CASH AMERICA INTERNATIONAL INC
Form 10-K
February 26, 2016
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-K

[X] ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended December 31, 2015
OR
[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from __________ to ___________
Commission File Number 001-09733

Texas	75-2018239
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
1600 West 7th Street	
Fort Worth, Texas	76102 – 2599
(Address of principal executive offices)	(Zip Code)

Registrant’s telephone number, including area code:
(817) 335-1100

Securities Registered Pursuant to Section 12(b) of the Act:

Title of Each Class	Name of Each Exchange on Which Registered
Common Stock, $0.10 par value per share	New York Stock Exchange

Securities Registered Pursuant to Section 12(g) of the Act:
None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.
Yes þ No ¨

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.
Yes ¨ No þ

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.
Yes þ No ¨

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter time that the registrant was required to submit and post such files).
Yes þ No ¨

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant’s knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. þ

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 definitions of “large accelerated filer,” “accelerated filer” and “smaller reporting company” in Rule 12b-2 of the Exchange Act.

Large accelerated filer	þ	Accelerated filer	¨
Non-accelerated filer	¨	Smaller reporting company	¨

(Do not check if a smaller reporting company)

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

Yes ¨ No þ

The aggregate market value of 26,337,654 shares of the registrant’s common stock, par value $0.10 per share, held by non-affiliates on June 30, 2015 was approximately $689,783,158.

At February 22, 2016 there were 24,471,110 shares of the registrant’s common stock, $0.10 par value per share, outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the Registrant’s definitive Proxy Statement pertaining to the 2016 Annual Meeting of Shareholders are incorporated herein by reference into Items 10, 11, 12, 13 and 14 of Part III of this Annual Report on Form 10-K.

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CAUTIONARY NOTE CONCERNING FACTORS THAT MAY AFFECT FUTURE RESULTS

This report contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. You should not place undue reliance on these statements. These forward-looking statements give current expectations or forecasts of future events and reflect the views and assumptions of senior management with respect to the business, financial condition, operations and prospects of Cash America International, Inc. and its subsidiaries (collectively, the “Company”). When used in this report, terms such as “believes,” “estimates,” “should,” “could,” “would,” “plans,” “expects,” “intends,” “anticipates,” “may,” “forecast,” “project” expressions or variations as they relate to the Company or its management are intended to identify forward-looking statements. Forward-looking statements address matters that involve risks and uncertainties that are beyond the ability of the Company to control and, in some cases, predict. Accordingly, there are or will be important factors that could cause the Company’s actual results to differ materially from those indicated in these statements. Key factors that could cause the Company’s actual financial results, performance or condition to differ from the expectations expressed or implied in such forward-looking statements include, but are not limited to, the following:

- risks related to the regulation of the Company, such as the failure to comply with existing, the adoption of new, or adverse changes in the interpretation or enforcement of laws, rules, regulations and guidance, the regulatory and examination authority of the Consumer Financial Protection Bureau (“CFPB”), and the effect of and compliance with enforcement actions, orders and agreements issued by applicable regulators;
- decreased demand for the Company’s products and services and changes in competition;
- fluctuations in the price of gold and changes in economic conditions;
- public perception of the Company’s business and the Company’s business practices;
- the effect of any current or future litigation proceedings, including an unfavorable outcome in an outstanding lawsuit relating to the Company’s 5.75% Senior Notes due 2018 even though the Company believes the lawsuit is without merit and will vigorously defend its position, and any judicial decisions or rule-making that affects the Company, its products or the legality or enforceability of its arbitration agreements;
- risks related to the Company’s financing, such as compliance with financial covenants in the Company’s debt agreements or the Company’s ability to satisfy its outstanding debt obligations, to refinance existing debt obligations or to obtain new capital;
- accounting and income tax risks related to goodwill and other intangible asset impairment, certain tax positions taken by the Company and other accounting matters that require the judgment of management;
- the Company’s ability to attract and retain qualified executive officers;
- risks related to interruptions to the Company’s business operations, such as a prolonged interruption in the Company’s operations of its facilities, systems or business functions, cyber-attacks or security breaches or the actions of third parties who provide, acquire or offer products and services to, from or for the Company;
- risks related to the expansion and growth of the Company’s business, including the Company’s ability to open new locations in accordance with plans or to successfully integrate newly acquired businesses into its operations;
- risks related to the spin-off of the Company’s former online lending business that comprised its e-commerce division, Enova International, Inc.;
- fluctuations in the price of the Company’s common stock;
- the effect of any of the above changes on the Company’s business or the markets in which the Company operates; and
- other risks and uncertainties described in this report or from time to time in the Company’s filings with the Securities and Exchange Commission (“SEC”).

The foregoing list of factors should not be construed as exhaustive and should be read together with the other cautionary statements included in this annual report, including under the caption “Risk Factors” in Item 1A of this annual report. In addition, new factors may emerge or changes to these factors may occur that would impact the Company’s business. Additional information regarding these and other risks can be found in this annual report and may also be contained in the Company’s other filings with the SEC, especially on Forms 10-Q and 8-K. If one or more events related to these or other risks or uncertainties materialize, or if management’s underlying assumptions prove to be incorrect, actual results may differ materially from those the Company anticipates. The Company disclaims any intention or obligation to update or revise any forward-looking statements to reflect events or circumstances occurring

after the date of this report. All forward-looking statements are expressly qualified in their entirety by the foregoing cautionary statements.

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PART I
ITEM 1. BUSINESS

Overview

General

Cash America International, Inc. and its subsidiaries (collectively, the “Company”) provide specialty financial services to individuals in the United States through its storefront lending locations and franchised check cashing centers. The Company has one reportable operating segment. The Company was incorporated in Texas in 1984 and has been providing specialty financial services to its customers for over 30 years. The Company believes it was one of the largest providers of pawn loans in the world in 2015 based on the amount of loans outstanding to its customers. A general overview of the Company’s products and services is included below. See “Services Offered by the Company” for additional details regarding these products and services.

Unless stated otherwise, the discussion of the Company’s business and financial information throughout this Annual Report refers to the Company’s continuing operations and results from continuing operations. See “Enova Spin-off” for more information on continuing and discontinued operations.

Pawn Lending

The Company offers secured non-recourse loans, commonly referred to as pawn loans, as its primary line of business. Pawn loans are short-term loans made on the pledge of tangible personal property. Pawn loan fees and service charges are generated from the Company’s pawn loan portfolio. In relation to its pawn lending operations, the Company also disposes of collateral from unredeemed pawn loans and liquidates a smaller volume of merchandise purchased directly from customers or from third parties. The Company also offered pawn loans in Mexico until the sale of its Mexico-based operations in August 2014. Pawn-related total revenue accounted for 91%, 90% and 88% of consolidated total revenue for the years ended December 31, 2015, 2014 and 2013, respectively.

Consumer Loan Activities

Another component of the Company's business is originating, arranging, guaranteeing or purchasing consumer loans in some of its locations. Consumer loans provide customers with cash, typically in exchange for an obligation to repay the amount advanced plus fees and any applicable interest. Consumer loans that the Company offers include short-term loans (commonly referred to as payday loans) and installment loans. Consumer loan total revenue accounted for 8%, 9% and 11% of consolidated total revenue for the years ended December 31, 2015, 2014 and 2013, respectively.

Short-term consumer loan products that the Company offers include unsecured short-term loans written by the Company or by a third-party lender through the Company’s credit services organization and credit access business programs (“CSO programs”). Installment consumer loans are longer-term, multi-payment loans that require the pay-down of the outstanding principal balance in multiple installments. Installment loan products that the Company offers are unsecured and can either be written by the Company or by a third-party lender through the CSO programs. See “Services offered by the Company—Consumer Loan Activities” for further discussion of the CSO programs. The Company previously offered installment loans secured by a customer’s vehicle, but it ceased offering that product in the latter half of 2015.

Check Cashing and Other Financial Services

A small component of the Company's business includes the offering of check cashing services through franchised check cashing centers, for which the Company receives franchise fees. In addition, in some of its

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Company-operated lending locations, the Company offers check cashing services, as well as prepaid debit cards that are issued and serviced through a third party. In July 2015, the Company ceased offering certain ancillary products and services, including money orders, wire transfers and auto insurance, consistent with its strategy to emphasize pawn-related services in its Company-operated locations. Total revenue from check cashing and other ancillary products and services accounted for less than 1% of consolidated total revenue for the years ended December 31, 2015, 2014 and 2013, respectively.

Enova Spin-off

On November 13, 2014, the Company completed the distribution of approximately 80% of the outstanding shares of Enova International, Inc. ("Enova") common stock to the Company's shareholders (the "Enova Spin-off"). Prior to the Enova Spin-off, Enova was a wholly-owned subsidiary of the Company that operated its online lending business and comprised the Company's e-commerce segment. Following the Enova Spin-off, the Company no longer offers loans online. Upon completion of the Enova Spin-off, the Company reclassified the financial results of Enova to discontinued operations in the Company's consolidated financial statements for the years ended December 31, 2014 and 2013. For additional information, see "Item 8. Financial Statements and Supplementary Data—Note 2."

Locations

The following table sets forth, as of December 31, 2015, 2014 and 2013, the number of Company-operated locations that offered pawn lending, consumer lending, and other services, in addition to franchised locations that offered check cashing services. The Company provides these services in the United States primarily under the names "Cash America Pawn," "SuperPawn," "Cash America Payday Advance," "Cashland" and "Mr. Payroll." The Company's domestic pawn and consumer lending locations operated in 20, 21 and 22 states as of December 31, 2015, 2014 and 2013, respectively. As of December 31, 2015, 2014, and 2013, the franchised check cashing locations operated in 12, 12 and 14 states, respectively.

	As of December 31,		
	2015	2014	2013
Company-operated locations offering:			
Pawn lending only [(a)]	548	548	294
Both pawn and consumer lending	253	272	582
Consumer lending only	21	39	40
Total Company-operated locations	822	859	916
Franchised check cashing centers	75	84	90
Total	897	943	1,006

[(a)] As of December 31, 2013, Company-operated locations included 47 Mexico-based, pawn-lending-only locations that operated under the name "Cash America casa de empeño." The Company sold its Mexico-based operations in August 2014.

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For the year ended December 31, 2015, the Company closed or sold 39 locations. Consistent with the Company's strategy to deemphasize its consumer lending activities, 29 of the locations closed or sold were locations that offered consumer loans as their primary product. The closed or sold locations also included ten less-profitable, pawn-lending-only locations that were closed or sold during the year ended December 31, 2015. In addition, the Company eliminated the consumer loan product in eight of its pawn lending locations during the year ended December 31, 2015. In line with the current strategy to focus on its pawn lending operations, the Company expects to eliminate consumer lending activities in approximately 47 locations in 2016. Most of this activity is expected to take place in the first half of 2016.

For the year ended December 31, 2014, the Company closed or sold 62 locations, including the sale of 47 and five locations upon the exit of the non-strategic markets of Mexico and Colorado, respectively. In addition, the Company eliminated the consumer loan product in 302 of its pawn lending locations during the year ended December 31, 2014.

The table below outlines acquisitions, start-ups and closures for Company-operated locations for the five years ended December 31, 2015.

	As of December 31,				
	2015	2014	2013	2012	2011
Locations at beginning of period	859	916	878	973	950
Acquired	2	1	76	37	8
Start-ups	—	4	8	22	20
Sold	(12)	(52)	—	—	—
Combined or closed	(27)	(10)	(46)	(154)	(5)
Locations at end of period	822	859	916	878	973

While the Company has been more focused on organic business growth in recent years and has not increased its number of locations in the last two years, the Company has historically expanded by acquiring and establishing new lending locations. Over the last five years, the Company has expanded its pawn lending presence in the United States by adding 178 locations, of which 124 were added through acquisitions. The majority of these acquired locations were purchased through the following acquisitions:

- In December 2013, the Company completed the acquisition of substantially all of the assets of a 34-store chain of pawn lending locations in Georgia and North Carolina that operated primarily under the name PawnMart.
- In August 2013, the Company completed the acquisition of substantially all of the assets of a chain of pawn lending locations in Texas that included 41 operating locations and the rights to one additional Texas pawn-lending location (that was under construction but not open for business at the time of the acquisition), all of which operated under the name Top Dollar Pawn.
- In December 2012, the Company completed the acquisition of substantially all of the assets of a 25-store chain of pawn lending locations in Kentucky, North Carolina, and Tennessee.
- In October 2012, the Company completed the acquisition of substantially all of the assets of a nine-store chain of pawn lending locations in Arizona.

The Company may, in the future, continue to expand its business through start-up locations within its existing geographic markets and into other markets based on its strategic goals and other considerations. Start-up costs for recently established locations in the United States have typically ranged from $450,000 to $650,000 and consist of the investment in property (excluding real estate) and equipment. These start-up amounts do not include the cost of merchandise transferred from other locations, funds to advance on pawn loans and consumer loans, or the payment of operating expenses in excess of revenue generated by the start-up locations.

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Services Offered by the Company

Pawn Lending Activities

Pawn Loans

The Company offers pawn loans only in the United States. When receiving a pawn loan from the Company, a customer pledges personal property to the Company as security for the loan. Since the Company's pawn loans are non-recourse to the customer, the Company relies solely on the disposition of pawned property to recover the principal amount of an unpaid pawn loan plus a yield on the loan amount. As a result, the customer's creditworthiness is not a significant factor in the loan decision, and a decision to redeem pawned property does not affect the customer's personal credit status with other third-party creditors. Goods pledged to secure pawn loans are tangible personal property items such as jewelry, tools, televisions and other electronics, musical instruments and other miscellaneous items.

The Company receives pawn loan fees and service charges as compensation for the use of the funds loaned and to cover direct operating expenses related to pawn lending transactions. The pawn loan fees and service charges are typically calculated as a percentage of the pawn loan amount based on the size and duration of the transaction, as permitted by applicable laws, and generally range from 100% to 350% annually. In addition, as required by applicable laws, the amounts of these charges are disclosed to the customer on the pawn transaction agreement, commonly referred to as a pawn ticket. These pawn loan fees and service charges contributed 31%, 30% and 30% of the Company's total revenue for the years ended December 31, 2015, 2014 and 2013, respectively.

In the Company's pawn lending operations, the maximum pawn loan amount is generally assessed as a percentage of the pledged personal property's estimated disposition value. The Company relies on many sources to determine the estimated disposition value, including catalogs, "blue books," newspapers, internet research and its (or its employees') experience in disposing of similar items of merchandise. The Company does not use a standard or mandated percentage of estimated disposition value in determining the loan amount. Instead, its employees may set the percentage for a particular item and determine whether the item's disposition, in the event that the loan becomes delinquent and the item is forfeited, would yield a profit margin consistent with the Company's historical experience with similar items.

The Company holds the pledged property through the term of the loan and any extensions or renewals thereof, unless earlier repaid. The Company holds forfeited collateral until it is sold, as described in "Merchandise Disposition Activities" below. The typical loan term is 30 to 90 days and, in many cases, an additional grace period (typically 10 to 60 days) may be available to the borrower. Pawn loans may be either paid in full with accrued pawn loan fees and service charges or, where permitted by law, may be renewed or extended by the customer's payment of accrued pawn loan fees and service charges. A pawn loan is considered delinquent if the customer does not repay or, where allowed by law, renew or extend the loan on or prior to its contractual maturity date plus any applicable grace period. Pawn loan fees and service charges do not accrue on delinquent pawn loans. When a pawn loan is considered delinquent, any accrued pawn loan fees and service charges are reversed, and no additional pawn loan fees and service charges are accrued. The Company does not record pawn loan losses or charge-offs because the amount advanced becomes the carrying cost of the forfeited collateral that is to be recovered through the disposition of merchandise, as described below. Pawn loan fees and service charges revenue and the related pawn loan fees and service charges receivable are accrued ratably over the term of the loan for the portion of those pawn loans estimated to be collectible. The Company typically experiences seasonal growth in its pawn loan balances, with increases during each of the second, third and fourth quarters of the year following lower balances in the first quarter of the year due to the heavy repayment of loans with tax refund proceeds received by customers.

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Merchandise Disposition Activities

A closely related activity of the Company's pawn lending operations is the disposition of collateral from forfeited pawn loans and the liquidation of a smaller volume of merchandise purchased directly from customers or from third parties. If a customer does not repay, renew or extend a pawn loan at the time a loan is due, the Company becomes the owner of the forfeited collateral in accordance with state statutes.

Once the Company owns the forfeited collateral, the merchandise becomes available for disposition through either retail or commercial sales. Retail sales include the sale of jewelry and general merchandise primarily to consumers through the Company's locations. Commercial sales represent a secondary source of disposition and include the sale of refined gold, diamonds, platinum, and silver to brokers or manufacturers.

Upon the sale of merchandise, the Company realizes gross profit, which is the difference between the amount of proceeds from the sale and the cost of sales, which is either the Company's cost basis in the loan (the amount loaned) or the amount paid for purchased merchandise. The Company provides an allowance for returns and an allowance for losses based on management's evaluation of a variety of factors, including historical shrinkage and obsolescence rates for inventory.

Merchandise sales are typically highest during the first quarter tax refund and fourth quarter holiday seasons. Gross proceeds from merchandise disposition activities contributed 60%, 60% and 58% of the Company's total revenue for the years ended December 31, 2015, 2014 and 2013, respectively.

Customers may purchase merchandise on a layaway plan under which the customer agrees to pay the purchase price for the item plus a layaway fee, makes an initial cash deposit representing a small portion of the disposition price and pays the balance in regularly-scheduled, non-interest-bearing payments. The Company segregates the layaway item and holds it until the customer has paid the full disposition price. If the customer fails to make a required payment, the item is returned to merchandise held for disposition. The layaway fee is recognized as revenue, and any amounts previously paid toward the item, less the layaway fee and a restocking fee, are returned to the customer as store credit.

Customers can return merchandise and receive a full refund, a replacement item of comparable value or store credit if the merchandise is returned within the first seven days of purchase. Following the seven-day period and for up to 30 days, customers can receive a replacement item of comparable value or store credit.

Consumer Loan Activities

In addition to pawn loans, the Company also offers or arranges certain consumer loans, including short-term loans and installment loans, in some of its locations. Consumer loan fees include revenue from the loan portfolio owned by the Company and fees paid to the Company for arranging, guaranteeing and processing loans from independent third-party lenders for customers through the CSO programs. Consumer loan fees earned by the Company contributed 8%, 9% and 11% of the Company's total revenue for the years ended December 31, 2015, 2014 and 2013, respectively.

Through the Company's CSO programs, the Company provides services and receives fees related to a third-party lender's consumer loan products by acting as a credit services organization or credit access business on behalf of consumers in accordance with applicable state laws. Services offered under the CSO programs include credit-related services such as arranging loans with third-party lenders ("CSO loans"). In addition, the Company guarantees consumer loan payment obligations to the third-party lender in the event that the customer defaults on the loan. CSO loans are not included in the Company's consolidated financial statements, but the Company has established a liability for the estimated losses in support of the guarantee on these loans in its consolidated balance sheets. In the event that the customer defaults on a CSO loan, the Company purchases the specific loan, and the outstanding loan balance and

related allowance for estimated losses is then included in “Consumer loans, net” in the Company’s consolidated financial statements.

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Short-term loans generally have a loan term of seven to 45 days and are usually payable on the customer's next payday, unless the loan is renewed or extended in accordance with applicable laws. The fees the Company charges on short-term loans in the United States vary according to applicable state laws governing the product but typically range between $10 to $25 per $100 borrowed. Due to the credit risk and high transaction costs of serving the Company's customer segment, the fees the Company charges are generally higher than the fees charged to customers with top-tier credit histories by commercial banks and similar lenders.

Unsecured installment loans that the Company guarantees have terms of up to 12 months. The Company previously offered and guaranteed installment loans secured by a customer's vehicle. The Company ceased offering secured installment loans in the latter half of 2015, but the loans that remain outstanding that the Company guarantees have remaining terms of up to 30 months. Both unsecured and secured installment loans require the repayment of principal, interest and fees in installments over the term of the loan.

The Company typically experiences seasonal growth in its consumer loan balances, with increases during each of the second, third and fourth quarters of the year following lower balances in the first quarter of the year due to the heavy repayment of loans with tax refund proceeds received by customers. In addition, due to the nature of the short-term loan product and the high velocity of loans written and renewed, seasonal trends are evidenced in the quarter-to-quarter performance of the consumer loan loss provision. In the typical business cycle, the consumer loan loss provision as a percent of combined consumer loans written and renewed for short-term consumer loans is usually lowest in the first quarter and increases throughout the year.

Collection activities are an important aspect of the consumer loan product offering. The Company operates a centralized collection center to facilitate regulatory compliance and coordinate a consistent approach to its collections activities.

Check Cashing and Other Financial Services

The Company franchises its stand-alone check cashing business, Mr. Payroll, and each franchisee pays royalties based on the gross revenue of check cashing services provided within the franchisee's facility. In addition, in some of its Company-owned lending locations, the Company offers check cashing services, as well as prepaid debt cards that are issued and serviced through a third party, although these products were eliminated in many locations during 2014 and 2015. These check cashing and other services represent a portion of the amounts included in "Other" revenue in the consolidated statements of income. Total revenue from check cashing and other ancillary products and services accounted for less than 1% of consolidated total revenue for the years ended December 31, 2015, 2014 and 2013, respectively.

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Operations

Management and Personnel

Executive Officers

The Company’s executive officers, and information about each, are listed below. There is no family relationship between any of the Company’s directors and executive officers.

Name	Age	Position
T. Brent Stuart	46	President and Chief Executive Officer
Thomas A. Bessant, Jr.	57	Executive Vice President – Chief Financial Officer
J. Curtis Linscott	50	Executive Vice President – General Counsel and Secretary
Victor L. Pepe	51	Executive Vice President – Chief Marketing and Technology Officer
Clint D. Jaynes	49	Executive Vice President – Chief Human Resources Officer

T. Brent Stuart has been the Company’s President and Chief Executive Officer since November 2015. Mr. Stuart served as the Company’s President and Chief Operating Officer from May 2015 through October 2015 and served as the Company’s Executive Vice President—Chief Operating Officer from January 2015 through April 2015. Prior to that, Mr. Stuart served as the Senior Vice President—Operations for the Company’s U.S. retail services storefront lending business from July 2010 to January 2015 and as a Regional Vice President from November 2008 to July 2010. Prior to joining the Company, Mr. Stuart held various senior leadership roles in the financial services industry, including the position of Vice President with Fremont Investment and Loan from 2006 to 2008, Senior Vice President with Nationstar Mortgage from 2004 to 2006 and Vice President with Novastar Financial, Inc. from 2002 to 2004. He also held various leadership positions with CitiFinancial from 1994 to 2002. Mr. Stuart started his career in financial services with Norwest Finance in May 1992. Mr. Stuart holds a Bachelor of Science degree in Business Administration from Southeast Missouri State University.

Thomas A. Bessant, Jr. has been the Company’s Executive Vice President—Chief Financial Officer since July 1998. He joined the Company in May 1993 as Vice President—Finance and Treasurer and became the Senior Vice President—Chief Financial Officer in July 1997. Prior to joining the Company, Mr. Bessant was a Senior Manager in the Corporate Finance Consulting Services Group of Arthur Andersen & Co., S.C. from June 1989 to April 1993. Prior to that, Mr. Bessant was a Vice President in the Corporate Banking Division of a major bank where he started his professional career in 1981. Mr. Bessant holds a Bachelor of Business Administration degree in Accounting and Finance from Texas Tech University and a Masters of Business Administration degree in Finance from Vanderbilt University.

J. Curtis Linscott has been Executive Vice President—General Counsel and Secretary since May 2006. He was appointed Vice President, General Counsel and Corporate Secretary in May 2005. Mr. Linscott joined the Company in 1995, serving as Associate General Counsel, and became Vice President—Associate General Counsel in June 1997. Before joining the Company, he was in private law practice with Kelly, Hart & Hallman, P.C. for five years. He received his Juris Doctorate degree from the University of Kansas School of Law and a Bachelor of Science degree in Marketing from Kansas State University.

Victor L. Pepe has been the Company’s Executive Vice President—Chief Marketing and Technology Officer since August 2015, and prior to that, he served as the Company’s Executive Vice President—Chief Information Officer from April 2014 to August 2015. Prior to joining the Company, Mr. Pepe was employed by Nationstar Mortgage, a leading residential mortgage services company, where he served as the Executive Vice President and Chief Information Officer, from July 2012 through April 2014. In addition, Mr. Pepe was the Senior Vice President of Origination

Technology of Nationstar Mortgage from February 2012 through July 2012. Prior to that, Mr. Pepe was a Managing Director at JPMorgan Chase & Co. from March 2008 through February 2012, where he had various leadership responsibilities in the mortgage banking sector. Prior to that, Mr. Pepe was the Senior

Managing Director—Chief Information Officer, from October 2006 through March of 2008, of EMC Mortgage Corporation, a subsidiary of Bear Stearns & Co.

Clint D. Jaynes has been the Company's Executive Vice President—Chief Human Resources Officer since November 2015. Mr. Jaynes has held the positions of Senior Vice President—Human Resources with the Company from February 2009 through October 2015 and Vice President—Field Human Resources with the Company from May 2006 through January 2009. Prior to joining the Company, from 1988 through 2006, Mr. Jaynes held various roles of increasing responsibility with FedEx Kinko's Office & Print Services, Michaels Stores, Inc., PepsiCo, Inc./YUM! Brands, Inc., the Bombay Company, Albertson's Food and Drug and Pier 1 Imports, Inc. Mr. Jaynes holds a Bachelor of Arts degree in Organizational Communication/Human Resources Management from Baylor University.

Personnel

As of December 31, 2015, the Company employed 6,049 persons in its operations, of whom 329 were in corporate and administrative positions.

Tradenames and Trademarks

The Company operates primarily under the trade names "Cash America Pawn," "SuperPawn," "Cash America Payday Advance," "Cashland," and "Mr. Payroll." The Company has a number of trademarks that are registered under applicable trademark laws including, but not limited to, "Cash America," "Cashland," "SuperPawn" and "Mr. Payroll." These trademarks have varying expiration dates. The Company believes these trademarks are of material importance to the Company and anticipates maintaining and renewing them.

Franchises

Each of the Company's unconsolidated franchised check cashing locations is subject to a franchise agreement that is negotiated individually with each franchisee. The franchise agreements have varying durations. As of December 31, 2015, the Company had 75 unconsolidated franchised check cashing locations.

Competition

The Company has many competitors to its pawn lending and retail operations, such as retailers of new merchandise and retailers of pre-owned merchandise, thrift shops, rent-to-own businesses, internet retailers, internet auction and other similar sites, other pawn lenders and other consumer loan lenders. The pawnshop industry in the United States remains very fragmented and primarily owned by independent operators and, to a lesser extent, by publicly-traded companies. The Company believes that it is one of the largest operators of pawnshops in the world in terms of pawn loan balances and number of pawn lending locations. The three largest domestic publicly-traded pawnshop companies, First Cash Financial Services, Inc., EZCORP, Inc., and the Company, operated approximately 1,600 total pawnshops in the United States in 2015. Management believes that the primary competitive factors in the pawnshop industry are location, quality of customer service, the ability to loan competitive amounts, adequate low-cost working capital and the ability to sell unredeemed merchandise quickly for an acceptable return. Impediments that prevent new entrants from easily establishing new locations, particularly in heavily populated areas, include limitations on available licenses, restrictive zoning ordinances and proximity restrictions in relation to existing pawn locations as dictated by local ordinances and regulations.

Consumer loan lenders that offer loans online or in storefronts are a source of competition in most of the markets where the Company offers consumer loans. The storefront growth of the consumer loan industry has been contracting over the past several years. This is due in part to changes in laws and regulations governing consumer loans in various

states and the continued growth and development of the online lending industry. Impediments that prevent new entrants from easily entering the consumer loan market include: the implementation of underwriting and fraud prevention processes, high marketing and customer acquisition costs, overcoming consumer brand loyalty, the ability to sustain sufficient capital to withstand early losses associated with unseasoned loan portfolios

and substantial regulatory and compliance costs.

In addition to consumer loan lenders, the Company also competes with financial institutions, such as banks, credit unions, CSOs and other consumer lenders, pawn lending businesses, rent-to-own businesses and retail businesses offering similar financial services.

Regulation

The Company's operations are subject to extensive regulation, supervision and licensing under various federal, state, and local statutes, ordinances, regulations, rules and guidance. (For a geographic breakdown of operating locations, see "Item 2. Properties").

State and Local Regulations

The Company's pawn and consumer loan businesses are subject to state and local regulations as described below.

Pawn Regulations

The Company's pawn lending locations are regulated by the states and local jurisdictions where its pawn lending locations are located and generally must be licensed by the state. The statutes and regulations applicable to pawn lending locations vary from state to state and in each local jurisdiction. In general, these statutes and regulations establish licensing requirements for pawnbrokers and pawn lending locations and regulate various aspects of the pawn loan and the purchase and sale of used merchandise, such as the service charges and interest rates that a pawn lending location may charge, the maximum amount of a pawn loan, the minimum and/or maximum term of a pawn loan, the content and format of the pawn ticket, and the length of time a pawnbroker must hold a purchased item or forfeited pawn loan collateral before disposing of the merchandise. Failure to observe a state's legal requirements for pawn broking could result in, among other things, a loss of pawn licenses in that state, the imposition of fines or refunds, and other civil and/or criminal penalties. Many of the Company's pawn lending locations are also subject to ordinances in their local jurisdictions that may require, for example, local licenses or permits and specified recordkeeping procedures, among other things.

Consumer Loan Regulations

The Company's consumer loan business is regulated under a variety of enabling state statutes and is also subject to various local rules and regulations. The scope of state regulation, including the fees and terms of the Company's consumer loan products and services, varies from state to state. The terms of the Company's consumer loan products and services vary from state to state in order to comply with the laws and regulations of the states in which it operates. The states with laws that specifically regulate the Company's consumer loan products and services typically limit the principal amount of a consumer loan and set maximum fees or interest rates that customers may be charged. Most states also limit a customer's ability to renew a short-term consumer loan and require various disclosures to consumers. State statutes often specify minimum and maximum maturity dates for consumer loans and, in some cases, specify mandatory cooling-off periods between transactions. The Company's collection activities regarding past due amounts are subject to consumer protection laws and state regulations relating to debt collection practices. In addition, some states require certain disclosures or content to accompany the Company's advertising and marketing materials. Also, some states require the Company to report loan activity to state-wide databases and restrict the number and/or principal amount of loans a consumer may have outstanding at any particular time or over the course of a particular period of time, typically twelve months. The local rules and regulations vary widely from city to city. The most restrictive local rules and regulations relate to zoning and land use restrictions; however, local jurisdictions' efforts to regulate or restrict the terms of a consumer loan product have recently increased, predominantly in the State of Texas.

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In states or jurisdictions where the Company offers its CSO programs, the Company complies with that jurisdiction's Credit Services Organization Act, Credit Access Business law or a similar statute. These laws generally define the services that the Company can provide to consumers and require the Company to provide a contract to the customer outlining the Company's services and the cost of those services to the customer. In addition, these laws may require additional disclosures to consumers and may require the Company to be registered with the jurisdiction and/or be bonded.

Over the last few years, legislation that prohibits or severely restricts the Company's consumer loan products and services or the profitability of the loan products and services has been introduced or adopted in a number of states. The Company has de-emphasized its consumer loan business over the last few years. See "Item 1—Overview—General—Locations" for additional information regarding the reduction in the Company's short-term consume lending operations.

U.S. Federal Regulation

In addition to the state and local regulations discussed above, the Company's business is subject to U.S. federal regulations as described below.

Lending Laws. The company's business is subject to the federal Truth in Lending Act and its underlying regulations, known as Regulation Z, the Fair Credit Reporting Act and the Equal Credit Opportunity Act. These laws require the Company to provide certain disclosures to prospective borrowers and protect against unfair credit practices. The principal disclosures required under the Truth in Lending Act are intended to promote the informed use of consumer credit. Under the Truth in Lending Act, when acting as a lender, the Company is required to disclose certain material terms related to a credit transaction, including, but not limited to, the annual percentage rate, finance charge, amount financed, total of payments, the number and amount of payments and payment due dates to repay the indebtedness. The Fair Credit Reporting Act regulates the collection, dissemination and use of consumer information, including consumer credit information. The federal Equal Credit Opportunity Act prohibits the Company from discriminating against any credit applicant on the basis of any protected category, such as race, color, religion, national origin, sex, marital status or age, and requires the Company to notify credit applicants of any action taken on the individual's credit application.

Consumer Reports and Information. The use of consumer reports and other personal data used in credit underwriting is governed by the Fair Credit Reporting Act and similar state laws governing the use of consumer credit information. The Fair Credit Reporting Act establishes requirements that apply to the use of "consumer reports" and similar data, including certain notifications to consumers where their loan application has been denied because of information contained in their consumer report. The Fair Credit Reporting Act requires the Company to promptly update any credit information reported to a credit reporting agency about a consumer and to allow a process by which consumers may inquire about credit information furnished by the Company to a consumer reporting agency.

Information-Sharing Laws. The Company is also subject to the federal Fair and Accurate Credit Transactions Act, which limits the sharing of information with affiliates for marketing purposes and requires the Company to adopt written guidance and procedures for detecting, preventing and responding appropriately to mitigate identity theft and to adopt various policies and procedures and provide training and materials that address the importance of protecting non-public personal information and aid the Company in detecting and responding to suspicious activity, including suspicious activity that may suggest a possible identity theft red flag, as appropriate.

Marketing Laws. The Company's advertising and marketing activities are subject to several federal laws and regulations including the Federal Trade Commission Act, which prohibits unfair or deceptive acts or practices and false or misleading advertisements in all aspects of the Company's business. In furtherance of consumer protection, the

Federal Trade Commission provides guidance and enforces federal laws concerning truthful advertising and marketing practices; fair financial practices in lending, loan servicing and debt collection; and protection of sensitive consumer information. As a financial services company, any advertisements related to the

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Company's products must also comply with the advertising requirements set forth in the Truth in Lending Act. Also, any of the Company's telephone marketing activities must comply with the Telephone Consumer Protection Act and the Telephone Sales Rule. The Telephone Consumer Protection Act prohibits the use of automatic telephone dialing systems for communications with wireless phone numbers without the express consent of the consumer, and the Telephone Sales Rule established the Do Not Call Registry and sets forth standards of conduct for all telemarketing. The Company's advertising and marketing activities are also subject to the CAN-SPAM Act of 2003 which establishes certain requirements for commercial email messages and specifies penalties for the transmission of commercial email messages that are intended to deceive the recipient as to the source of content.

Protection of Military Members and Dependents. In July 2015, the Department of Defense published a finalized set of new rules under the Military Lending Act. The Military Lending Act (and rules previously adopted thereunder) has previously restricted the Company from offering its short-term unsecured credit products to members of the military or their dependents because none of the Company's short-term unsecured credit products carry a military annual percentage rate of 36% or less. The new rule expands the scope of the credit products covered by the Military Lending Act to include certain non-purchase money loans secured by personal property or vehicles and certain unsecured installment loan products to the extent any of such products have a military annual percentage rate greater than 36%. Because none of the Company's pawn loans or secured or unsecured installment loans have a military annual percentage rate of 36% or less, once the new rule takes effect, the Company may not be able to offer any of its current credit products (including pawn loans) to members of the military or their dependents. The rules under the Military Lending Act contain various disclosure requirements, limitations on renewals and refinancing and other restrictions, including restrictions on the use of prepayment penalties, arbitration provisions and certain waivers of rights. The rule provides that a lender is subject to fines and other penalties if it extends credit to a member of the military or a military dependent on terms prohibited by the rule. The new rule does provide a safe harbor for a lender if it verifies a potential borrower's military status before extending credit by checking the Department of Defense's database or a database of a national credit reporting agency that provides military status information. As to the Company's pawn loan and longer-term credit products, compliance with the new rule is required by October 3, 2016. Compliance with the new rule and coordinating with a safe harbor database could be complex and increase compliance costs. The new military lending rules are not expected to have a material adverse effect on the Company's business, prospects, results of operations or cash flows, but the Company is still assessing their potential impact. In addition, Federal law also limits the annual percentage rate on existing loans when the consumer becomes an active-duty member of the military during the life of a loan, or the spouse of an active duty member of the military during the life of the loan. Pursuant to federal law, the interest rate must be reduced to 6% per year on amounts outstanding during the time in which the service member is on active duty.

Funds Transfer and Signature Authentication Laws. The Company's business is also subject to the federal Electronic Funds Transfer Act and various other laws, rules and guidelines relating to the procedures and disclosures required for debiting or crediting a debtor's bank account relating to a consumer loan (i.e., ACH funds transfer). Furthermore, the Company is also subject to various state and federal e-signature rules mandating that certain disclosures be made and certain steps be followed in order to obtain and authenticate e-signatures.

Debt Collection Practices. Additionally, the Company's CSO programs are required by both federal and some state laws to comply with the federal Fair Debt Collection Practices Act. The Company also uses the Fair Debt Collection Practices Act as a guide in connection with operating its other collection activities. The Company is also required to comply with all applicable state collection practices laws.

Privacy and Security of Non-Public Customer Information. The Company is also subject to various federal and state laws and regulations relating to privacy and data security. Under these laws, including the federal Gramm-Leach-Bliley Act, the Company must disclose to consumers its privacy policy and practices, including those policies relating to the sharing of consumers' nonpublic personal information with third parties. This disclosure must

be made to consumers when the customer relationship is established and, in some cases, at least annually thereafter. These regulations also require the Company to ensure that its systems are designed to protect the

confidentiality of consumers' nonpublic personal information. These regulations also dictate certain actions that it must take to notify consumers if their personal information is disclosed in an unauthorized manner.

Anti-Money Laundering and Economic Sanctions. The Company is also subject to certain provisions of the USA PATRIOT Act and the Bank Secrecy Act under which the Company must maintain an anti-money laundering compliance program covering certain of its business activities. In addition, the Office of Foreign Assets Control prohibits the Company from engaging in financial transactions with specially designated nationals. Certain of the Company's subsidiaries are also registered as money services businesses with the U.S. Treasury Department and must re-register with the Treasury Department's Financial Crimes Enforcement Network at least every two years.

Firearms. Each pawn lending location that handles firearms must comply with the Brady Handgun Violence Prevention Act, which requires that federally licensed firearms dealers conduct a background check in connection with any disposition of handguns. In addition, the Company must comply with the regulations of the U.S. Department of Justice-Bureau of Alcohol, Tobacco and Firearms that require each pawn lending location dealing in guns to maintain a permanent written record of all receipts and dispositions of firearms.

CFPB. In July 2010, the U.S. Congress passed the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (the "Dodd-Frank Act"), and Title X of the Dodd-Frank Act created the Consumer Financial Protection Bureau (the "CFPB"), which regulates consumer financial products and services, including consumer loans offered by the Company. The CFPB has regulatory, supervisory and enforcement powers over providers of consumer financial products and services, including providers of consumer loans such as the Company, and has the authority to examine and require registration of such providers.

The CFPB has been conducting a review of the short-term small dollar loan industry, which includes a review of payday loans, and has indicated that its "findings raised substantial consumer protection concerns" related to the sustained use of payday loans. On March 26, 2015, the CFPB announced that it is considering proposing rules that would require lenders to take steps to make sure consumers can repay their loans and would also restrict lenders from attempting to "collect payment from a consumers' bank account in ways that tend to rack up excessive fees." The CFPB has indicated that such rules would apply to payday loans, vehicle title loans and high-cost installment loans, among other consumer loans, and may impose certain limitations on these types of loans, such as requiring additional underwriting requirements, requiring cooling-off periods between payday loans, limitations on loan amounts and terms and limitations to prevent the sustained use of certain loans, among other things. The CFPB has also indicated that the rules that are proposed may also place restrictions on collection practices with respect to these types of loans. All of the Company's consumer loan products and certain pawn loans offered by the Company that are collateralized by a customer's vehicle or the title thereto could be affected by such rules if they are applicable to the types of loans that the CFPB has indicated when they are adopted. If the CFPB adopts any such rules or regulations, it could reduce revenue from these products or make the continuance of these products impractical or unprofitable. The Company does not currently know the nature and extent of the rules the CFPB will adopt, but those rules could be proposed during 2016 and, if adopted, would likely become effective in 2017.

On November 20, 2013, the Company consented to the issuance of a Consent Order by the CFPB pursuant to which it agreed, without admitting or denying any of the facts or conclusions made by the CFPB from its 2012 review of the Company, to pay a civil money penalty of $5 million. The Company is subject to the restrictions and obligations of the Consent Order, including the CFPB's order that the Company ensure compliance with federal consumer financial laws and have more robust compliance policies and procedures. Furthermore, the compliance plan mandated by the Consent Order requires the Company to perform a formal consumer protection compliance risk review before introducing or implementing new or changed products or services, which could result in additional delay or cost when introducing or implementing new or changed products or services, or a decision not to proceed with such initiatives.

For further discussion of the CFPB and its regulatory, supervisory and enforcement powers or the Consent Order, see "Item 1A. Risk Factors—Risks Related to the Company's Business and Industry—The CFPB has regulatory, supervisory and enforcement powers over providers of consumer financial products and services, and it

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could exercise its enforcement powers in ways that could have a Material Adverse Effect" and "—The Company is subject to a Consent Order issued by the CFPB, and any noncompliance could have a Material Adverse Effect."

Check Cashing Regulations

The Company offers check cashing services in some of its pawn lending and consumer loan locations. Some states require check cashing companies to meet minimum bonding or capital requirements and to comply with record-keeping requirements. Some states require check cashers to be licensed and have adopted ceilings on check cashing fees. Failure to observe a state's legal requirements for check cashing could result, among other things, in a loss of the check cashing license in that state, the imposition of fines or customer refunds, and other civil and/or criminal penalties. In addition to state regulations applicable to check cashing companies, the Company's check cashing activities also must comply with applicable federal regulations. The principal federal regulations governing check cashing operations are described in "U.S. Federal Regulation" above. The Company's franchising activities related to its check cashing business are also subject to various federal and state regulations that, among other things, mandate disclosures to franchisees and other requirements.

Compliance with Laws

The Company's failure to comply with applicable laws, rules, regulations and guidance, or any finding that the Company's past forms, practices, processes, procedures, controls or infrastructure were insufficient could subject it to regulatory enforcement actions, result in the assessment against it of civil, monetary, criminal or other penalties (some of which could be significant in the case of knowing or reckless violations), result in the issuance of cease and desist orders (which can include orders for restitution or rescission of contracts, as well as other kinds of affirmative relief), require the Company to refund interest or fees, result in a determination that certain loans are not collectible, result in a revocation of licenses, result in a finding that it has engaged in unfair and deceptive practices, limit the Company's access to services provided by third-party financial institutions or cause damage to the Company's reputation, brands and valued customer relationships. The Company could also be subject to changes to, or changes in the interpretation of, federal, state, and local statutes, ordinances, regulations, rules and guidance that could adversely affect its ability to offer certain of its products and services. See Item 1A. Risk Factors—Risks Related to the Company's Business and Industry" for additional information.

Company and Website Information

The Company's principal executive offices are located at 1600 West 7th Street, Fort Worth, Texas 76102-2599, and its telephone number is (817) 335-1100.

The Company's website is located at www.cashamerica.com. Through its website, the Company provides free access to its Annual Report, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, and all amendments to those reports filed or furnished pursuant to Sections 13(a) and 15(d) of the Securities Exchange Act of 1934 as soon as reasonably practicable after such reports are electronically filed with or furnished to the SEC. The SEC maintains an internet site that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC at www.sec.gov. The Company's internet website and the information contained therein or connected thereto is not intended to be incorporated by reference into this Annual Report.

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ITEM 1A. RISK FACTORS

The Company’s business and future results may be affected by a number of risks and uncertainties that should be considered carefully in evaluating the Company. In addition, this report also contains forward-looking statements that involve risks and uncertainties. The Company’s actual results could differ materially from those anticipated in such forward-looking statements as a result of certain factors, including the risks faced by the Company described below. The occurrence of one or more of the events listed below could also have a material adverse effect on the Company’s business, prospects, results of operations, reputation, financial condition, cash flows or ability to continue current operations without any direct or indirect impairment or disruption, which is referred to throughout these Risk Factors as a “Material Adverse Effect.”

Risks Related to the Company’s Business and Industry

If the Company fails to comply with applicable laws, rules, regulations and guidance, such failure could have a Material Adverse Effect.

If the Company fails to comply with applicable laws, rules, regulations and guidance, such failure could have a Material Adverse Effect. The Company’s products and services are subject to extensive regulation, supervision and licensing under various federal, state and local statutes, ordinances, regulations, rules and guidance. These requirements generally mandate licensing or authorization as a pawnbroker, lender or as a credit service organization or credit access business (“CSO”), establish limits on the amount, duration, renewals or extensions of and charges for (including interest rates and fees) various categories of loans, direct the form and content of the Company’s loan contracts and other documentation, restrict collection practices, outline underwriting requirements and may subject the Company to periodic examination and ongoing supervision by regulatory authorities, among other things. Because pawn loans and consumer loans, such as those provided by the Company, are viewed as extensions of credit, the Company must comply with certain federal laws, such as the federal Truth in Lending Act and its underlying regulations known as Regulation Z, the Equal Credit Opportunity Act, the Fair Credit Reporting Act, the Fair and Accurate Credit Transactions Act, the Military Lending Act, the Servicemembers Civil Relief Act, the Electronic Funds Transfer Act, the Gramm-Leach-Bliley Act, the USA PATRIOT Act, the Bank Secrecy Act, the Brady Handgun Violence Prevention Act, Title X of the Dodd-Frank Act, and the Fair Debt Collection Practices Act with respect to the Company’s CSO programs, among other laws. In addition, the Company’s marketing efforts and the representations made about its products and services are subject to federal and state unfair and deceptive practice statutes, including the Federal Trade Commission Act and analogous state statutes under which the Federal Trade Commission, state attorneys general or private plaintiffs may bring legal actions. Compliance with applicable laws, regulations, rules and guidance requires forms, processes, procedures, training, controls and the infrastructure to support these requirements. Compliance may also create operational constraints, be costly or adversely affect operating results. See “Item 1. Business—Regulation” for a more detailed discussion of the laws applicable to the Company.

The Company’s failure to comply with applicable laws, rules, regulations and guidance, or any finding that the Company’s past forms, practices, processes, procedures, controls or infrastructure were insufficient or not in compliance, could subject the Company to regulatory enforcement actions, result in the assessment against it of civil, monetary, criminal or other penalties (some of which could be significant in the case of knowing or reckless violations), result in the issuance of cease and desist orders (which can include orders for restitution or rescission of contracts, as well as other kinds of affirmative relief), require the Company to refund interest or fees, result in a determination that certain loans are not collectible, result in a revocation of licenses or authorization to transact business, result in a finding that it has engaged in unfair and deceptive practices, result in consumer litigation (including class action lawsuits), limit the Company’s access to services provided by third-party financial institutions or cause damage to the Company’s reputation, brands and valued customer relationships. From time to time the

Company becomes aware of instances where its products and services have not fully complied with requirements under applicable laws and regulations or applicable contracts. Determinations of compliance with applicable requirements or contracts, such as those applicable to the Company, can be highly technical and subject to varying interpretations. When the Company becomes aware of such an instance, whether as a result of its

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compliance reviews, regulator inquiry, customer complaint or otherwise, the Company generally conducts a review of the activity in question and determines how to address it, such as modifying the product, making customer refunds or providing additional disclosure. The Company also evaluates whether reports or other notices to regulators are required and provides notice to regulators whenever required. In some cases the Company has decided to take corrective action even after applicable statutory or regulatory cure periods, and in some cases the Company has notified regulators even where such notification may not have been required. Regulators reviewing such incidents may interpret the laws and regulations differently than the Company has, or may choose to take regulatory action against the Company notwithstanding the corrective measures it has taken. This may be the case even if the Company no longer offers the product or service in question.

The CFPB has regulatory, supervisory and enforcement powers over providers of consumer financial products and services, and it could exercise its enforcement powers in ways that could have a Material Adverse Effect.

The CFPB has been exercising its supervisory review over and examining certain non-bank providers of consumer financial products and services, including providers of consumer loans such as the Company (and its former e-commerce segment, Enova). The CFPB's examination authority permits CFPB examiners to inspect the books and records of providers of short-term, small dollar lenders, such as the Company, and ask questions about their business practices. The CFPB's examination procedures include specific modules for examining marketing activities, loan application and origination activities, payment processing activities and sustained use by consumers, collections, accounts in default and consumer reporting activities as well as third-party relationships. As a result of these examinations of non-bank providers of consumer credit, the Company could be required to change its practices or procedures, whether as a result of another party being examined or as a result of an examination of the Company, or could be subject to monetary penalties, which could adversely affect the Company. Under certain circumstances, the CFPB may also be able to exercise regulatory authority over providers of pawn loans.

In addition to having the authority to obtain monetary penalties for violations of applicable federal consumer financial laws (including the CFPB's own rules), the CFPB can require remediation of practices, pursue administrative proceedings or litigation and obtain cease and desist orders (which can include orders for restitution or rescission of contracts, as well as other kinds of affirmative relief). Also, where a company has violated Title X of the Dodd-Frank Act or CFPB regulations implemented under Title X of the Dodd-Frank Act, the Dodd-Frank Act empowers state attorneys general and state regulators to bring civil actions to remedy violations of state law. If the CFPB or one or more state attorneys general or state regulators believe that the Company has violated any of the applicable laws or regulations, they could exercise their enforcement powers in ways that could have a Material Adverse Effect.

The Company is subject to a Consent Order issued by the CFPB, and any noncompliance could have a Material Adverse Effect.

On November 20, 2013, the Company consented to the issuance of a Consent Order by the CFPB pursuant to which it agreed, without admitting or denying any of the facts or conclusions made by the CFPB from its 2012 review of the Company's consumer loan business, to pay a civil money penalty of $5 million. The Company also agreed to set aside $8 million for a period of 180 days to fund any further payments to eligible Ohio customers in connection with the Company's voluntary program to reimburse Ohio customers that was initiated by the Company in 2012 in connection with legal collections proceedings initiated by the Company in Ohio from January 1, 2008 through December 4, 2012 (the "Ohio Reimbursement Program"). The Consent Order also relates to issues self-disclosed to the CFPB during its 2012 examination of the Company, including the making of a limited number of loans to consumers who may have been active duty members of the military at the time of the loan at rates in excess of the interest rate permitted by the federal Military Lending Act, for which the Company made refunds of approximately $33,500; for certain failures to timely provide and preserve records and information in connection with the CFPB's examination of the Company; for certain conduct in the examination process; and certain conduct giving rise to the Ohio Reimbursement Program. The

Company is subject to the restrictions and obligations of the Consent Order, including the CFPB’s order that the Company ensure compliance with federal consumer financial laws and develop more robust compliance policies and procedures. Furthermore, the compliance plan mandated by

the Consent Order requires the Company to perform a formal consumer protection compliance risk review before introducing or implementing new or changed products or services. This requirement could result in additional delay or cost when introducing or implementing new or changed products or services, or a decision not to proceed with such initiatives. In addition, Enova is also subject to the Consent Order because it was part of the Company when the Consent Order was issued. The Company cannot assure that Enova will continue to comply with the Consent Order now that it is a separate publicly traded company. If Enova does not comply with the consent order, the Company could be held liable for Enova's noncompliance. See "Risk Factors Related to the Enova Spin-off—In connection with the Enova Spin-off, Enova and the Company have agreed to indemnify each other for certain liabilities; if the Company is required to act on these indemnities to Enova, it may need to divert cash to meet those obligations, and Enova's indemnity could be insufficient or Enova could be unable to satisfy its indemnification obligations" for information regarding risks related to indemnification by Enova. Any noncompliance with the Consent Order or similar orders or agreements from other regulators could lead to further regulatory penalties and could have a Material Adverse Effect.

The adoption of new laws or regulations or adverse changes in, or the interpretation or enforcement of, existing laws or regulations affecting the Company's products and services could have a Material Adverse Effect.

Governments at the national, state and local levels, may seek to impose new laws, regulatory restrictions or licensing requirements that affect the Company's products or services it offers, the terms on which it may offer them, and the disclosure, compliance and reporting obligations it must fulfill in connection with its business. They may also interpret or enforce existing requirements in new ways that could restrict the Company's ability to continue its current methods of operation or to expand operations, impose significant additional compliance costs, and could have a Material Adverse Effect. In some cases these measures could even directly prohibit some or all of the Company's current business activities in certain jurisdictions, or render them unprofitable and/or impractical to continue.

In July 2015, the Department of Defense published a finalized set of new rules under the Military Lending Act. The Military Lending Act (and rules previously adopted thereunder) has previously restricted the Company from offering its short-term unsecured credit products to members of the military or their dependents because none of the Company's short-term unsecured credit products carry a military annual percentage rate of 36% or less. The new rule expands the scope of the credit products covered by the Military Lending Act to include certain non-purchase money loans secured by personal property or vehicles and certain unsecured installment loan products to the extent any of such products have a military annual percentage rate greater than 36%. Because none of the Company's pawn loans or secured or unsecured installment loans have a military annual percentage rate of 36% or less, once the new rule takes effect, the Company may not be able to offer any of its current credit products (including pawn loans) to members of the military or their dependents. The rules under the Military Lending Act contain various disclosure requirements, limitations on renewals and refinancing and other restrictions, including restrictions on the use of prepayment penalties, arbitration provisions and certain waivers of rights. The rule provides that a lender is subject to fines and other penalties if it extends credit to a member of the military or a military dependent on terms prohibited by the rule. The new rule does provide a safe harbor for a lender if it verifies a potential borrower's military status before extending credit by checking the Department of Defense's database or a database of a national credit reporting agency that provides military status information. As to the Company's pawn loan and longer-term credit products, compliance with the new rule is required by October 3, 2016. Compliance with the new rule and coordinating with a safe harbor database could be complex and increase compliance costs. The Company is still assessing the potential impact of these new rules on its pawn business.

Additionally, the CFPB has also announced that it has been conducting a review of the short-term small dollar loan industry, which includes a review of payday loans, and has indicated that its "findings raised substantial consumer protection concerns" related to the sustained use of payday loans. On March 26, 2015, the CFPB announced that it is considering proposing rules that would require lenders to take steps to make sure consumers can repay their loans and would also restrict lenders from attempting to "collect payment from a consumers' bank account in ways that tend to

rack up excessive fees." The CFPB has indicated that such rules would apply to payday loans, vehicle title loans and high-cost installment loans, among other consumer loans, and may impose certain

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limitations on these types of loans, such as requiring additional underwriting requirements, requiring cooling-off periods between payday loans, limitations on loan amounts and terms and limitations to prevent the sustained use of certain loans, among other things. The CFPB has also indicated that the rules that are proposed may also place restrictions on collection practices with respect to these types of loans. All of the Company's consumer loan products and certain pawn loans offered by the Company that are collateralized by a customer's vehicle or the title thereto could be affected by such rules if they are applicable to the types of loans that the CFPB has indicated when they are adopted. If the CFPB adopts any such rules or regulations, it could reduce revenue from these products or make the continuance of these products impractical or unprofitable. The Company does not currently know the nature and extent of the rules the CFPB will adopt, but those rules could be proposed during 2016 and, if adopted, would likely become effective in 2017.

The Company closely monitors proposed legislation being discussed in the states where it offers its products and services. Legislative or regulatory actions that affect the products or services offered by the Company at the national, state and local level could have a Material Adverse Effect.

Decreased demand for the Company's products and specialty financial services, due to sustained changes in the economy or for other reasons, and the Company's failure to adapt to such decrease could result in a loss of revenue and could have a Material Adverse Effect.

The demand for a particular product or service may decrease due to a variety of factors, such as regulatory restrictions that reduce customer access to particular products, the availability of competing or alternative products, changes in macro-economic conditions or changes in customers' financial conditions. Should the Company fail to adapt to a significant change in its customers' demand for, or access to, its products, the Company's revenue could decrease significantly. Even if the Company makes adaptations or introduces new products to fulfill customer demand, customers may resist or may reject products whose adaptations make them less attractive or less available. In any event, the effect of any product change on the results of the Company's business may not be fully ascertainable until the change has been in effect for some time. In particular, the Company has changed, and will continue to change, some of the consumer loan operations of the Company and the products it offers. In addition, a sustained deterioration in the economy could also decrease demand for pre-owned merchandise such as the merchandise sold in the Company's pawnshops and cause deterioration in the performance of the Company's pawn loan or consumer loan portfolios. While the credit risk for much of the Company's pawn lending is mitigated by the collateralized nature of pawn lending, a sustained deterioration in the economy could reduce the demand for and resale value of pre-owned merchandise and reduce the amount that the Company could effectively lend on an item of collateral. Such reductions could adversely affect pawn loan balances, pawn loan redemption rates, inventory balances, inventory mixes and gross profit margins. An economic slowdown could also result in a decreased number of consumer loans being made to customers due to higher unemployment or an increase in loan defaults in the Company's consumer loan products. A sustained strengthening in the economy could also reduce demand for the Company's pawn and consumer loans. As the Company's customer base has more available disposable income, the demand for pawn loans and consumer loans could decrease. For example, gas prices have recently significantly decreased, and the Company believes that such decreases cause its customers to have more available disposable income. A sustained decrease in gas prices could result in a sustained decrease in demand for the Company's pawn and consumer loans. Any of these events could result in a loss of revenue and could have a Material Adverse Effect.

A significant portion of the Company's pawn loans are secured by gold collateral, and a significant and sustained decline in gold prices could result in decreases in the value of collateral securing outstanding pawn loans, in the balance of pawn loans secured by gold jewelry, in inventory valuations, and in commercial merchandise sales.

A significant portion, or 63.3% as of December 31, 2015, of the Company's pawn loans are secured by jewelry, a majority of which is gold jewelry, and the Company also sells forfeited gold jewelry through either retail or

commercial sales. The Company’s pawn service charges, sales proceeds and ability to dispose of jewelry inventory through retail or commercial sales at an acceptable margin depend on the value of gold. In recent years, there has been an increased volatility in the price of gold, and gold prices have declined meaningfully since 2012.

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This decrease significantly reduced the proceeds and gross profit from the disposition of gold through commercial sales, and, as a result, the Company has shifted its strategy to place a greater emphasis on retail disposition of merchandise and now relies less on the disposition of commercial merchandise due to the prevailing lower market price for gold. An additional significant and sustained decline in gold prices could result in decreases in the value of collateral securing outstanding pawn loans, in the balance of pawn loans secured by gold jewelry, in inventory valuations, and in commercial merchandise sales and could have a Material Adverse Effect.

Negative public perception of the Company's business and its business practices could cause demand for the Company's products to significantly decrease.

In recent years, consumer advocacy groups and some media reports have advocated governmental action to prohibit or place severe restrictions on consumer loans. The fees and/or interest charged by the Company for consumer loans and others in the industry attract media publicity about the industry and can be perceived as controversial because the focus is typically on the Annual Percentage Rate charged to a consumer for these types of loans, which is compared unfavorably to the interest typically charged by banks to consumers with top-tier credit histories. If the negative characterization of the types of loans that the Company offers becomes increasingly accepted by consumers, demand for any or all of the Company's loan products could significantly decrease, which could have a Material Adverse Effect. Additionally, if the negative characterization of these types of loans is accepted by legislators and regulators, even if such negative perceptions are inaccurate, attributable to conduct by third parties not affiliated with the Company (such as other industry members), or attributable to matters not specific to the industry, the Company could become subject to more restrictive laws and regulations applicable to the consumer loan products offered by the Company that could impair the Company's ability to offer consumer loans.

In addition, the Company's ability to attract and retain customers is highly dependent upon the external perceptions of its business, including its level of service, trustworthiness, business practices, financial condition and other subjective qualities. Negative perceptions or publicity regarding these or other similar matters-even if related to seemingly isolated incidents or to practices not specific to pawn loans or consumer loans, such as debt collection, could erode trust and confidence and damage the Company's reputation among existing and potential customers, which could make it difficult for the Company to attract new customers and retain existing customers and could significantly decrease the demand for the Company's products or services, any of which could have a Material Adverse Effect.

Some of the Company's debt agreements contain financial covenants and other restrictions that may limit the Company's ability to operate its business, and failure to satisfy the Company's debt obligations could have a Material Adverse Effect.

As of December 31, 2015, the Company had $211.6 million total debt outstanding, as more fully described under "Item 8. Financial Statements and Supplementary Data—Note 11." Some of the Company's debt agreements contain various restrictive covenants, compliance with which is essential to continued credit availability. If the Company is unable to generate sufficient cash flow or otherwise obtain funds necessary to make required payments on these debt obligations or if it is in breach of the covenants contained in the debt agreements, it would default under the terms of the applicable agreement or indenture. These restrictive covenants, among other things, restrict the Company's ability to:

- incur additional debt;
- incur or permit certain liens to exist;
- make certain investments;
- merge or consolidate with or into, or convey, transfer, lease or dispose of all or substantially all of its assets to, another company;
- make certain dispositions;
- make certain payments; and

- engage in certain transactions.

Some of the Company's debt agreements also require the Company to maintain certain financial ratios and have cross default provisions. The covenants and restrictions contained in the debt agreements could limit the Company's ability to fund its business, make capital expenditures, and make acquisitions or engage in certain other transactions in the future. Any failure to comply with any of these financial and other affirmative and negative covenants could constitute an event of default under the debt agreements, entitling the lenders to, among other things, terminate future credit availability under the agreement, increase the interest rate on outstanding debt, accelerate the maturity of outstanding obligations under that agreement and could result in a cross default under the Company's other debt agreements. For example, on June 26, 2015, Wilmington Savings Fund Society, FSB, as trustee (the "Trustee") under the Indenture, dated as of May 15, 2013, that governs the 2018 Senior Notes, among the Company, the guarantors party thereto and the Trustee (the "2018 Senior Notes Indenture"), filed a lawsuit against the Company in the United States District Court for the Southern District of New York. The lawsuit alleges that the Enova Spin-off was not permitted by the 2018 Senior Notes Indenture, and the Trustee is seeking a remedy equal to principal and accrued and unpaid interest, plus a make-whole premium, to be paid to the holders of the 2018 Senior Notes. The Company disagrees with the assertion in the lawsuit that the Enova Spin-off was not permitted under the 2018 Senior Notes Indenture. The Company also disagrees that a make-whole premium would be due to the holders of the 2018 Senior Notes even if it is determined that the Enova Spin-off was not permitted under the 2018 Senior Notes Indenture. The Company believes the position taken by the Trustee is without merit, and the Company intends to vigorously defend its position. This claim could be costly to defend, could be damaging to the Company's reputation, could be time consuming for management and could affect the Company's ability to obtain capital in the future. "Item 8. Financial Statements and Supplementary Data—Note 11" for additional information regarding this lawsuit.

An inability to access the debt capital markets or obtain financing could reduce available capital.

In the past, the Company has accessed the debt capital markets or utilized its line of credit with banks to obtain capital, to finance growth and to refinance existing debt obligations. Efficient access to this capital is critical to the Company's ongoing financial success; however, the Company's future access to debt capital could become restricted due to a variety of factors, such as a deterioration of the Company's earnings, cash flows, balance sheet quality, overall business or industry prospects, or reputation in the debt markets, a disruption or deterioration in the state of the capital markets or a negative bias toward the Company's industry. Banks and other credit providers could restrict available lines of credit and require higher pricing upon renewal of the Company's existing line of credit. The Company's ability to obtain additional financing in the future will depend in part upon prevailing capital market conditions, and a potential disruption in the capital markets may adversely affect the Company's efforts to arrange additional financing on terms that are satisfactory to the Company. If adequate funds are not available, or are not available on acceptable terms, the Company may not be able to grow its business, make future investments, take advantage of potential acquisitions or other opportunities, make share repurchases or respond to competitive challenges and this, in turn, could adversely affect the Company's ability to advance its strategic plans. Additionally, if the capital and credit markets experience volatility and the availability of funds is limited, third parties with whom the Company does business may incur increased costs or business disruption and this could adversely affect the Company's business relationships with such third parties. If the Company is unable to obtain financing such inability could have a Material Adverse Effect.

Current and future litigation or regulatory proceedings or adverse court interpretations of the laws under which the Company operates could have a Material Adverse Effect.

The Company has been and is currently subject to lawsuits, which may include purported class actions, that could cause the Company to incur substantial expenditures, generate adverse publicity and could significantly impair the Company's business, force the Company to cease doing business in one or more jurisdictions or cause it to cease offering one or more products. The Company is also likely to be subject to further litigation in the future. An adverse ruling in or a settlement of any current or future litigation against the Company or another lender could cause the

Company to have to refund fees and/or interest collected, forego collections of the principal amount of loans, pay treble or other multiple damages, pay monetary penalties and/or modify or terminate the Company's operations in particular jurisdictions. Defense of any lawsuit, even if successful, could require substantial time and

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attention of the Company's management and could require the expenditure of significant amounts for legal fees and other related costs. The Company is also subject to regulatory proceedings, and the Company could suffer losses from interpretations of applicable laws, rules and regulations in those regulatory proceedings, even if the Company is not a party to those proceedings. In addition, adverse court interpretations of the various laws and regulations under which the Company operates could require the Company to alter the products that it offers or cease doing business in the jurisdiction where the court interpretation is applicable. Any of these events could have a Material Adverse Effect.

The Company is subject to impairment risk, and goodwill impairment charges could have a Material Adverse Effect.

As of December 31, 2015, the Company had goodwill totaling $488.0 million and intangible assets, net of accumulated amortization, of $39.5 million on its consolidated balance sheet. Of this amount of intangible assets, the Company had licenses and trademarks with carrying values of $9.7 million and $5.3 million, respectively, as of December 31, 2015 and 2014 that were indefinite-lived intangible assets and not amortized. Goodwill represents the excess of the purchase price over the fair value of the net tangible and identifiable intangible assets acquired in each business combination. Accounting for goodwill and intangible assets requires significant management estimates and judgment. Events may occur in the future, and the Company may not realize the value of its goodwill or intangible assets. The Company tests goodwill and intangible assets with an indefinite life for potential impairment annually as of June 30 and between annual tests if an event occurs or circumstances change that would more likely than not reduce the fair value of the Company below its carrying amount.

The Company completed its annual assessment of goodwill as of June 30, 2015 and determined that the fair value for the Company's reporting unit exceeded its carrying value, and, as a result, no impairment was indicated at that date. As of June 30, 2015, the excess fair value over the carrying value was 9%. A change in calculation assumptions, such as an increase in the weighted-average cost of capital, could cause the carrying value of the reporting unit to exceed its fair value as of June 30, 2015, which could have potentially resulted in an impairment loss.

As part of the goodwill assessment, the Company also considers the market value of its equity, which is the observable market value of the Company based on the quoted market prices of the Company's common stock at the measurement date. The Company compares the market value of its equity to the carrying value of its equity. As of June 30, 2015, the market value of the Company's equity was observed to be lower than the carrying value of equity. Management continues to acknowledge the need to monitor and re-evaluate any future discrepancies between these values and consider the implications for an impairment of goodwill in future periods.

The Company is considered to be at risk for a future impairment of its goodwill in the event of a decline in general economic, market or business conditions, or if there are any significant unfavorable changes in the Company's forecasted revenue, expenses, cash flows, weighted-average cost of capital and/or market transaction multiples. Any of these factors could represent a potential triggering event that would indicate an impairment review should be performed. The Company will continue to monitor for events and circumstances that could negatively impact the key assumptions in determining its fair value.
Should a review indicate impairment, a write-down of the carrying value of the goodwill or intangible asset would occur, resulting in a non-cash charge, which could have a Material Adverse Effect and could also lead to the Company's inability to comply with certain covenants in the Company's financing documents, which could cause a default under those agreements.

Certain tax positions taken by the Company require the judgment of management and could be challenged by the Internal Revenue Service.

Management's 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's judgment is also required in evaluating whether tax benefits meet the more-likely-than-not threshold for recognition under Accounting Standards Codification 740-10-25, Income Taxes. For example, in connection with the 2014 liquidation of Creazione Estilo, S.A. de C.V., a Mexican sociedad anónima de capital variable, that was a subsidiary of the Company that owned the Company's Mexico-based pawn operations prior to selling them to another wholly-owned subsidiary of the Company in 2012, the Company included a deduction on its 2013 federal income tax return for the Company's tax basis in the stock of Creazione and recognized a tax benefit of approximately $33.2 million as a result of the deduction. Management believes that the Company met the requirements for this deduction and that it should be treated as an ordinary loss, which reduced the Company's cash taxes paid in 2013. The Company obtained a private letter ruling from the Internal Revenue Service with respect to one of the various factors that the Company considered in making this determination. Because there are a number of factors that must be considered in making this determination, some of which were not specifically addressed in the private letter ruling, the Internal Revenue Service could challenge the availability and/or characterization of the loss. If the deduction is ultimately denied or is determined to be a capital loss by the Internal Revenue Service, the Company may be required to reverse the previously recognized tax benefit and may be required to make additional income tax payments, which could have a Material Adverse Effect. In addition, the Enova Spin-off was structured with the intent that it would be a tax-free distribution. See "Risk Factors Related to the Enova Spin-off—The Company could be responsible for U.S. federal and state income tax liabilities that relate to the Enova Spin-off" for additional information regarding risks related to the tax treatment of the Enova Spin-off.

The Company's success is dependent, in part, upon its executive officers, and if the Company is not able to attract and retain qualified executive officers, it could have a Material Adverse Effect.

The Company's success depends, in part, on its executive officers, which is comprised of a relatively small group of individuals. Many members of the senior management team have significant industry experience. The Company believes that its senior management would be difficult to replace. Because the market for qualified individuals is highly competitive, the Company may not be able to attract and retain qualified executive officers or candidates who have the experience, skills and knowledge of the Company's industry that would be required for such a position. In addition, increasing regulations and negative publicity on the consumer financial services industry could affect the Company's ability to attract and retain qualified executive officers. Additionally, any significant leadership change or executive management transition involves inherent risk, and if the Company does not have an effective transfer of knowledge and a smooth transition for this position, it could hinder the Company's strategic planning, execution and future performance. If the Company is unable to attract or retain qualified executive officers, such inability could have Material Adverse Effect.

Increased competition from companies offering similar financial products and services offered by the Company could have a Material Adverse Effect.

The Company has many competitors. Its principal lending competitors are other pawn shops, consumer loan companies, banks or other financial institutions, CSOs, online lenders and consumer finance companies that serve the Company's primary customer base. The Company's principal competitors to its retail operations, include retailers of new merchandise, retailers of pre-owned merchandise, other pawn shops, rent-to-own businesses, thrift shops, internet retailers, internet auction sites and other similar sites. Increased competition or aggressive marketing and pricing practices by these competitors could result in decreased revenue, margins and turnover rates in the Company's retail operations. Competitors of the Company's business may also operate, or begin to operate, under business models less

focused on legal and regulatory compliance, which could put the Company at a competitive disadvantage. Many other financial institutions or other businesses that do not now offer products or services directed toward the Company's traditional customer base, many of whom may be much larger than the Company, could begin doing so. Significant increases in the number and size of competitors for the Company's business could

result in a decrease in the number of loans that the Company writes, resulting in lower levels of revenue and earnings. The Company may not be able to compete successfully against any or all of its current or future competitors. As a result, the Company could lose market share and its revenue could decline, thereby affecting the Company's ability to generate sufficient cash flow to service its indebtedness and fund the Company's operations. Any such changes in the Company's competition could have a Material Adverse Effect.

Consumer loans are under increased regulatory scrutiny that has resulted in increasingly restrictive regulations and legislation and may in the future result in additional regulations and legislation that makes offering such loans in certain states where the Company operates less profitable or unattractive to the Company.

In recent years, consumer loans, which are also commonly referred to as "payday loans" and includes certain of the Company's consumer loan products, have been under increased regulatory scrutiny that has resulted in increasingly restrictive regulations and legislation that makes offering such loans in certain states where the Company operates less profitable or unattractive to the Company. For example, during 2013, the Company closed 36 retail services locations in Texas that offered consumer loans as their primary source of revenue, mainly as a result of restrictive city ordinances that had been passed since 2011 that had the effect of reducing the profitability and the volume of short-term consumer loans. In addition, partially as a result of the increased regulation on consumer loans, the Company has recently de-emphasized its consumer lending business, such that consumer loans only comprised 8% of the Company's total revenue for the year ended December 31, 2015. The Company closely monitors proposed legislation being discussed in the states where it offers consumer loans, and additional legislative or regulatory initiatives that are similar to or broader than those that have already been adopted could be enacted that could severely restrict, prohibit or eliminate the Company's ability to offer its consumer loan product. Any of these or other legislative or regulatory actions that affect the Company's consumer loan business at the national, state and local level could, if enacted or interpreted differently, could have a Material Adverse Effect on the Company's consumer lending business. See "The adoption of new laws or regulations or adverse changes in, or the interpretation or enforcement of, existing laws or regulations affecting the Company's products and services could have a Material Adverse Effect" for additional information regarding potential rules or regulations that could affect the Company's consumer loan business.

Judicial decisions, CFPB rule-making or amendments to the Federal Arbitration Act could render the arbitration agreements the Company uses illegal or unenforceable.

The Company includes arbitration provisions in its consumer loan agreements. These provisions are designed to allow the Company to resolve any customer disputes through individual arbitration rather than in court and explicitly provide that all arbitrations will be conducted on an individual and not on a class basis. Thus, the Company's arbitration agreements, if enforced, have the effect of shielding the Company from class action liability. The Company's arbitration agreements do not generally have any impact on regulatory enforcement proceedings. The Company takes the position that the arbitration provisions in its consumer loan agreements, including class action waivers, are valid and enforceable; however, the enforceability of arbitration provisions is often challenged in court. If those challenges are successful, the Company's arbitration and class action waiver provisions could be unenforceable, which could subject the Company to additional litigation, including additional class action litigation. In addition, the U.S. Congress has considered legislation that would generally limit or prohibit mandatory arbitration agreements in consumer contracts and has enacted legislation with such a prohibition with respect to certain mortgage loan agreements and also certain consumer loan agreements to members of the military on active duty and their dependents. Further, the Dodd-Frank Act directs the CFPB to study consumer arbitration and report to the U.S. Congress, and it authorizes the CFPB to adopt rules limiting or prohibiting consumer arbitration, consistent with the results of its study. In 2013, the CFPB released a preliminary report on consumer arbitration provisions and indicated further study was in process. The results of the CFPB's further study on arbitration were released in a report to Congress in March 2015. The report, which the CFPB states is an empirical study and not an evaluative study, sets forth the CFPB's factual findings from its comprehensive empirical review of the facts surrounding the resolution of

consumer disputes - both in arbitration and in the courts. In October 2015, the CFPB announced that it is considering proposing rules that would directly affect arbitration clauses that include class action waivers. Although this announcement is only the first step in the rulemaking process, the CFPB proposal, as

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currently explained, would ban companies from including arbitration clauses that block class action lawsuits in consumer contracts, including the Company's loan agreements. The proposal would not ban arbitration provisions in their entirety, but the provisions would have to explain that they would not apply to cases filed as class actions unless the class certification is denied or dismissed by the court. Any rule adopted by the CFPB would apply to arbitration agreements entered into more than six months after the final rule becomes effective (and not to prior arbitration agreements). Any judicial decisions, legislation or other rules or regulations that impair the Company's ability to enter into and enforce consumer arbitration agreements and class action waivers could significantly increase the Company's exposure to class action litigation as well as litigation in plaintiff-friendly jurisdictions, which would be costly and could have a Material Adverse Effect.

The Company could be subject to disruptions in its information technology systems or to its business operations, which would interfere with the Company's ability to conduct business and could have a Material Adverse Effect.

The Company's storefront operations depend on the efficiency and reliability of the Company's point-of-sale system. A shut-down of or inability to access the facilities in which the Company's storefront point-of-sale system and other technology infrastructure are based, such as a power outage, a failure of one or more of its information technology, telecommunications or other systems, or sustained or repeated disruptions of such systems could significantly impair the Company's ability to perform such functions on a timely basis and could result in a deterioration of the Company's ability to perform efficient storefront lending and merchandise disposition activities, provide customer service, perform collections activities, or perform other necessary business functions. Any such interruption could have a Material Adverse Effect.

The Company's services, operations and storefronts from which it provides products and services are also vulnerable to damage or interruption from tornadoes, hurricanes, earthquakes, fires, floods, power losses, telecommunications failures, terrorist attacks, acts of war, human errors and similar events. A significant natural disaster, such as a tornado, which the Company's headquarters has experienced in the past, hurricane, earthquake, fire or flood, could have a material adverse impact on the Company's ability to conduct business, including causing damage to merchandise or collateral that it holds in any of its retail services locations and causing multiple pawn lending locations to shut down or have limited operations, and the Company's insurance coverage may be insufficient to compensate for losses that may occur. Acts of terrorism, civil unrest or violence could cause disruptions to the Company's business or the economy as a whole. Any of these events could cause consumer confidence to decrease, which could result in a decreased number of loans being made to customers or reduced demand for pre-owned merchandise such as the merchandise sold in the Company's pawn shops. Any of these occurrences could have a Material Adverse Effect.

The Company is subject to cyber security risks and security breaches and may incur increasing costs in an effort to minimize those risks and to respond to cyber incidents.

The Company's business involves the storage and transmission of customers' proprietary information, and security breaches could expose the Company to a risk of loss or misuse of this information, litigation, and potential liability. The Company's network is entirely dependent on the secure operation of its systems as well as the operation of the internet generally. While the Company has incurred no material cyber-attacks to date, a number of other companies have disclosed cyber-attacks and security breaches, some of which have involved intentional attacks. The Company may not have the resources or technical sophistication to anticipate or prevent rapidly evolving types of cyber-attacks. Attacks may be targeted at the Company, its customers, or both. If an actual or perceived breach of security occurs, customer and/or supplier perception of the effectiveness of the Company's security measures could be harmed and could result in the loss of customers, suppliers or both. Actual or anticipated attacks and risks may cause the Company to incur increasing costs, including costs to deploy additional personnel and protection technologies, train employees, and engage third party experts and consultants.

A person who is able to circumvent the Company's security measures could misappropriate the Company's or its customers' proprietary information, cause interruption in the Company's operations, damage its computers or those of its customers, or otherwise damage its reputation and business. Any compromise of security could result in

a violation of applicable privacy and other laws, significant legal and financial exposure, damage to the Company's reputation, and a loss of confidence in the Company's security measures, which could harm its business. In addition, most of the Company's customers provide personal information, including bank account information when applying for consumer loans. The Company relies on secure transmission protocols and access control technology licensed from third parties to provide the security and authentication to effectively secure transmission of confidential information, including customer bank account and other personal information. Advances in computer capabilities, new discoveries in the field of cryptography or other developments may result in the technology used by the Company to protect transaction data being breached or compromised. Data breaches can also occur as a result of non-technical issues.

The Company's servers are also vulnerable to computer viruses, physical or electronic break-ins, and similar disruptions, including "denial-of-service" type attacks. The Company may need to expend significant resources to address problems caused by breaches. Security breaches, including any breach of the Company or of persons with whom it has commercial relationships that result in the unauthorized release of its customers' personal information, could damage the Company's reputation and expose it to a risk of loss or litigation and possible liability. In addition, many of the third parties who provide products, services or support to the Company could also experience any of the above cyber risks or security breaches, which could impact the Company's customers and the Company's business and could result in a loss of customers, suppliers or revenue.

Any of these events could result in a loss of revenue and could have a Material Adverse Effect.

The failure of third parties who provide products, services or support to the Company to maintain their products, services or support could disrupt Company operations or result in a loss of revenue.

The Company offers certain products and services that are provided by various third parties, and if a third-party provider fails to provide its products or services, makes material changes to such products and services or does not maintain its quality and consistency or fails to have the ability to provide its products and services, the Company could lose customers and related revenue from those products or services. For example, the Company's consumer loan revenue depends in part on the willingness and ability of unaffiliated third-party lenders, through the CSO programs, to make loans to customers and other third parties to provide services to facilitate lending, loan underwriting and payment processing. The loss of the relationship with any of these third parties, and an inability to replace them or the failure of these third parties to maintain quality and consistency in their programs or services or to have the ability to provide their products and services, could cause the Company to lose customers and substantially decrease the revenue and earnings of its consumer loan business. The Company's revenue and earnings from its consumer loan business could also be adversely affected if any of those third-party providers make material changes to products or services that the Company relies on. The Company also uses third parties to support and maintain certain of its communication systems and computerized point-of-sale and information systems. The failure of such third parties to fulfill their support and maintenance obligations could disrupt the Company's operations. Any of these events could significantly disrupt the Company's operations and could result in a loss of revenue.

The Company's reported results require the judgment of management, and the Company could be subject to risks associated with these judgments or could be adversely affected by the implementation of new, or the interpretation of existing, accounting principles or financial reporting requirements.

The preparation of the Company's financial statements 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 revenue and expenses during the reporting periods. In addition, the Company prepares its financial statements in accordance with Generally Accepted Accounting Principles ("GAAP"), and GAAP and its interpretations are subject to change over time. The Company may also

encounter conflicting rules or guidance under GAAP, which could affect its accounting for certain matters or its ability to timely file reports with the Securities and Exchange Commission. If new rules or interpretations of existing rules require the Company to change its financial reporting or cause a delay

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in the Company's filings with the Securities and Exchange Commission, it could have a Material Adverse Effect, and the Company could be required to restate historical financial reporting.

Future acquisitions and/or the failure to successfully integrate newly acquired businesses into the Company's operations could negatively impact the Company's performance.

The Company has historically grown through strategic acquisitions, and the Company may pursue acquisition opportunities in the future in order to expand its product and service offerings and markets and grow its business in response to changing customer demands, regulatory environments, technologies and competitive pressures. In some circumstances, the Company may expand its offerings through the acquisition of complementary businesses, solutions or technologies rather than through internal development. The identification of suitable acquisition candidates can be difficult, time-consuming and costly, and the Company may not be able to successfully complete identified acquisitions. Furthermore, even if the Company successfully completes an acquisition, it may not be able to successfully assimilate and integrate the business, technologies, solutions, personnel or operations of the business that it acquires, particularly if key personnel of an acquired company decide not to work for the Company. In addition, the Company may issue equity securities to complete an acquisition, which would dilute its shareholders' ownership and could adversely affect the price of the Company's common stock. Acquisitions may also involve the entry into geographic or business markets in which the Company has little or no prior experience or may expose the Company to additional material liabilities. In addition, any acquisition has the risk that the Company may not realize a return on the acquisition or the Company's investment. Consequently, the Company may not achieve anticipated benefits of the acquisitions, which could have a Material Adverse Effect.

Potential expansion for the Company is subject to external factors and other circumstances over which the Company has limited control or that are beyond the Company's control. These factors and circumstances could adversely affect the Company's ability to grow through the opening and acquisition of new operating units.

The Company may try to expand its business by acquiring existing stores and opening new ones, as it has done in the past. The success of this strategy is subject to numerous external factors, such as the availability of attractive acquisition candidates, the availability of sites with acceptable restrictions and suitable terms, the Company's ability to attract, train and retain qualified store management personnel, the ability to access capital, the ability to obtain required government permits and licenses, the prevailing laws and regulatory environment of each state or jurisdiction in which the Company operates or seeks to operate, which are subject to change at any time, the degree of competition in new markets and its effect on the Company's ability to attract new customers and the ability to adapt the Company's infrastructure and systems to accommodate its growth. Some of these factors are beyond the Company's control. The failure to execute this expansion strategy would adversely affect the Company's ability to expand its business and could have a Material Adverse Effect.

The Company may incur property, casualty or other losses not covered by insurance.

The Company maintains a program of insurance coverage for various types of property, casualty and other risks. The types and amounts of insurance that it obtains vary from time to time, depending on availability, cost and management's decisions with respect to risk retention. The policies are subject to deductibles and exclusions that result in the Company's retention of a level of risk on a self-insurance basis. Losses not covered by insurance could be substantial and may increase the Company's expenses, which could harm the Company's results of operations and financial condition.

Adverse real estate market fluctuations could affect the Company's profitability.

The Company leases most of its locations. A significant rise in real estate prices or real property taxes could result in an increase in store lease costs as the Company opens new locations and renews leases for existing locations.

Other risk factors are discussed under "Quantitative and Qualitative Disclosures about Market Risk."

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Risks Related to the Enova Spin-off

The Company could be responsible for U.S. federal and state income tax liabilities that relate to the Enova Spin-off.

The Enova Spin-off was conditioned on the receipt of an opinion of tax counsel that the Enova Spin-off will be treated as a transaction that is tax-free for U.S. federal income tax purposes under Section 355(a) of the Internal Revenue Code. An opinion of tax counsel is not binding on the Internal Revenue Service. Accordingly, the Internal Revenue Service may reach conclusions with respect to the Enova Spin-off that are different from the conclusions reached in the opinion. The opinion was based on certain factual statements and representations made by the Company, which, if incomplete or untrue in any material respect, could alter tax counsel's conclusions. If the Internal Revenue Service were to determine the Enova Spin-off to be taxable, the Company would recognize a substantial tax liability.

In addition, the Company has received a private letter ruling from the Internal Revenue Service to the effect that the retention by the Company of up to 20% of Enova's stock will not be in pursuant to a plan having as one of its principal purposes the avoidance of U.S. federal income tax within the meaning of Section 355(a)(1)(D)(ii) of the Internal Revenue Code. The private letter ruling does not address any other tax issues related to the Enova Spin-off. Notwithstanding the private letter ruling, the Internal Revenue Service could determine on audit that the retention of the Enova stock was in pursuant to a plan having as one of its principal purposes the avoidance of U.S. federal income tax if it determines that any of the facts, assumptions, representations or undertakings that the Company or Enova have made or provided to the Internal Revenue Service are not correct. If the retention is in pursuant to a plan having as one of its principal purposes the avoidance of U.S. federal income tax, then the distribution could ultimately be determined to be taxable, and the Company would recognize gain in an amount equal to the excess of the fair market value of shares of Enova's common stock distributed to the Company's shareholders on the distribution date over the Company's tax basis in such shares of Enova's common stock. In addition, the Company agreed to certain actions in connection with the private letter ruling, such as disposing of the Enova stock that it retained within two years following the Enova Spin-off, and if the Company does not or is unable to follow-through with such actions, the tax-free status of the Enova Spin-off could be jeopardized. (See "Item 7—Management's Discussion and Analysis of Financial Condition and Results of Operations—Cash Flows from Continuing Investing Activities—2015 Comparison to 2014" for additional information regarding the private letter ruling.)

In connection with the Enova Spin-off, Enova and the Company have agreed to indemnify each other for certain liabilities; if the Company is required to act on these indemnities to Enova, it may need to divert cash to meet those obligations, and Enova's indemnity could be insufficient or Enova could be unable to satisfy its indemnification obligations.

Pursuant to a Separation and Distribution Agreement and certain other agreements that the Company entered into with Enova at the time of the Enova Spin-off, including a Tax Matters Agreement, Enova has agreed to indemnify the Company for certain liabilities that could be related to tax, regulatory, litigation or other liabilities, and the Company has agreed to indemnify Enova for certain similar liabilities, in each case for uncapped amounts. In addition, the Tax Matters Agreement prohibits Enova from taking any action or failing to take any action that could reasonably be expected to cause the Enova Spin-off to be taxable or to jeopardize the conclusions of the private letter ruling obtained in connection with the Enova Spin-off or opinions of counsel received by the Company or Enova. Indemnities that the Company may be required to provide Enova are not subject to any cap, may be significant and could negatively impact the Company's business, particularly indemnities relating to the Company's actions that could impact the tax-free nature of the distribution. Third parties could also seek to hold the Company responsible for any of the liabilities that Enova has agreed to assume. Further, the indemnity from Enova could be insufficient to protect the Company against the full amount of such liabilities, or Enova may be unable to fully satisfy its indemnification obligations. Moreover, even if the Company ultimately succeeds in recovering from Enova any amounts for which it

is held liable, the Company may be temporarily required to bear these losses and

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could suffer reputational risks if the losses are related to regulatory, litigation or other matters. Each of these risks could have a Material Adverse Effect.

The Company is unable to take certain actions because such actions could jeopardize the tax-free status of the Enova Spin-off, and the Company may forego certain transactions in order to avoid the risk of incurring significant tax-related liabilities.

Pursuant to the Tax Matters Agreement with Enova, the Company is prohibited from taking actions that could reasonably be expected to jeopardize the conclusions of the private letter ruling obtained in connection with the Enova Spin-off or the opinion of counsel received by the Company. In addition, if the Company takes any action that causes the Enova Spin-off to be taxable, then the Company would be fully liable for any resulting taxes and expenses and Enova would only be required to indemnify the Company under the Tax Matters Agreement to the extent Enova's actions were responsible for the Company incurring such taxes and expenses.

The Enova Spin-off would result in a significant U.S. federal income tax liability to the Company under Section 355(e) of the Internal Revenue Code if the Enova Spin-off is treated as part of a plan or series of related transactions for one or more persons to acquire a fifty percent (50%) or greater interest (measured by vote or value) in the stock of the Company. Current law generally creates a presumption that any acquisitions of the stock of the Company within two years before or after the Enova Spin-off are part of a plan that includes the Enova Spin-off, although the Company may be able to rebut that presumption. As a consequence, for the two years following the Enova Spin-off, the Company will be limited in its ability to take certain actions to the extent that taking such actions could reasonably be expected to cause the Enova Spin-off to be treated as part of a plan for one or more persons to acquire a fifty percent (50%) or greater interest in the stock of the Company. Open market purchases of Company common stock by third parties without any negotiation with the Company will generally not cause the Enova Spin-off to be treated as part of such a plan. However, actions within the two-year period that could be presumed to be part of such a plan include:

- the acquisition of fifty percent (50%) or more of the Company's common stock by one or more persons within the two-year period following the Enova Spin-off;
- entering into any agreement, understanding or arrangement by the Company with respect to transactions or events (including, without limitation, stock issuances, pursuant to the exercise of stock options or otherwise, option grants, capital contributions or an acquisition, or a series of such transactions or events) that cause the Enova Spin-off to be treated as part of a plan pursuant to which one or more persons acquire directly or indirectly stock of the Company representing more than a fifty percent (50%) interest in the equity of the Company; and
- any actions that breach a representation made by the Company to the Internal Revenue Service in connection with obtaining the private letter ruling obtained by the Company in connection with the Enova Spin-off or by the Company to its counsel in connection with the issuance of a tax opinion by such counsel with respect to the Enova Spin-off.

Because of the significant liability to the Company that would result from the Enova Spin-off being treated as a taxable transaction, the Company may be limited in the amount of capital stock that it can issue to make acquisitions or to raise additional capital for the two years following the Enova Spin-off. In addition, the potential liability to the Company may discourage, delay or prevent a third party from acquiring control of the Company during this two-year period pursuant to a transaction that the Company's shareholders might otherwise consider favorable.

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The Company is subject to continuing contingent liabilities of Enova.

Even though the Company and Enova are now separate, publicly-traded companies, there are several significant areas where the liabilities of Enova may become the Company's obligations. For example, under the Internal Revenue Code and the related rules and regulations, each corporation that was a member of the Company's consolidated U.S. federal income tax reporting group during any taxable period or portion of any taxable period ending on or before the effective time of the distribution is jointly and severally liable for the U.S. federal income tax liability of the entire consolidated tax reporting group for the Company for that taxable period. In addition, the Tax Matters Agreement with Enova allocates the responsibility for prior period taxes of the Company's consolidated tax reporting group between the Company and Enova; however, if Enova is unable to pay any prior period taxes for which it is responsible, the Company could be required to pay the entire amount of such taxes.

The Company could be exposed to potential liabilities arising out of state and federal fraudulent conveyance laws and legal distribution requirements in connection with the Enova Spin-off.

The Enova Spin-off could be challenged under various state and federal fraudulent conveyance laws. An unpaid creditor or an entity vested with the power of such creditor (such as a trustee or debtor-in-possession in a bankruptcy) could claim that the Enova Spin-off left the Company insolvent or with unreasonably small capital or that the Company intended or believed it would incur debts beyond its ability to pay such debts as they mature and that the Company did not receive fair consideration or reasonably equivalent value in the Enova Spin-off and distribution. If a court were to agree with such a plaintiff, then such court could void the distribution as a fraudulent transfer and could impose a number of different remedies, including without limitation, returning Enova's assets or Enova's shares that are distributed to the Company.

The measure of insolvency for purposes of the fraudulent conveyance laws will vary depending on which jurisdiction's law is applied. Generally, however, an entity would be considered insolvent if either the fair saleable value of its assets is less than the amount of its liabilities (including the probable amount of contingent liabilities), or it is unlikely to be able to pay its liabilities as they become due. The Company does not know what standard a court would apply to determine insolvency. Further, a court could determine that the Company was insolvent at the time of or after giving effect to the Enova Spin-off.

Under the Separation and Distribution Agreement with Enova, the Company is responsible for and has retained the debts, liabilities and other obligations related to the business or businesses which the Company owns and operates following the Enova Spin-off and Enova is responsible for and has assumed the debts, liabilities and other obligations related to the business or businesses that Enova owns and operates following the Enova Spin-off. Although the Company does not expect to be liable for any obligations not expressly retained by it pursuant to the Separation and Distribution Agreement, it is possible that the Company could be required to assume responsibility for certain obligations assumed by Enova under the Separation and Distribution Agreement should Enova fail to pay or perform its assumed obligations.

Certain members of management, directors and shareholders may face actual or potential conflicts of interest.

As a result of the Enova Spin-off, the Company's management and directors and the management and directors of Enova may own both the Company's common stock and Enova's common stock. This ownership overlap could create, or appear to create, potential conflicts of interest when the Company's management and directors and Enova's management and directors face decisions that could have different implications for the Company and Enova. For example, potential conflicts of interest could arise in connection with the resolution of any dispute between the Company and Enova regarding the terms of the agreements governing the Enova Spin-off and the Company's relationship with Enova thereafter or in the strategy for defending or resolving any litigation in which both the

Company and Enova are involved. These agreements include the Separation and Distribution Agreement, the Tax Matters Agreement, the Stockholder's and Registration Rights Agreement, the Transition Services Agreement, the Software Lease and Maintenance Agreement and any commercial agreements between the parties or their affiliates. Potential conflicts of interest may also arise because the Company's Executive Chairman

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of the Board, Daniel R. Feehan, also serves as a director of Enova. Further, conflicts of interest may arise out of any commercial arrangements that the Company and Enova may enter into in the future.

Risks Related to the Company's Common Stock

The price of the Company's common stock has been volatile and could continue to fluctuate substantially.

The Company's common stock is traded on the New York Stock Exchange. The market price of the Company's common stock has been volatile and could fluctuate substantially based on a variety of factors, including the following:

- variations in results of operations;
- legislative or regulatory changes, and in particular, legislative or regulatory changes affecting the Company's operations;
- the Enova Spin-off;
- fluctuations in commodity prices;
- general trends in the industry;
- market conditions;
- analysts' estimates; and
- perceptions of, and other events related to, the pawn or consumer loan industry.

The market price for the Company's common stock has varied between a high of $35.32 on November 2, 2015 and a low of $18.77 on January 29, 2015 in the twelve-month period ended December 31, 2015. The Company's stock price is likely to continue to be volatile and subject to significant price and volume fluctuations in response to market and other factors, including the other factors discussed in "Risks Related to the Company's Business and Industry" and "Risks Related to the Enova Spin-off," variations in the Company's quarterly operating results from management's expectations or those of securities analysts or investors, downward revisions in securities analysts' estimates and announcements by the Company or its competitors of significant acquisitions, strategic partnerships, joint ventures or capital commitments.

In addition, the stock market in general may experience significant volatility that is unrelated to the operating performance of companies whose shares are traded. These market fluctuations could adversely affect the trading price of the Company's common stock, regardless of the Company's actual operating performance.

Future issuances of additional shares of the Company's common stock could cause dilution of ownership interests and adversely affect the Company's stock price.

The Company may, in the future, issue its previously authorized and unissued shares of common stock or shares that it holds as treasury stock, which would result in the dilution of the ownership interests of the Company's shareholders. The Company has 5,362,684 shares held in treasury stock and is also currently authorized to issue up to 80,000,000 shares of common stock, par value $0.10 per share. As of February 22, 2016, the Company had 24,471,110 shares of common stock issued. The potential issuance of additional shares of common stock may create downward pressure on the trading price of the Company's common stock. The Company may also issue other securities that are convertible into or exercisable for common stock, for capital-raising or for other business purposes, such as for acquisitions, which it has done in the past. Future issuances of substantial amounts of common stock, or the perception that such issuances could occur, could have a Material Adverse Effect on the price of the Company's common stock.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

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ITEM 2. PROPERTIES

The Company's principal locations are as follows:

- A corporate headquarters building in Fort Worth, Texas that is owned by the Company;
- Corporate locations leased for the Company in Fort Worth, Texas and Cincinnati, Ohio; and
- Pawn lending and/or consumer lending locations, as set forth in the table below (15 of which are owned by the Company, and the remainder of which are leased locations).

	Number of Locations
Alabama	8
Alaska	6
Arizona	36
California	12
Florida	77
Georgia	47
Illinois	25
Indiana	34
Kentucky	11
Louisiana	24
Missouri	17
Nevada	28
North Carolina	17
Ohio	120
Oklahoma	14
South Carolina	6
Tennessee	41
Texas	259
Utah	7
Washington	33
Total Company	822

The Company considers its equipment, furniture and fixtures and owned buildings to be in good condition. The Company has its own construction supervisors who engage local contractors to selectively remodel and upgrade its locations throughout the year.

All properties leased by the Company are leased under non-cancelable operating leases with remaining lease periods of generally one to 10 years. The Company's leases typically require the Company to pay all maintenance costs, insurance costs and property taxes. For additional information concerning the Company's leases, see "Item 8. Financial Statements and Supplementary Data—Note 13."

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ITEM 3. LEGAL PROCEEDINGS

The Company is a defendant in certain routine litigation matters encountered in the ordinary course of its business. Certain of these matters are covered to an extent by insurance. In the opinion of management, the resolution of these matters is not expected to have a material adverse effect on the Company's financial position, results of operations or liquidity.

In addition, see "Debt Agreement Compliance" under "Item 8. Financial Statements and Supplementary Data—Note 11."

ITEM 4. MINE SAFETY DISCLOSURES

Not Applicable.

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PART II

ITEM 5. MARKET FOR REGISTRANT’S COMMON EQUITY, RELATED SHAREHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Market for Registrant’s Common Equity

The New York Stock Exchange is the principal exchange on which the Company’s common stock, par value $0.10 per share, is traded under the symbol “CSH”. There were 461 shareholders of record (not including individual participants in security listings) as of February 22, 2016. The high and low market prices of common stock and cash dividends declared and paid per share during each quarter of 2015 and 2014 are included in the table below. The stock prices presented below have been adjusted from original historical prices based on the method used by the New York Stock Exchange to reflect the impact on the Company’s stock price as a result of the Enova Spin-off, which was completed on November 13, 2014.

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
2015				
High	$26.27	$28.68	$29.02	$35.32
Low	18.77	22.83	23.77	26.00
Cash dividends declared and paid per share	0.050	0.050	0.050	0.050
2014				
High	$19.63	$21.91	$21.22	$25.45
Low	15.79	16.92	18.43	18.53
Cash dividends declared and paid per share	0.035	0.035	0.035	0.035

The Company expects that comparable cash dividends will continue to be paid in the future.

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Total Return Performance for the Registrant’s Common Equity

The following table and chart compare the cumulative total shareholder return of the Company’s common stock for the five year period ended December 31, 2015 with the cumulative total return of the Standard and Poor’s 500 Stock Index (“S&P 500”), the Russell 2000 Index (“Russell 2000”) and a Company-selected group of peer institutions (“CSH Peer Group 2015 Index”). This comparison assumes the investment of $100 on December 31, 2010 and the reinvestment of all dividends. Effective November 13, 2014, the Company spun-off its subsidiary, Enova International, Inc. The spin-off is reflected as a special dividend to shareholders as of the date of the spin-off in the performance chart below. The shareholder return set forth is not necessarily indicative of future performance.

	Period Ending					
Index	12/31/10	12/31/11	12/31/12	12/31/13	12/31/14	12/31/15
Cash America International, Inc.	100.00	126.63	108.09	104.70	132.13	176.26
S&P 500	100.00	102.11	118.45	156.82	178.28	180.75
Russell 2000	100.00	95.82	111.49	154.78	162.35	155.18
CSH Peer Group 2015 Index [a]	100.00	104.16	108.89	105.96	98.22	59.29

(a) CSH Peer Group 2015 Index: The Cash America Peer Group includes First Cash Financial Services, Inc. (FCFS) and EZCORP, Inc (EZPW).

Source: SNL Financial LC, Charlottesville, VA
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Issuer Purchases of Equity Securities

The following table provides the information with respect to purchases made by the Company of shares of its common stock during each of the months in 2015:

Period	Total Number of Shares Purchased[(a)]	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans[(b)]	Maximum Number of Shares that May Yet Be Purchased Under the Plans[(b)]
January 1 to January 31	608	$20.97	—	4,000,000
February 1 to February 28	750,062	21.06	726,400	3,273,600
March 1 to March 31	421,600	23.68	421,600	2,852,000
April 1 to April 30	327,469	25.65	326,800	2,525,200
May 1 to May 31 [(c)]	862,214	27.20	857,430	1,667,770
June 1 to June 30	1,245	27.33	—	1,667,770
July 1 to July 31	—	—	—	1,667,770
August 1 to August 31[(d)]	538,500	24.40	538,436	1,129,334
September 1 to September 30	387,500	27.15	387,500	741,834
October 1 to October 31	289,500	28.66	289,500	3,452,334
November 1 to November 30	146,048	33.24	146,000	3,306,334
December 1 to December 31	322,200	31.26	322,200	2,984,134
Total	4,046,946	$25.84	4,015,866	

(a) Includes the following: shares withheld from employees as partial tax payments for shares issued under the Company's stock-based compensation plans of 608, 23,589, 669, 4,725 and 1,245 shares for the months of January, February, April, May and June, respectively; and the reinvestment of dividends on Director Deferred Shares, which resulted in the purchase of 73, 59, 64 and 48 shares for the months of February, May, August and November, respectively.

(b) In January 2015, the Board of Directors of the Company authorized a share repurchase program of up to 4.0 million shares of the Company's common stock (the "January 2015 Authorization") and canceled the Company's previous share repurchase authorization from January 2013 (the "2013 Authorization"). In October 2015, the Board of Directors of the Company authorized a new share repurchase program for the repurchase of up to 3.0 million shares of the Company's common stock (the "October 2015 Authorization"), which took effect in December 2015 once all shares under the January 2015 Authorization had been purchased.

(c) Share amounts include the initial shares acquired under the accelerated share repurchase ("ASR") agreement entered into by the Company and a financial institution in May 2015. The total number of shares purchased and the maximum number of shares that may yet be purchased under the authorized share repurchase programs include the effects of the 684,230 shares received by the Company upon initial delivery of shares under the ASR agreement, and the average price paid per share includes the effects of the $18.7 million value of the initial shares delivered divided by the 684,230 shares delivered.

(d) Share amounts include the additional 145,436 shares received upon final settlement of the ASR agreement, and the average price paid per share includes the effects of the $3.3 million recorded in treasury shares upon the final settlement divided by the additional 145,436 shares delivered. For additional information, see "Item 8. Financial Statements and Supplementary Data—Note 14."

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ITEM 6. SELECTED FINANCIAL DATA

Five-Year Financial Summary

(dollars and shares in thousands, except per share data)

	Year Ended December 31,				
	2015	2014	2013	2012	2011
Statement of Income Data [(a)(b)(c)]					
Total Revenue	$1,029,491	$1,094,696	$1,030,486	$1,139,443	$1,102,701
Net Revenue	567,144	589,550	586,514	632,039	631,106
Income from Operations	56,288	32,967	61,168	89,627	150,073
Income (Loss) from Continuing Operations before Income Taxes	43,044	(8,346)	43,985	81,370	141,166
Net Income (Loss) from Continuing Operations	27,566	(10,387)	59,182	40,901	87,514
Net Income from Discontinued Operations, Net of Tax	—	109,025	83,346	66,569	48,449
Net Income Attributable to Cash America International, Inc.	$27,566	$98,638	$142,528	$107,470	$135,963
Basic Earnings Per Share:					
Net Income (Loss) from Continuing Operations	$1.02	$(0.36)	$2.07	$1.39	$2.96
Net Income from Discontinued Operations	—	3.77	2.91	2.26	1.64
Net Income Attributable to Cash America International, Inc.	$1.02	$3.41	$4.97	$3.64	$4.59
Diluted Earnings Per Share:					
Net Income (Loss) from Continuing Operations	$1.01				