery is essential for the party's presentation and that no alternative means for obtaining information is available.

(f) Class Proceedings and Consolidations. The resolution of any dispute arising pursuant to the terms of this Agreement shall be determined by a separate arbitration proceeding and such dispute shall not be consolidated with other disputes or included in any class proceeding.

(g) Payment Of Arbitration Costs And Fees. The arbitrator shall award all costs and expenses of the arbitration proceeding.

(h) Miscellaneous. To the maximum extent practicable, the AAA, the arbitrators and the parties shall take all action required to conclude any arbitration proceeding within 180 days of the filing of the dispute with the AAA. No arbitrator or other party to an arbitration proceeding may disclose the existence, content or results thereof, except for disclosures of information by a party required in the ordinary course of its business or by applicable law or regulation. If more than one agreement for

arbitration by or between the parties potentially applies to a dispute, the arbitration provision most directly related to the Loan Documents or the subject matter of the dispute shall control. This arbitration provision shall survive termination, amendment or expiration of any of the Loan Documents or any relationship between the parties.

Section 13.14 Counterparts.

(a) Counterparts; Integration; Effectiveness. This Agreement may be executed in counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Agreement and the other Loan Documents, and any separate letter agreements with respect to fees payable to the Agent, constitute the entire contract among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. Except as provided in Article VI, this Agreement shall become effective when it shall have been executed by the Agent and when the Agent shall have received counterparts hereof that, when taken together, bear the signatures of each of the other parties hereto. Delivery of an executed counterpart of a signature page of this Agreement by telecopy shall be effective as delivery of a manually executed counterpart of this Agreement.

(b) Electronic Execution of Assignments. The words "execution," "signed," "signature," and words of like import in any Assignment and Assumption shall be deemed to include electronic signatures or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act or any other similar state laws based on the Uniform Electronic Transactions Act.

Section 13.15 Severability. Any provision of this Agreement held by a court of competent jurisdiction to be invalid or unenforceable shall not impair or invalidate the remainder of this Agreement and the effect thereof shall be confined to the provision held to be invalid or illegal.

Section 13.16 Headings. The headings, captions, and arrangements used in this Agreement are for convenience only and shall not affect the interpretation of this Agreement.

Section 13.17 Construction. The Borrower, the Agent, the Issuing Bank and each Lender acknowledge that each of them has had the benefit of legal counsel of its own choice and has been afforded an opportunity to review this Agreement and the other Loan Documents with its legal counsel and that this Agreement and the other Loan Documents shall be construed as if jointly drafted by the parties hereto.

Section 13.18 Independence of Covenants. All covenants hereunder shall be given independent effect so that if a particular action or condition is not permitted by any of such covenants, the fact that it would be permitted by an exception to, or be otherwise within the limitations of, another covenant shall not avoid the occurrence of a Default if such action is taken or such condition exists.

Section 13.19 Treatment of Certain Information; Confidentiality. Each of the Agent, the Lenders and the Issuing Bank agrees to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (a) to its Affiliates and to its and its Affiliates' respective partners, directors, officers, employees, agents, advisors and other representatives (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential), (b) to the extent requested by any regulatory authority purporting to have jurisdiction over it (including any self-regulatory authority, such as the National Association of Insurance Commissioners), (c) to the extent required by applicable laws or regulations or by any subpoena or similar legal process, (d) to any other party hereto, (e) in connection with the exercise of any remedies hereunder or under any other Loan Document or any action or proceeding relating to this Agreement or any other Loan Document or the enforcement of rights hereunder or thereunder, (f) subject to an agreement containing provisions substantially the same as those of this Section, to (i) any assignee of or Participant in, or any prospective assignee of or Participant in, any of its rights or obligations under this Agreement or (ii) any actual or prospective counterparty (or its advisors) to any swap or derivative transaction relating to the Borrower and its obligations, (g) with the consent of the Borrower or (h) to the extent such Information (x) becomes publicly available other than as a result of a breach of this Section or (y) becomes available to the Agent, any Lender, the Issuing Bank or any of their respective Affiliates on a nonconfidential basis from a source other than the Borrower.

For purposes of this Section, "Information" means all information received from the Borrower or any of its Subsidiaries relating to the Borrower or any of its Subsidiaries or any of their respective businesses, other than any such information that is available to the Agent, any Lender or the Issuing Bank on a nonconfidential basis prior to disclosure by the Borrower or any of its Subsidiaries, provided that, in the case of information received from the Borrower or any of its Subsidiaries after the date hereof, such information is clearly identified at the time of delivery as confidential. Any Person required to maintain the confidentiality of Information as provided in this Section shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord to its own confidential information.

Section 13.20 USA Patriot Act Notice. Each Lender, the Issuing Bank and the Agent (for itself and not on behalf of any Lender) hereby notifies the Borrower that pursuant to the requirements of the USA Patriot Act (Title III of Pub.L.No. 107.56 (signed into law October 26, 2001)) (the "Act"), it is required to obtain, verify and record information that identifies the Borrower, which information includes the name and address of the Borrower and other information that will allow such Lender, the Issuing Bank or the Agent, as applicable, to identify the Borrower in accordance with the Act.

Section 13.21 WAIVER OF JURY TRIAL. EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO

REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PERSON HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PERSON WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

Section 13.22 ENTIRE AGREEMENT. THIS AGREEMENT, THE NOTES, AND THE OTHER LOAN DOCUMENTS REFERRED TO HEREIN REPRESENT THE FINAL AGREEMENT AMONG THE PARTIES HERETO AND MAY NOT BE CONTRADICTED OR VARIED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OR DISCUSSIONS OF THE PARTIES HERETO. THERE ARE NO UNWRITTEN ORAL AGREEMENTS AMONG THE PARTIES HERETO.

Section 13.23 Amendment and Restatement. This Agreement amends and restates in its entirety the Existing Credit Agreement. The execution of this Agreement and the other Loan Documents executed in connection herewith does not extinguish the indebtedness outstanding in connection with the Existing Credit Agreement nor does it constitute a novation with respect to such indebtedness. THE BORROWER REPRESENTS AND WARRANTS THAT AS OF THE DATE HEREOF THERE ARE NO CLAIMS OR OFFSETS AGAINST OR DEFENSES OR COUNTERCLAIMS TO ITS OR ANY OBLIGATED PARTIES' OBLIGATIONS UNDER THE EXISTING CREDIT AGREEMENT, THE OTHER LOAN DOCUMENTS AND THE DOCUMENTATION RELATING TO THE DEPOSIT AND CASH MANAGEMENT SERVICES. On the date hereof, with respect to the Lenders party to the Existing Credit Agreement which are continuing as Lenders under this Agreement (the "Continuing Lenders"), the Agent shall make the appropriate allocations and adjustments in the initial funding instructions to the Lenders to reflect the modifications affected by the Loan Documents to each Continuing Lender's Commitment.

[Remainder of Page Intentionally Left Blank.]

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the day and year first above written.

BORROWER:

EZCORP, INC.

By: _____
Daniel N. Tonissen
Senior Vice President

Address for Notices:

1901 Capital Parkway
Austin, TX 78746
Fax No.: (512) 314-3404
Telephone No.: (512) 314-2289
Email: dtonissen@ezcorp.com
Attention: Daniel N. Tonissen
Chief Financial Officer
With a courtesy copy to:

Connie Kondik
Vice President & General Counsel
EZCORP, Inc.
1901 Capital Parkway
Austin, TX 78746
Fax No.: (512) 314-3463
Telephone No.: (512) 314-3462
Email: connie_kondik@ezcorp.com

AGENT, ISSUING BANK AND LENDERS:

WELLS FARGO BANK, NATIONAL ASSOCIATION, as Agent, Issuing Bank, Swing Lender and a Lender

By: _____
Michael Brewer
Vice President

Address for Notices:

111 Congress Avenue, Suite 2200
Austin, Texas 78701
Fax No.: (512) 344-7318
Telephone No.: (512) 344-7037
Email: michael.brewer@wellsfargo.com
Attention: Michael Brewer

Address for Operational Notices:

Wells Fargo Bank, N.A.
1700 Lincoln, 3rd Floor
MAC # C7300-034
Denver, Colorado 80274
Fax No.: (303) 863-5533
Telephone No.: (303) 863-5415
Email: kevin.j.rapp@wellsfargo.com
Attention: Kevin J. Rapp

with a copy to:

Winstead PC
5400 Renaissance Tower
1201 Elm Street
Dallas, Texas 75270
Fax No.: (214) 745-5390
Telephone No.: (214) 745-5265
Email: rmatthews@winstead.com
Attention: T. Randall Matthews, Esq.

Lending Office for Base Rate Advances and Eurodollar Advances:

111 Congress Avenue, Suite 2200
Austin, Texas 78701

_____,
as a Lender

By: _____
Name: _____
Title: _____

Address for Notices and Applicable Lending Office: _____
_____
Fax No.: _____
Telephone No.: _____
Attn: _____

Lending Office for Base Rate Advances and Eurodollar Advances:

_____
_____
Attn: _____

SCHEDULE 1.1(a)

Commitments

Lender:	Revolving Credit Commitment:	Term Loan Commitment:
Wells Fargo Bank, National Association	$ 33,333,334	$ 16,666,667
Union Bank of California, N.A.	$ 16,666,666	$ 8,333,333
Guaranty Bank	$ 13,333,334	$ 6,666,667
U.S. Bank National Association	$ 10,000,000	$ 5,000,000
Allied Irish Bank plc	$ 6,666,666	$ 3,333,333
Total:	$ 80,000,000	$ 40,000,000

Exhibit 23.1

Consent of Independent Registered Public Accounting Firm

EZCORP, Inc.
Austin, Texas

We hereby consent to the incorporation by reference in the Prospectus constituting a part of this Registration Statement of our reports dated December 10, 2007, relating to the consolidated financial statements, the effectiveness of EZCORP, Inc.'s internal control over financial reporting, and schedule of EZCORP, Inc. appearing in the Company's Annual Report on Form 10-K for the year ended September 30, 2007.

We also consent to the reference to us under the caption "Experts" in the Prospectus.

/s/ BDO Seidman, LLP

BDO Seidman, LLP
Dallas, Texas

July 23, 2008

Exhibit 23.2

Consent of Independent Auditor

We consent to the use in this Registration Statement (No. 333-151871) on Form S-3/A Pre-Effective Amendment No. 1 of EZCORP, Inc. of our report dated June 2, 2008 relating to our audit of the consolidated financial statements of Value Financial Services, Inc., appearing in the Prospectus, which is part of this Registration Statement.

We also consent to the reference to our firm under the caption “Experts” in such Prospectus.

/s/ McGladrey & Pullen, LLP

Orlando, Florida
July 23, 2008

Exhibit 23.3

Consent of Independent Auditor

We consent to the use in this Registration Statement (No. 333-151871) on Form S-3/A Pre-Effective Amendment No. 1 of EZCORP, Inc. of our report dated August 13, 2007, except for the effects of the restatements to the consolidated financial statements of operations and cash flows and as described in Note 1(a), as to which the date is November 8, 2007, relating to our audit of the consolidated financial statements of Value Financial Services, Inc., appearing in the Prospectus, which is part of this Registration Statement.

We also consent to the reference to our firm under the caption “Experts” in such Prospectus.

/s/ Tedder, James, Worden & Associates, P.A.

Orlando, Florida
July 23, 2008