CASH AMERICA INTERNATIONAL INC
Form 10-K
March 13, 2015
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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, 2014
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, $.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 ¨ No þ
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 28,427,009 shares of the registrant's common stock, par value $0.10 per share, held by non-affiliates on June 30, 2014 was approximately $1,292,291,829.

At February 17, 2015 there were 28,567,276 shares of the registrant's common stock, $0.10 par value per share, issued and outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the Registrant's definitive Proxy Statement pertaining to the 2015 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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DEFINITIONS AND COMMONLY USED TERMS

The following terms used in this Annual Report have the meanings set forth below, unless the context otherwise requires:

"ACH" means Automated Clearing House.
"Adjusted Earnings Measures" means adjusted net income, adjusted diluted net income per share from continuing operations and adjusted earnings and adjusted earnings per share from continuing operations, individually or collectively.
"AOCI" means Accumulated other comprehensive income (loss).
"Annual Report" means this Annual Report on Form 10-K for the Company's fiscal year ended December 31, 2014.
"ASC" means Accounting Standards Codification.
"ASC 205-20" means ASC 205, subtopic 20, Presentation of Financial Statements—Discontinued Operations.
"ASC 320" means ASC 320, Investments—Debt and Equity Securities.
"ASC 323" means ASC 323, Investments—Equity Method and Joint Ventures.
"ASC 325" means ASC 325, Investments—Other.
"ASC 350" means ASC 350, Intangibles—Goodwill and Other.
"ASC 450" means ASC 450, Contingencies.
"ASC 470" means ASC 470, Debt.
"ASC 505-60" means ASC 505, subtopic 60, Equity—Spin-offs and Reverse Spin-offs.
"ASC 605" means ASC 605, Revenue Recognition.
"ASC 718" means ASC 718, Compensation—Stock Compensation.
"ASC 740" means ASC 740, Income Taxes.
"ASC 810" means ASC 810, Consolidation.
"ASC 815" means ASC 815, Derivatives and Hedging.
"ASC 820" means ASC 820, Fair Value Measurements and Disclosures.
"ASU" means Accounting Standards Update.
"ASU 2012-02" means ASU No. 2012-02, Intangibles—Goodwill and Other (Topic 350): Testing Indefinite-Lived Intangible Assets for Impairment.
"ASU 2013-04" means ASU No. 2013-04, Liabilities (Topic 405): Obligations Resulting from Joint and Several Liability Arrangements for Which the Total Amount of the Obligation Is Fixed at the Reporting Date (a consensus of the FASB Emerging Issues Task Force).
"ASU 2013-05" means ASU No. 2013-05, Foreign Currency Matters (Topic 830): Parent's Accounting for the Cumulative Translation Adjustment upon Derecognition of Certain Subsidiaries or Groups of Assets within a Foreign Entity or of an Investment in a Foreign Entity (a consensus of the FASB Emerging Issues Task Force).
"ASU 2013-11" means ASU No. 2013-11, Income Taxes (Topic 740): Presentation of an Unrecognized Tax Benefit When a Net Operating Loss Carryforward, a Similar Tax Loss, or a Tax Credit Carryforward Exists (a consensus of the FASB Emerging Issues Task Force).
"ASU 2014-08" means ASU No. 2014-08, Presentation of Financial Statements (Topic 205) and Property, Plant, and Equipment (Topic 360): Reporting Discontinued Operations and Disclosures of Disposals of Components of an Entity.
"ASU 2014-09" means ASU No. 2014-09, Revenue from Contracts with Customers (Topic 606).
"ASU 2014-15" means ASU No. 2014-15, Presentation of Financial Statements—Going Concern (Subtopic 205-40): Disclosure of Uncertainties about an Entity's Ability to Continue as a Going Concern.
"ASU 2015-01" means ASU No. 2015-01, Income Statement—Extraordinary and Unusual Items (Subtopic 225-20): Simplifying Income Statement Presentation by Eliminating the Concept of Extraordinary Items.
"ASU 2015-02" means ASU No. 2015-02, Consolidation (Topic 810): Amendments to the Consolidation Analysis.
"CFPB" means the Consumer Financial Protection Bureau.

“Company” or “Cash America” means Cash America International, Inc. and its subsidiaries.

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"Creazione" means Creazione Estilo, S.A. de C.V., a Mexican sociedad anónima de capital variable, a Mexican 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, Empeños, in 2012.
"Creazione Deduction" means a recognized income tax benefit related to a tax deduction included on the Company's 2013 federal income tax return for its tax basis in the stock of Creazione.
"Credit Agreement" means the credit agreement entered into on March 30, 2011, and later amended, between the Company and its domestic subsidiaries as guarantors and a syndicate of financial institutions as lenders.
"CSO" means credit services organization or credit access business.
"CSO fees" means fees for services provided through the CSO programs.
"CSO loans" means loans that are arranged for consumers with independent, third-party CSO lenders.
"CSO programs" means the programs through which the Company provides services related to a third-party lender's consumer loan products by acting as a credit services organization or credit access business.
"Director Deferred Shares" means shares of common stock of the Company that may become deliverable to certain directors who have elected to defer a portion of their director fees to be paid in the form of common stock of the Company.
"Dodd-Frank Act" means the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010.
"Domestic and Multi-currency Line of Credit" means a domestic and multi-currency line of credit, due March 31, 2018, totaling $280.0 million permitting revolving credit loans, including a multi-currency subfacility that gives the Company the ability to borrow up to $50.0 million that may be in specified foreign currencies, all as provided by, and subject to, the terms and conditions of the Credit Agreement.
"Empeños" means CA Empeños Mexico, S. de R.L. de C.V.
"Enova" means Enova International, Inc.
"Enova Note Receivable" means the Company's note receivable from Enova that was paid in full and terminated in May 2014. Amounts associated with this note receivable were intercompany-related receivables in the Company's previously-filed consolidated financial statements.
"Enova Spin-off" means the distribution of approximately 80% of the outstanding shares of Enova common stock, which previously comprised the Company's e-commerce segment, to the Company's shareholders on November 13, 2014.
"Exchange Act" means the Securities Exchange Act of 1934.
"FASB" means the Financial Accounting Standards Board.
"FTC" means the Federal Trade Commission.
"GAAP" means generally accepted accounting principles in the U.S.
"Guarantors" means the Company's domestic subsidiaries and one of its foreign subsidiaries that guarantee the 2018 Senior Notes, as defined below.
"Huminal" means Huminal, S.A. de C.V., a Mexican sociedad anónima de capital variable.
"IRS" means the Internal Revenue Service.
"LC Agreement" means the Standby Letter of Credit Agreement associated with the Company's Letter of Credit Facility.
"Letter of Credit Facility" means the facility under which $20.0 million in letters of credit may be issued. The facility is guaranteed by the Company's domestic subsidiaries and matures on March 31, 2018.
"LIBOR" means the London Interbank Offered Rate.
"Material Adverse Effect" means 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.
"Mexico Reorganization" means the reorganization of the Company's Mexico-based pawn operations in 2012 to include only 47 full-service pawn locations and discontinuation of the operations of 148 of its Mexico-based pawn locations.
"Nonqualified Savings Plan" means the Cash America International, Inc. Nonqualified Savings Plan, as amended and restated on January 1, 2009 and further amended on October 1, 2010 and January 28, 2012.
"Ohio Adjustment" means the adjustment of $5.0 million to decrease the Company's remaining liability related to the Ohio Reimbursement Program, as defined below, after the assessment of the claims made since the inception of the

Ohio Reimbursement Program and related matters was made. The Company made this adjustment in 2013.

"Ohio Reimbursement Program" means a voluntary program to reimburse Ohio customers 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, 2014.
"Other Debt Action" means any acceleration or demand for acceleration, repayment, redemption or repurchase of or any default or event of default under the 2018 Senior Notes or the related indenture.
"Parent Company" means Cash America International, Inc.
"Private Placement Notes" means, collectively, the 6.09% Series A senior unsecured notes due 2016, 7.26% senior unsecured notes due 2017, 6.00% Series A senior unsecured notes due 2019, 6.21% Series B senior unsecured notes due 2021 and 6.58% Series B senior unsecured notes due 2022. The Company completed the prepayment of the Private Placement Notes in June 2014, and they are no longer outstanding.
"Proxy Statement" means the Company's Proxy Statement for the 2015 Annual Meeting of Shareholders.
"Regulatory Penalty" means a $5.0 million penalty paid to the CFPB in connection with the issuance of a consent order by the CFPB in November 2013. The Company allocated half of this penalty to each of its two reportable segments that existed in 2013.
"RSU" means restricted stock unit.
"SEC" means the U.S. Securities and Exchange Commission.
"Securities Act" means the Securities Act of 1933, as amended.
"SERP" means the Cash America International, Inc. Supplemental Executive Retirement Plan, as amended and restated effective January 1, 2009 and further amended on January 28, 2012.
"Texas Consumer Loan Store Closures" means the closure of 36 locations in Texas in 2013 that offered consumer loans as their primary source of revenue.
"Waiver and Amendment" means the Omnibus Waiver, Consent, and Amendment Agreement related to the Credit Agreement that the Company and its domestic subsidiaries, as guarantors, entered into with the lenders under the Credit Agreement on May 9, 2014.
"1994 LTIP" means the Cash America International, Inc. 1994 Long-Term Incentive Plan, as amended.
"2004 Plan" means the Company's First Amended and Restated 2004 Long-Term Incentive Plan, as amended.
"2011 Authorization" means the authorization of Company management to repurchase up to a total of 2,500,000 shares of the Company's common stock, which was approved by the Company's Board of Directors on January 26, 2011.
"2012" means the year ended December 31, 2012.
"2013" means the year ended December 31, 2013.
"2013 Authorization" means the authorization of Company management to repurchase up to a total of 2,500,000 shares of the Company's common stock and the termination of the 2011 Authorization, which was approved by the Company's Board of Directors on January 24, 2013.
"2013 Litigation Settlement" means a settlement of an outstanding class action lawsuit that had been ongoing since 2004. In October 2013, the Company entered into an agreement which received final court approval in January 2014. This agreement required a minimum payment by the Company of $18.0 million and a maximum payment of $36.0 million to cover class claims (including honorarium payments to the named plaintiffs) and the plaintiffs' attorneys' fees and costs (including the costs of claims administration). The actual payout was based on the number of claims submitted for payment. As of December 31, 2014, a total of $18.6 million had been paid for the 2013 Litigation Settlement.
"2014" means the year ended December 31, 2014.
"2014 LTIP" means the Cash America International, Inc. 2014 Long-Term Incentive Plan.
"2014 Reorganization" means the Company's reorganization of its operations, corporate and field administration functions that was initiated during the third and fourth quarters of 2014.
"2015 Authorization" means the authorization of Company management to repurchase up to a total of 4,000,000 shares of the Company's common stock and the termination of the 2013 Authorization, approved by the Company's Board of Directors on January 28, 2015.
"2018 Senior Notes" means $300.0 million in aggregate principal amount of 5.75% Senior Notes due 2018 issued and sold by the Company on May 15, 2013.

“2018 Senior Notes Indenture” means the Indenture that governs the 2018 Senior Notes.

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“2018 Variable Rate Notes” means the variable rate senior unsecured notes issued by the Company that were guaranteed by all of the Company’s domestic subsidiaries. The maturity date of the 2018 Variable Rate Notes was March 31, 2018. The 2018 Variable Rate Notes were repaid in full in 2014.

“2029 Convertible Notes” means $115.0 million aggregate principal amount of 5.25% Convertible Senior Notes due May 15, 2029 issued and sold by the Company on May 19, 2009. The 2029 Convertible Notes are no longer outstanding.

“401(k) Savings Plan” means the Cash America International, Inc. 401(k) Savings Plan, as amended and restated effective January 1, 2015.

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CASH AMERICA INTERNATIONAL, INC.
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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 and Section 21E of the Exchange Act. 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 the Company. When used in this report, terms such as "believes," "estimates," "should," "could," "would," "plans," "expects," "anticipates," "may," "forec and similar 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 CFPB, and the effect of and compliance with enforcement actions, orders and agreements issued by applicable regulators, such as a consent order the Company entered into with the CFPB in November 2013;
- 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, including a new Chief Executive Officer upon the retirement of the Company's current Chief Executive Officer;
- 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;
- risks related to the Company's financing, such as compliance with financial covenants in the Company's debt agreements, the Company's ability to satisfy its outstanding debt obligations, to refinance existing debt obligations or to obtain new capital;
- the effect of any current or future litigation proceedings, including a claim relating to the terms of the Company's 2018 Senior Notes, 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 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 Enova Spin-off;
- 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 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

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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

The Company provides specialty financial services to individuals through its storefront lending and franchised check cashing locations. 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 2014 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.

Pawn Lending

The Company offers secured non-recourse loans, commonly referred to as pawn loans, as its primary line of business. The Company also offered pawn loans in Mexico through August 2014, when it sold its Mexico-based pawn operations. 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. A related activity of the 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.

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 include short-term loans (commonly referred to as payday loans) and installment loans.

Short-term consumer loans include unsecured short-term loans written by the Company or by a third-party lender through the Company's CSO programs that the Company guarantees. Installment consumer loans are longer-term, multi-payment loans that generally require the pay-down of portions of the outstanding principal balance in multiple installments. Installment loans include unsecured loans and loans secured by a customer's vehicle written by the Company or by a third-party lender through the CSO programs that the Company guarantees. See "Services offered by the Company—Consumer Loan Activities" for further discussion of the CSO programs.

Check Cashing and Other Financial Services

Another small component of the Company's business includes the offering of check cashing and other ancillary products and services through some of its Company-owned lending locations. The ancillary products and services include money orders, wire transfers, prepaid debit cards and auto insurance. Most of these ancillary products and services offered are provided through third-party vendors. In addition, the Company's franchised check cashing business offers check cashing services through its franchised check cashing centers.

Segment and Geographic Information

The Company has one reportable operating segment through which it offers the services described above. The Company previously had two segments: retail services and e-commerce. The retail services segment included all of the operations of the Company's Retail Services Division, which was composed of both domestic and foreign storefront locations. The e-commerce segment was comprised of all of the operations of Enova. In the fourth quarter of 2014, following the Enova Spin-off in November 2014 and the sale of the Company's Mexico-based pawn

operations in August 2014, the Company re-assessed its segment structure and determined that the retail services segment is the only reportable segment and includes all of the Company's operations. Information

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previously reported separately in corporate operations, which represents corporate expenses and other miscellaneous income, has been combined with the information previously included in the retail services segment because all of the Company's corporate expenses and other miscellaneous income support the Company's sole operating segment. Prior year financial amounts shown for the Company have been reclassified to reflect the Company’s current segment structure. Additional financial information regarding the Company’s operating segment and each of the geographic areas in which the Company conducted business during 2014, 2013 and 2012 is provided in “Item 8. Financial Statements and Supplementary Data—Note 19.”

Locations

The following table sets forth the number of retail services locations through which the Company offered pawn lending, consumer lending, and other services and franchised locations offering check cashing services as of December 31, 2014, 2013 and 2012. The Company provides these services in the United States under the names “Cash America Pawn,” “SuperPawn,” “Cash America Payday Advance,” “Cashland” and “Mr. Payroll.” The Company’s Mexico-bas pawn operations, all of which were sold during 2014, included 47 locations offering pawn lending only as of December 31, 2013 and 2012, which are included in the table below. The Company operated these locations in Mexico under the name “Cash America casa de empeño.” The Company’s domestic pawn and consumer lending locations operated in 21 states in the United States as of December 31, 2014 and 22 states as of December 31, 2013 and 2012. As of December 31, 2014, 2013, and 2012, the franchised check cashing locations operated in 12, 14 and 15 states, respectively.

	As of December 31,		
	2014	2013	2012
Locations offering:			
Both pawn and consumer lending	272	582	581
Pawn lending only	548	294	214
Consumer lending only	39	40	83
Franchised check cashing	84	90	91
Total	943	1,006	969

Recent Developments

Enova Spin-off

On November 13, 2014, the Company completed the separation of its online lending business that comprised its e-commerce division, Enova, through the distribution of approximately 80 percent of the outstanding shares of Enova common stock to the Company’s shareholders, which was structured with the intent that it would be a tax-free distribution. The Company distributed to its shareholders 0.915 shares of Enova common stock for every one share of the Company’s common stock held as of the close of business on November 3, 2014, which was the record date for the Enova Spin-off. The Company received a private letter ruling from the IRS, an opinion from the Company's tax counsel and a solvency opinion from an independent financial advisor prior to approval of the Enova Spin-off by the Company's Board of Directors. As a result of the Enova Spin-off, Enova is now an independent public company, and its common stock is listed on the New York Stock Exchange under the ticker symbol “ENVA.”

Upon completion of the Enova Spin-off, the Company retained approximately 20 percent, or 6.6 million shares of Enova common stock, and the Company has agreed, pursuant to the private letter ruling, to dispose of its retained shares of Enova common stock (other than the shares retained for delivery under the Company’s long-term incentive plans as described below) no later than two years after the distribution. The retained shares of Enova common stock include a portion of shares of Enova common stock that may be delivered by the Company to holders of certain outstanding unvested RSUs, vested deferred RSUs, and unvested deferred RSUs that were granted by the Company to certain of its officers, directors and employees and certain Director Deferred Shares payable to the Company’s

directors relating to the Company’s common stock awards that were outstanding under

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the Company's long-term incentive plans as of the date of the Enova Spin-off. Such RSU awards and Director Deferred Shares will be payable by the Company in both shares of Company common stock and Enova common stock, subject to the terms of the Company's long-term incentive plans and the applicable award agreement. The delivery of the Enova shares of common stock will occur periodically based on the vesting terms of the award agreements. In the event the award does not vest, the shares will be retained by the Company and sold. The total number of Enova shares of common stock subject to award agreements was 685,087 as of December 31, 2014, representing approximately 2.1% of the then-outstanding shares of Enova common stock. Enova shares held by the Company are classified as "available-for-sale securities" in accordance with ASC 320.

Upon completion of the Enova Spin-off, the Company reclassified Enova's financial results to discontinued operations in the Company's consolidated financial statements for all periods presented. For information regarding discontinued operations, see "Item 8. Financial Statements and Supplementary Data—Note 3."

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.

Divestiture of Mexico-based Pawn Operations

On August 25, 2014, the Company completed the divestiture of its 47 pawn lending locations in Mexico for cash consideration of approximately $18.5 million, net of cash held at the date of divestiture, including consideration related to a non-compete agreement. These 47 Mexico pawn lending locations were previously included in the retail services segment. The Company recorded a loss of $2.8 million related to this divestiture and $2.1 million related to an expense for an uncollectible receivable incurred as a result of the Company's discontinuation of these operations. The combined amounts are included in "Loss on divestitures" in the Company's consolidated statements of income and cash flows.

Divestiture of Colorado Pawn Shops

On August 25, 2014, the Company exited the Colorado market through the sale of all five of its pawn lending locations in Colorado for cash consideration of approximately $3.0 million, net of cash held at the date of divestiture. These locations were included in the retail services segment and represented all of the locations operated by the Company in Colorado. The Company recorded a loss of $0.3 million on the sale, which is included in "Loss on divestitures" in the Company's consolidated statements of income and cash flows.

Reduction in Short-Term Consumer Lending Operations

In 2014, the Company continued its strategy to de-emphasize consumer lending activities and enhance focus on pawn lending. As a result, the Company eliminated short-term consumer lending activities in 311 of its locations in 2014, the majority of which occurred during the last half of 2014. This reduction was in addition to the closure of 36 locations in Texas in connection with the Texas Consumer Loan Store Closures. As of December 31, 2014, the Company only offered short-term consumer loans in 311 of its locations. Short-term consumer loan fees comprised 7.7%, 9.7% and 9.7%, respectively, of total revenue in 2014, 2013 and 2012. Management expects the Company's revenue from short-term consumer loan activities in future periods to decrease from historical levels due to the Company's de-emphasis on this component of its lending activities.

2014 Reorganization

In the third quarter of 2014, the Company initiated a reorganization to better align the corporate and operating cost structure with its remaining storefront operations after the Enova Spin-off, which is referred to as the 2014

Reorganization. In connection with the 2014 Reorganization, the Company incurred $7.5 million of charges for severance and other employee-related costs, which are included in “Operations and administration” in the consolidated statements of income. As of December 31, 2014, the Company had made payments of approximately $4.4 million for the 2014 Reorganization and had accrued approximately $3.1 million for future payments. Accrued

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amounts for the 2014 Reorganization are included in "Accounts payable and accrued expenses" in the consolidated balance sheets. Management expects that the cost reductions resulting from the 2014 Reorganization will decrease operations and administration expenses related to its corporate and field management operations in future periods relative to 2014.

Services Offered by the Company

Pawn Lending Activities

Pawn Loans

The Company now 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. 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 investment, because the Company's pawn loans are non-recourse against the customer. 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 contracts for pawn loan fees and service charges as compensation for the use of the funds loaned and to cover direct operating expenses related to the transaction. 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 and generally range from 12% to 300% annually, as permitted by applicable laws. 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 approximately 30.1%, 30.3% and 26.4% of the Company's total revenue from continuing operations in 2014, 2013 and 2012, 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 its proprietary automated product valuation system, 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, renewed or extended. 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). 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 direct to consumers through the Company's locations or over the internet through auction and other similar sites. Commercial sales include the sale of refined gold, platinum, silver and diamonds to brokers or manufacturers.

Upon the sale of merchandise, the Company realizes gross profit, which is the difference between the Company's cost basis in the loan (the amount loaned) or the amount paid for purchased merchandise, both of which are recorded as cost of sales, and the amount of proceeds from the sale. The cost of disposed merchandise is computed on the specific identification basis. The Company provides an allowance for losses based on management's evaluation of the characteristics of the merchandise being held for disposition and historical experience.

Merchandise sales are typically highest during the first quarter tax refund and fourth quarter holiday seasons. Gross proceeds from merchandise disposition activities contributed approximately 60.3%, 57.8% and 61.8% of the Company's total revenue from continuing operations in 2014, 2013 and 2012, 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 are returned to the customer as store credit.

Consumer Loan Activities

In addition to pawn loans, the Company also offers or arranges certain consumer loans, including short-term loans and secured and unsecured 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, which include fees from short-term and installment loans, earned by the Company contributed approximately 8.9%, 11.0% and 10.7% of the Company's total revenue from continuing operations in 2014, 2013 and 2012, respectively.

Through the Company's CSO programs, the Company provides services related to a third-party lender's consumer loan products in some markets 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 CSO loans with third-party lenders. Under the CSO programs, 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 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.

Short-term loans generally have a loan term of seven to 90 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 by jurisdiction 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.

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Unsecured installment loans typically have terms between two and 12 months, but may have available terms of up to 36 months. Installment loans secured by a customer's vehicle typically have terms of up to 60 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 maximize loan repayment, facilitate regulatory compliance and coordinate a consistent approach to its collections activities.

Check Cashing and Other Financial Services

Although the Company provides check cashing and other ancillary products and services in some of its locations, these products were eliminated from many locations during 2014 consistent with the Company's strategy to focus on pawn lending activities. Other financial services offered by the Company include check cashing, money orders, wire transfers, prepaid debit cards and auto insurance. Most of these ancillary products and services offered are provided through third-party vendors. In addition, 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. These check cashing and other services represent a portion of the amounts included in "Other" revenue in the consolidated statements of income. The income from these services was not significant to the Company's total revenue from continuing operations in 2014, 2013 and 2012.

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
Daniel R. Feehan	64	Chief Executive Officer and President
Thomas A. Bessant, Jr.	56	Executive Vice President – Chief Financial Officer
J. Curtis Linscott	49	Executive Vice President – General Counsel and Secretary
Victor L. Pepe	50	Executive Vice President – Chief Information Officer
T. Brent Stuart	45	Executive Vice President – Chief Operating Officer

Daniel R. Feehan has been Chief Executive Officer and President since February 2000. He served as the Company's President and Chief Operating Officer from January 1990 until February 2000, except that he served as Chairman and Co-Chief Executive Officer of one of the Company's subsidiaries from February 1998 to February 1999 before returning to the position of President and Chief Operating Officer of the Company. Mr. Feehan became a director of the Company in 1984 and joined the Company full-time in 1988, serving as its Chief Financial Officer before becoming President and Chief Operating Officer in 1990. Mr. Feehan received a Bachelor of Business Administration degree in Accounting from Texas A&M University.

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On July 23, 2014, Mr. Feehan informed the Company's Board of Directors of his intent to retire when the current term of his executive employment agreement expires on April 30, 2015. Mr. Feehan will remain on the Company's Board of Directors and will assume the role of Chairman of the Board following his retirement. Jack Daugherty, the Company's founder and current Chairman of the Board, will step down as Chairman at that time but will continue to serve on the Board of Directors. The Board of Directors is conducting an internal and external search for a Chief Executive Officer to succeed Mr. Feehan.

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 was elected 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 money center 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 he 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 Information Officer since April 2014. 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 and was in charge of overseeing all of its information technology systems. 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, which ranged from overseeing the company's loan default technology to overseeing all of the company's residential loan originations technology. 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.

T. Brent Stuart has been the Company's Executive Vice President—Chief Operating Officer since January 2015 and has been with the Company since November 2008. Mr. Stuart held the positions of Senior Vice President of Operations for the Company's U.S. retail services storefront lending business from July 2010 to January 2015 and Regional Vice President of the Company 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 degree from Southeast Missouri State University.

During 2014, the executive officers of the Company also included Mr. David A. Fisher, who was the Chief Executive Officer—E-Commerce Division. Mr. Fisher resigned his position as the Chief Executive Officer—E-Commerce Division immediately prior to the Enova Spin-off, and he now serves as Enova's President and Chief Executive Officer.

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Personnel

As of December 31, 2014, the Company employed 6,426 persons in its operations, of whom 306 were in corporate and administrative positions.

Tradenames and Trademarks

The Company operates primarily under the trade names “Cash America Pawn,” “Cash America Payday Advance,” “Cashland,” “Mr. Payroll” and “SuperPawn.” 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. In addition, the Company has various other trademark applications pending in the United States.

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, 2014, the Company had 84 unconsolidated franchised check cashing locations.

Expansion

The Company historically has expanded by acquiring existing locations and by establishing new start-up locations. Over the last five years, the Company has expanded its pawn lending presence in the United States by adding 260 locations, of which 166 were added through acquisitions. The majority of these acquired locations were purchased through the following acquisitions. Most recently, in December 2013, the Company completed the acquisition of substantially all of the assets of a 34-store chain of pawn lending locations in the states of 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 located 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. In October 2010, the Company completed the acquisition of substantially all of the assets of a 39-store chain of pawn lending locations that operated in Washington and Arizona under the names “Maxit” and “Pawn X-Change.”

The Company may, in the future, continue to expand its business within its existing geographic markets and into other markets that meet its risk/reward considerations. The Company may also pursue start-up locations in the future, and the approximate start-up costs, which consist of the investment in property (excluding real estate) and equipment, for recently established locations in the United States have typically ranged from $450,000 to $650,000. These start-up amounts do not include merchandise transferred from other locations, funds to advance on pawn loans and consumer loans or operating expenses.

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The table below outlines acquisitions, start-ups and closures for Company-owned locations for the years ended December 31, 2014, 2013 and 2012. The Company's Mexico Reorganization, Texas Consumer Loan Store Closures and the sale of the Company's remaining 47 locations in Mexico, which represented its Mexico-based pawn operations, which occurred in 2012, 2013 and 2014, respectively, were the primary components of the decreases shown in "Combined, closed or sold" in the table below.

	As of December 31,		
	2014	2013	2012
Locations at beginning of period	916	878	973
Acquired	1	76	37
Start-ups	4	8	22
Combined, closed or sold	(62)	(46)	(154)
Locations at end of period	859	916	878

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, internet retailers, internet auction and other similar sites and other pawn shops. The pawnshop industry in the United States remains very fragmented, with as many as 14,000 stores nationwide operating in 2014 that were owned primarily by independent operators and, to a lesser extent, by publicly-traded companies. The Company believes that it is the 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 1,500 total pawnshops in the United States in 2014. 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. Industry estimates indicate that there were approximately 18,000 consumer loan storefront locations across the United States in 2013. The storefront growth of the consumer loan industry has begun to contract in 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 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").

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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 after a loan default that a pawn lending location must hold defaulted pawned collateral or purchased items before disposing of the merchandise. Failure to observe a state's legal requirements for pawnbroking 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. Most of the Company's pawn lending locations voluntarily, or pursuant to applicable laws, work with local law enforcement agencies and other pawn lenders to determine conflicting claims of rightful ownership. Goods held to secure pawn loans or goods purchased that are determined to belong to an owner other than the borrower or seller are subject to recovery by the rightful owner. The Company historically has not experienced a material number of claims of this nature, and the claims experienced have not had Material Adverse Effect.

Consumer Loan Regulations

The Company's consumer loan business is regulated under a variety of enabling state statutes. The scope of state regulation, including the fees and terms of the Company's 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. In addition, the Company's advertising and marketing activities and disclosures are subject to review under various state consumer protection laws and other applicable laws and regulations.

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.

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.

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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. As a result, the Company has ceased doing business in various states where it formerly conducted business, and it has also modified its business operations in other states where restrictive legislation has been enacted. The Company offers consumer loans in 11 states. The Company closely monitors proposed legislation being discussed in the states where it offers consumer loans and is currently monitoring proposed legislation in Texas, Missouri and Tennessee.

The Company's consumer loan business is also subject to various local rules and regulations. These local rules and regulations are subject to change and 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 been increasing, predominantly in the State of Texas. As a result of restrictive local city ordinances passed since 2011 that had the effect of reducing the profitability and volume of short-term consumer loans, the Company closed 36 retail services locations in Texas in 2013 in connection with the Texas Consumer Loan Store Closures. Additionally, during 2014, in connection with the Company's strategy to de-emphasize the consumer loan product in many of its pawn lending locations, the Company removed consumer lending activities from 311 of its retail services locations. See "Recent Developments" for additional information regarding the reduction in short-term consumer 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.

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Marketing Laws. The Company's advertising and marketing activities are subject to several federal laws and regulations including the FTC 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 FTC 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 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. Federal law also limits the annual percentage rate to 36% on certain consumer loans made to active duty members of the U.S. military, reservists and members of the National Guard and their immediate families. This 36% annual percentage rate cap applies to a variety of consumer loan products, including short-term consumer loans with terms of 91 days or fewer or installment loans secured by a vehicle with terms of 181 days or fewer. Therefore, due to these rate restrictions, the Company is unable to offer certain short-term consumer loans to active duty military personnel, active reservists and members of the National Guard and their immediate dependents. 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 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.

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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.
Anticorruption. The Company is also subject to the U.S. Foreign Corrupt Practices Act, which generally prohibits companies and their agents or intermediaries from making improper payments to foreign officials for the purpose of obtaining or keeping business and requires that companies keep accurate books and records and establish certain internal control procedures to ensure compliance with the Act.

CFPB. In July 2010, the U.S. Congress passed the Dodd-Frank Act, and Title X of the Dodd-Frank Act created 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 explicit supervisory authority to examine and require registration of such providers. The CFPB has begun exercising supervisory review over and examining certain non-bank providers of consumer financial products and services, including providers of consumer loans such as the Company.

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. The CFPB recently announced that it is in the late stages of considering the formulation of rules regarding consumer loans, including certain of the Company’s short-term loan products. These rules may impose limitations on payday lending, such as additional underwriting requirements, cooling-off periods between payday loans and limitations on sustained use of payday loans, among other things. The Company does not currently know the nature and extent of the rules that the CFPB will adopt, but those rules could be proposed and adopted in 2015.

In addition, 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 also agreed to set aside $8 million for a period of 180 days to fund any further payments to any remaining eligible Ohio customers in connection with 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 has 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 initiated by the Company. In addition, as a result of the CFPB’s review, the Company is in the process of enhancing the Company’s compliance management programs and implementing additional policies and procedures to address the issues identified by the CFPB. The Company is also required to provide periodic reports to the CFPB. 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. These new policies, procedures and other initiatives are in many cases subject to review and potential objection by the CFPB, and the Company cannot predict the timing, substance or effect of any such measures the CFPB may decide to take. 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.

For further discussion of the CFPB and its regulatory, supervisory and enforcement powers, 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 could exercise its

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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 at select 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 prospective 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, its business could be adversely affected.

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 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 Wall Street Reform and Consumer Protection Act of 2010, 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 FTC Act and analogous state statutes under which the FTC, 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, 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 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

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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.

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

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, and the 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 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 has 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 initiated by the Company. In addition, as a result of the CFPB's review, the Company is in the process of enhancing the Company's compliance management programs and implementing additional policies and procedures to address the issues identified by the CFPB. The Company is also required to provide periodic reports to the CFPB. 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. These new policies, procedures and other

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initiatives are in many cases subject to review and potential objection by the CFPB, and the Company cannot predict the timing, substance or effect of any such measures the CFPB may decide to take. 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. For example, the Department of Defense is considering expanding the application of the Military Lending Act, and such expansion could include all types of loans made to consumers, including pawn loans and installment loans offered by the Company that are not currently covered, and such expansion could restrict both the pawn and consumer loans that the Company is able to make by placing a cap on the rates that may be charged to active members of the military and their dependents and this expansion could be costly to the Company to ensure compliance. 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. The CFPB recently announced that it is in the late stages of considering the formulation of rules regarding consumer loans, and these rules may impose limitations on payday lending, such as additional underwriting requirements, cooling-off periods between payday loans and limitations on sustained use of payday loans, among other things. If the CFPB adopts any rules or regulations that significantly restrict the conduct of the Company’s consumer loan business, any such rules or regulations could reduce revenue from that product or make the continuance of that product 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 and adopted during 2015. 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.

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

At December 31, 2014, the Company had goodwill totaling $487.6 million and intangible assets, net of accumulated amortization, of $45.8 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, 2014 and 2013 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 a reporting unit below its carrying amount.

The Enova Spin-off in November 2014 was considered a triggering event for purposes of goodwill assessment. Following the Enova Spin-off and as of December 31, 2014, the estimated fair value of the retail services reporting unit was re-calculated to incorporate changes in strategy, observed business trends and outlook. The estimated fair value of the retail services reporting unit declined since the June 30, 2014 annual assessment, but it continued to exceed its underlying carrying value. However, the excess fair value over the carrying value had been reduced to approximately 3% at December 31, 2014. A change in assumptions, such as an increase in the weighted-average cost of capital, could cause the carrying value of the retail services reporting unit to exceed its fair value at December 31, 2014, which could have resulted in an impairment loss. If all assumptions were held constant, a one percentage point increase in the weighted average cost of capital would have decreased the estimated fair value of the reporting unit to approximately $90.6 million below the carrying value, which would have required the Company to perform additional analysis in accordance with ASC 350 to determine if an impairment existed and could have resulted in an impairment loss.

As part of the goodwill assessment, the Company also considers market capitalization, which is the observable market value of the Company based on the quoted market prices of the Company's common stock. The Company compares the market capitalization to its carrying value of equity. Following the Enova Spin-off and as of December 31, 2014, the Company’s market capitalization was observed to be lower than the carrying value of equity. The Company believes the observable market value at December 31, 2014 is not a reliable indicator of the Company’s fair value, due to the very short time frame since the date of the Enova Spin-off, a likely transition of a significant number of investors occurring due to the magnitude of the event, and the disruption of the Company’s share price following the event. Management believes this disruption is temporary but acknowledges 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 any significant unfavorable changes in the Company's forecasted revenue, expenses, cash flows, weighted-average cost of capital and/or market transaction multiples. The Company will continue to monitor for events and circumstances that could negatively impact the key assumptions in determining the fair value of the retail services reporting unit. 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.

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 or to successfully replace its current Chief Executive Officer who has announced his intention to retire, 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,

including the Company's Chief Executive Officer who has previously announced that he intends to retire from the Company in April 2015. 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. For example, attracting or selecting a new Chief Executive Officer who understands the Company's business and has the experience and skills requisite for such position could be difficult. 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, including a new Chief Executive Officer. Additionally, any significant leadership change or executive management transition, such as the replacement of the Company's Chief Executive Officer, 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. The Company could also experience other departures of senior management following the replacement of the Chief Executive Officer, and the loss of senior management could result in significant disruptions to the Company's operations. If the Company is unable to attract or retain qualified executive officers, such inability could have Material Adverse Effect.

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 ASC 740. For example, in connection with the liquidation of Creazione, 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 IRS 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 IRS 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 IRS, 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.

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

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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 62.9% as of December 31, 2014, of the Company's pawn loans are secured by 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. This decrease significantly reduced the proceeds and gross profit from the disposition of gold through commercial sales, and, as a result, during 2013 and 2014, the Company 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 product, any of which could have a Material Adverse Effect.

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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, 2014, the Company had $196.5 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 other investments 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, representatives of a small number of holders of the 2018 Senior Notes, which the Company believes own less than a majority of the aggregate principal amount of the 2018 Senior Notes, have indicated that they believe the Enova Spin-off was not permitted by the 2018 Senior Notes Indenture. These noteholders have taken the position that the Company is in default under the Indenture and that a make-whole premium is payable, in addition to principal and accrued interest. The Company disagrees with the assertion that a default exists under the 2018 Senior Notes Indenture and also disagrees that a make-whole premium would be due in the event of a default because, among other things, the 2018 Senior Notes Indenture provides that upon acceleration of the 2018 Senior Notes due to a default, the repayment remedy is the repayment of principal and accrued interest with no provision for a make-whole premium. The Company believes the position taken by these noteholders is without merit and the Company intends to vigorously defend its position on these issues if formally asserted. 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. As of the date of this Annual Report, the Company has ample liquidity and capital resources, including availability under the Company's Domestic and Multi-Currency Line of Credit, to repay the 2018 Senior Notes regardless of the outcome of this claim.

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

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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 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.

Increased competition from companies offering similar financial products and services offered by the Company could adversely affect the Company's business, prospects, results of operations, financial condition and cash flows.

The Company has many competitors. Its principal lending competitors are other pawnshops, 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, 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.

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Consumer loans have come 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 and comprised 8.9% of the Company's total revenue as of December 31, 2014, have come 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 in connection with the Texas Consumer Loan Store Closures, mainly as a result of restrictive city ordinances that have been passed since 2011 that had the effect of reducing the profitability and the volume of short-term consumer loans. The Company closely monitors proposed legislation being discussed in the states where it offers consumer loans and is currently monitoring proposed legislation in Texas, Missouri and Tennessee. Additional legislative or regulatory initiatives that are similar to or broader 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. 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. 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.

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The Company’s business depends on the uninterrupted operation of the Company’s systems and business functions.

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 pawnshops. 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 transmissions 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.

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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’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 offers other services provided by various third parties to its customers. 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. 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 result in a loss of revenue and could have a Material Adverse Effect.

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 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. For example, on March 2, 2014, the Company filed a Form 12b-25 Notice of Late Filing with the SEC for its Annual Report because the Company's audited consolidated financial statements for the fiscal year ended December 31, 2014 were not finalized. The delay in completing the financial statements was attributable to the Company’s accounting treatment for the derecognition of goodwill in connection with the Enova Spin-off. The Company may encounter conflicting guidance in the future. If new rules or interpretations of existing rules require the Company to change its financial reporting or cause a delay in the Company’s filings with the SEC, it could have a Material Adverse Effect, and the Company could be required to restate historical financial reporting.

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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 attractive 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 IRS. Accordingly, the IRS 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 IRS were to determine the Enova Spin-off to be taxable, the Company would recognize a substantial tax liability.

The Company has received a private letter ruling from the IRS 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 IRS 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 IRS 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.

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 the 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 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.

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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 that the Company entered into with Enova in connection with the Enova Spin-off, 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;
- any actions that breach a representation made by the Company to the IRS 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.

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 connection

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with the Enova Spin-off, the Company has entered into a Tax Matters Agreement with Enova that 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 that the Company entered into with Enova in connection with the Enova Spin-off, 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 President and Chief Executive Officer, 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.

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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 $25.45 on November 13, 2014 and a low of $15.79 on January 24, 2014 in the twelve-month period ended December 31, 2014, which prices are adjusted to reflect the Company’s stock price as if the Enova Spin-off had occurred on January 1, 2014. 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, which would result in the dilution of the ownership interests of the Company’s shareholders. The Company is currently authorized to issue up to 80,000,000 shares of common stock, par value $0.10 per share, and as of February 17, 2015, the Company had 28,567,276 shares of common stock issued and outstanding. 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 additional shares of its common stock or other securities that are convertible into or exercisable for common stock for capital-raising or other business purposes. Future sales of substantial amounts of common stock, or the perception that sales 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
- Multiple locations that offer pawn lending and/or consumer lending as set forth in the table below (12 of which are owned by the Company and the remainder of which are leased locations).

	Number of Locations
Alabama	9
Alaska	6
Arizona	37
California	21
Florida	77
Georgia	47
Illinois	26
Indiana	36
Kentucky	21
Louisiana	24
Michigan	8
Missouri	17
Nevada	28
North Carolina	18
Ohio	120
Oklahoma	15
South Carolina	6
Tennessee	41
Texas	262
Utah	7
Washington	33
Total Company	859

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.

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

(a) 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 486 shareholders of record (not including individual participants in security listings) as of February 17, 2015. The high and low market prices of common stock and cash dividends declared per share during 2014 and 2013 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
2014				
High	$19.63	$21.91	$21.22	$25.45
Low	15.79	16.92	18.43	18.53
Cash dividend declared per share	0.035	0.035	0.035	0.050
2013				
High	$24.55	$24.06	$22.28	$21.03
Low	17.94	19.16	18.02	16.02
Cash dividend declared 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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(c) 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 2014:

Period	Total Number of Shares Purchased[(a)]	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plan[(b)]	Maximum Number of Shares that May Yet Be Purchased Under the Plan[(b)]
January 1 to January 31	720	$37.20	—	1,533,300
February 1 to February 28	34,735	37.23	—	1,533,300
March 1 to March 31	—	—	—	1,533,300
April 1 to April 30	—	—	—	1,533,300
May 1 to May 31	24	45.22	—	1,533,300
June 1 to June 30	—	—	—	1,533,300
July 1 to July 31	1,067	45.96	—	1,533,300
August 1 to August 31	24	46.45	—	1,533,300
September 1 to September 30	4	44.69	—	1,533,300
October 1 to October 31	—	—	—	1,533,300
November 1 to November 30	4,660	24.26	—	1,533,300
December 1 to December 31	64,295	21.35	62,909	1,470,391
Total	105,529	$27.07	62,909	

(a) Includes the following: shares withheld from employees as partial tax payments for shares issued under the Company's stock-based compensation plans of 720, 34,708, 1,067, 4, 4,614 and 1,386 shares for the months of January, February, July, September, November and December, respectively; and the reinvestment of dividends on Director Deferred Shares, which resulted in the purchase of 27, 24, 24 and 46 shares for the months of February, May, August and November, respectively.

(b) On January 28, 2015, the Board of Directors authorized the Company's repurchase of up to a total of 4,000,000 shares of the Company's common stock, which is referred to as the 2015 Authorization. This repurchase authorization canceled and replaced the 2013 Authorization.

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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,				
	2014	2013	2012	2011	2010
Statement of Income Data [(a)(b)(c)]					
Total Revenue	$1,094,696	$1,030,486	$1,139,443	$1,102,701	$958,733
Net revenue	589,550	586,514	632,039	631,106	558,829
Income from Operations	32,967	61,168	89,627	150,073	138,501
(Loss) Income from Continuing Operations before Income Taxes	(8,346)	43,985	81,370	141,166	131,247
Net (Loss) Income from Continuing Operations	(10,387)	59,182	40,901	87,514	80,638
Net Income from Discontinued Operations, Net of Tax	109,025	83,346	66,569	48,449	34,900
Net Income Attributable to Cash America International, Inc.	98,638	142,528	107,470	135,963	115,538
Basic Earnings Per Share					
Net (Loss) Income from Continuing Operations	$(0.36)	$2.07	$1.39	$2.96	$2.72
Net Income from Discontinued Operations	3.77	2.91	2.26	1.64	1.18
Net Income Attributable to Cash America International, Inc.	$3.41	$4.97	$3.64	$4.59	$3.90
Diluted Earnings Per Share					
Net (Loss) Income from Continuing Operations	$(0.36)	$1.93	$1.30	$2.74	$2.56
Net Income from Discontinued Operations	3.72	2.72	2.12	1.51	1.11
Net Income Attributable to Cash America International, Inc.	$3.36	$4.66	$3.42	$4.25	$3.67
Dividends declared per common share	$0.155	$0.140	$0.140	$0.140	$0.140
Weighted average common shares outstanding:					
Basic	28,901	28,657	29,514	29,602	29,640
Diluted	29,341	30,613	31,452	31,991	31,521
Balance Sheet Data at End of Year[(a)(c)]					
Pawn loans	$252,168	$261,148	$244,640	$253,519	$217,402
Consumer loans, net	44,853	54,732	58,638	58,845	49,022
Merchandise held for disposition, net	212,849	208,899	167,409	161,884	130,956
Working capital	658,937	862,067	710,566	644,891	491,298
Total assets	1,522,447	2,505,144	2,244,387	2,081,464	1,696,876
Long-term debt	196,470	739,989	578,330	537,291	456,704
Total equity	1,133,202	1,082,423	990,620	907,590	802,731
Ratio Data at End of Year					

Current ratio	6.5 x	2.4 x	2.2 x	2.1 x	2.2 x
Debt to equity ratio	17.3 %	68.4 %	58.4 %	59.2 %	56.9 %

(a) See “Item 8. Financial Statements and Supplementary Data—Note 4” for discussion of the Company’s acquisitions in 2012 and 2013, and for discussion of divestitures completed by the Company in 2014.

(b) See “Item 7. Management’s Discussion and Analysis—Overview—Non-GAAP Disclosure—Adjusted Earnings Measures” and “—Adjusted EBITDA” for additional information about certain 2012, 2013 and 2014 income and expense items that affected the Company’s consolidated income from operations, income before income taxes from continuing operations, net income (loss) and net income (loss) per share from continuing operations.

(c) As a result of the Enova Spin-off, the Company has presented financial information for Enova as discontinued operations.

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ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

GENERAL

The Company provides specialty financial services to individuals through its storefront lending and franchised check cashing locations.

Pawn Lending

The Company offers secured non-recourse loans, commonly referred to as pawn loans, as its primary line of business. The Company also offered pawn loans in Mexico through August 2014, when it sold its Mexico-based pawn operations. See "Recent Developments—Divestiture of Mexico-based Pawn Operations" for a discussion of the sale of the Company's foreign retail services 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. A related activity of the 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.

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 include short-term loans (commonly referred to as payday loans) and installment loans.

Short-term consumer loans include unsecured short-term loans written by the Company or by a third-party lender through the Company's CSO programs that the Company guarantees. Installment consumer loans are longer-term, multi-payment loans that generally require the pay-down of portions of the outstanding principal balance in multiple installments. Installment loans include unsecured loans and loans secured by a customer's vehicle written by the Company or by a third-party lender through the CSO programs that the Company guarantees.

Through the Company's CSO programs, the Company provides services related to a third-party lender's consumer loan products in some markets 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 CSO loans with third-party lenders. Under the CSO programs, 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 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.

Check Cashing and Other Financial Services

Another small component of the Company's business includes the offering of check cashing and other ancillary products and services through some of its Company-owned lending locations. The ancillary products and services include money orders, wire transfers, prepaid debit cards and auto insurance. Most of these ancillary products and services offered are provided through third-party vendors. In addition, the Company's franchised check cashing business offers check cashing services through its franchised check cashing centers.

Segment Information

The Company has one reportable operating segment through which it offers the services described above. The Company previously had two segments: retail services and e-commerce. The retail services segment included all of the operations of the Company's Retail Services Division, which was composed of both domestic and foreign storefront locations. The e-commerce segment was comprised of all of the operations of Enova. In the fourth quarter of 2014, following the Enova Spin-off in November 2014 and the sale of the Company's Mexico-based pawn operations in August 2014, the Company re-assessed its segment structure and determined that the retail services segment is the only reportable segment and includes all of the Company's operations. Information

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previously reported separately in corporate operations, which represents corporate expenses and other miscellaneous income, has been combined with the information previously included in the retail services segment because all of the Company's corporate expenses and other miscellaneous income support the Company's sole operating segment. Prior year financial amounts shown for the Company have been reclassified to reflect the Company's current segment structure. Additional financial information regarding the Company's operating segment and each of the geographic areas in which the Company conducted business during 2014, 2013 and 2012 is provided in "Item 8. Financial Statements and Supplementary Data—Note 19."

Locations

See "Item 1. Business—Overview—General" for details of the Company's owned and franchised locations offering pawn lending, consumer lending and other services as of December 31, 2014, 2013 and 2012.

Recent Developments

Enova Spin-off

On November 13, 2014, the Company completed the separation of its online lending business that comprised its e-commerce division, Enova, through the distribution of approximately 80 percent of the outstanding shares of Enova common stock to the Company's shareholders, which was structured with the intent that it would be a tax-free distribution. The Company distributed to its shareholders 0.915 shares of Enova common stock for every one share of the Company's common stock held as of the close of business on November 3, 2014, which was the record date for the Enova Spin-off. The Company received a private letter ruling from the IRS, an opinion from the Company's tax counsel and a solvency opinion from an independent financial advisor prior to approval of the Enova Spin-off by the Company's Board of Directors. As a result of the Enova Spin-off, Enova is now an independent public company, and its common stock is listed on the New York Stock Exchange under the ticker symbol "ENVA."

Upon completion of the Enova Spin-off, the Company retained approximately 20 percent, or 6.6 million shares of Enova common stock, and the Company has agreed, pursuant to the private letter ruling, to dispose of its retained shares of Enova common stock (other than the shares retained for delivery under the Company's long-term incentive plans as described below) no later than two years after the distribution. The retained shares of Enova common stock include a portion of shares of Enova common stock that may be delivered by the Company to holders of certain outstanding unvested RSUs, vested deferred RSUs, and unvested deferred RSUs that were granted by the Company to certain of its officers, directors and employees and certain Director Deferred Shares payable to the Company's directors relating to the Company's common stock awards that were outstanding under the Company's long-term incentive plans as of the date of the Enova Spin-off. Such RSU awards and Director Deferred Shares will be payable by the Company in both shares of Company common stock and Enova common stock, subject to the terms of the Company's long-term incentive plans and the applicable award agreement. The delivery of the Enova shares of common stock will occur periodically based on the vesting terms of the award agreements. In the event the award does not vest, the shares will be retained by the Company and sold. The total number of Enova shares of common stock subject to award agreements was 685,087 as of December 31, 2014, representing approximately 2.1% of the then-outstanding shares of Enova common stock. All of the retained shares of Enova common stock (including shares retained for delivery under the Company's long-term incentive plans) are classified as "available-for-sale securities" in accordance with ASC 320.

Upon completion of the Enova Spin-off, the Company reclassified Enova's financial results to discontinued operations in the Company's consolidated financial statements for all periods presented. For information regarding discontinued operations, see "Item 8. Financial Statements and Supplementary Data—Note 3."

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.

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Divestiture of Mexico-based Pawn Operations

On August 25, 2014, the Company completed the divestiture of its 47 pawn lending locations in Mexico for cash consideration of approximately $18.5 million, net of cash held at the date of divestiture, including consideration related to a non-compete agreement. These 47 Mexico pawn lending locations were previously included in the retail services segment. The Company recorded a loss of $2.8 million related to this divestiture and $2.1 million related to an expense for an uncollectible receivable incurred as a result of the Company's discontinuation of these operations. The combined amounts are included in "Loss on divestitures" in the Company's consolidated statements of income and cash flows.

Divestiture of Colorado Pawn Shops

On August 25, 2014, the Company exited the Colorado market through the sale of all five of its pawn lending locations in Colorado for cash consideration of approximately $3.0 million, net of cash held at the date of divestiture. These locations were included in the retail services segment and represented all of the locations operated by the Company in Colorado. The Company recorded a loss of $0.3 million on the sale, which is included in "Loss on divestitures" in the Company's consolidated statements of income and cash flows.

Reduction in Short-Term Consumer Lending Operations

In 2014, the Company continued its strategy to de-emphasize consumer lending activities and enhance focus on pawn lending. As a result, the Company eliminated short-term consumer lending activities in 311 of its locations in 2014, the majority of which occurred during the last half of 2014. This reduction was in addition to the closure of 36 locations in Texas in connection with the Texas Consumer Loan Store Closures. As of December 31, 2014, the Company only offered short-term consumer loans in 311 of its locations. Short-term consumer loan fees comprised 7.7%, 9.7% and 9.7%, respectively, of total revenue in 2014, 2013 and 2012. Management expects the Company's revenue from short-term consumer loan activities in future periods to decrease from historical levels due to the Company's de-emphasis on this component of its lending activities.

2014 Reorganization

In the third quarter of 2014, the Company initiated a reorganization to better align the corporate and operating cost structure with its remaining storefront operations after the Enova Spin-off, which is referred to as the 2014 Reorganization. In connection with the 2014 Reorganization, the Company incurred $7.5 million of charges for severance and other employee-related costs, which are included in "Operations and administration" in the consolidated statements of income. As of December 31, 2014, the Company had made payments of approximately $4.4 million for the 2014 Reorganization and had accrued approximately $3.1 million for future payments. Accrued amounts for the 2014 Reorganization are included in "Accounts payable and accrued expenses" in the consolidated balance sheets. Management expects that the cost reductions resulting from the 2014 Reorganization will decrease operations and administration expenses related to its corporate and field management operations in future periods relative to 2014.

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CRITICAL ACCOUNTING POLICIES

Management's Discussion and Analysis of Financial Condition and Results of Operations is based on the Company's consolidated financial statements, which have been prepared in accordance with GAAP. The preparation of these 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. On an on-going basis, management evaluates its estimates and judgments, including those related to revenue recognition on pawn loan fees and service charges, allowance for losses on merchandise held for disposition and consumer loans, goodwill, long-lived and intangible assets, income taxes, contingencies and litigation. Management bases its estimates on historical experience, empirical data and on various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities. Actual results may differ from these estimates. The development and selection of the critical accounting policies and the related disclosures below have been reviewed with the Audit Committee of the Board of Directors of the Company.

Management believes the following critical accounting policies affect its more significant judgments and estimates used in the preparation of its consolidated financial statements.

Pawn Loan Fees and Service Charges

Pawn Loans and Pawn Loan Fees and Service Charges Receivable

Pawn loans are short-term loans made on the pledge of tangible personal property. The maximum pawn loan amount is generally assessed as a percentage of the personal property's estimated disposition value. 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. 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. Pawn loans written during each calendar month are aggregated and tracked for performance. This empirical data allows the Company to analyze the characteristics of its outstanding pawn loan portfolio and assess the collectability of the principal balance in addition to pawn loan fees and service charges.

Revenue Recognition—Pawn Lending

Pawn loan fees and service charges revenue is accrued ratably over the term of the loan for the portion of those pawn loans estimated to be collectible. If the future actual performance of the loan portfolio differs significantly (positively or negatively) from estimates, revenue for the next reporting period would be likewise affected.

At the end of 2014 and based on the revenue recognition method described above, the Company had accrued $53.6 million of pawn loan fees and service charges receivable. Assuming the 2014 accrual of pawn loan fees and service charges revenue was overestimated or underestimated by 10%, pawn loan fees and service charges revenue would decrease or increase by approximately $5.4 million in 2014 and net income attributable to the Company would decrease or increase by approximately $3.4 million, net of taxes.

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Consumer Loans and Allowance and Liability for Estimated Losses on Consumer Loans

Allowance and Liability for Estimated Losses on Consumer Loans

The Company monitors the performance of its consumer loan portfolio and maintains either an allowance or liability for estimated losses on consumer loans (including fees and interest) at a level estimated to be adequate to absorb credit losses inherent in the portfolio. The allowance for losses on the Company's owned consumer loans reduces the outstanding loan balance in the consolidated balance sheets. The liability for estimated losses related to loans guaranteed under the CSO programs is included in "Accounts payable and accrued expenses" in the consolidated balance sheets.

In determining the allowance or liability for estimated losses on consumer loans, the Company applies a documented systematic methodology. In calculating the allowance or liability for loan losses, outstanding loans are divided into discrete groups of short-term loans and installment loans and are analyzed as current or delinquent. Increases in either the allowance or the liability, net of charge-offs and recoveries, are recorded as a "Consumer loan loss provision" in the consolidated statements of income.

The allowance or liability for short-term loans classified as current is based on historical loss rates adjusted for recent default trends for current loans. For delinquent short-term loans, the allowance or liability is based on a six-month rolling average of loss rates by stage of collection. For installment loan portfolios, the Company generally uses a migration analysis to estimate losses inherent in the portfolio. The allowance or liability calculation under the migration analysis is based on historical charge-off experience and the loss emergence period, which represents the average amount of time between the first occurrence of a loss event to the charge-off of a loan. The factors the Company considers to assess the adequacy of the allowance or liability include past due performance, historical behavior of monthly vintages, underwriting changes and recent trends in delinquency in the migration analysis.

The Company fully reserves or charges off consumer loans once the loan or a portion of the loan has been classified as delinquent for 60 consecutive days. If a loan is estimated to be uncollectible before it is fully reserved, it is charged off at that point. Consumer loans classified as delinquent generally have an age of one to 59 days from the date any portion of the loan became delinquent, as defined above. Recoveries on loans previously charged to the allowance are credited to the allowance when collected.

As of December 31, 2014, the allowance for losses on consumer loans was $4.2 million, and the liability for estimated losses on third-party lender-owned consumer loans guaranteed by the Company was $1.1 million, in aggregate representing 8.9% of the combined consumer loan portfolio.

For the year ended December 31, 2014, the consumer loan loss provision was $31.0 million. If the loss provision increased or decreased by 10%, or $3.1 million, from 2014 levels, net income attributable to the Company would likewise decrease or increase by $2.0 million, net of taxes, for 2014, assuming the same volume of consumer loans written and renewed in 2014.

Merchandise Held for Disposition

Merchandise held for disposition consists primarily of forfeited collateral from pawn loans not repaid and merchandise that is purchased directly from customers or from third parties. The carrying value of the forfeited collateral and other merchandise held for disposition is stated at the lower of cost (which is the cost basis in the loan or the amount paid for purchased merchandise) or fair value. The Company provides an allowance for returns and an allowance for losses based on management's evaluation of the characteristics of the merchandise and historical experience.

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Goodwill and Other Indefinite-Lived Intangible Assets
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. In accordance with ASC 350, 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 a reporting unit below its carrying amount, which would result in impairment.

The Company uses the income approach to complete its annual goodwill assessment. The income approach uses future cash flows and estimated terminal values for each of the Company's reporting units that are discounted using a market participant perspective to determine the fair value of each reporting unit, which is then compared to the carrying value of that reporting unit (which the Company also defines as its reporting segments) to determine if there is impairment. The income approach includes assumptions about revenue growth rates, operating margins and terminal growth rates discounted by an estimated weighted-average cost of capital derived from other publicly-traded companies that are similar but not identical from an operational and economic standpoint. The Company completed its annual assessment of goodwill as of June 30, 2014 and determined that the fair value for each reporting unit that the Company had on that date exceeded their respective carrying values, and, as a result, no impairment existed at that date.

The Company performed its annual indefinite-lived intangible asset impairment test as of June 30, 2014. The Company elected to perform a qualitative assessment in accordance with ASU 2012-02, and determined that no conditions existed that would make it more likely than not that the indefinite-lived intangible assets were impaired. Therefore, no further quantitative assessment was required. There were no triggering events between the June 30, 2014 assessment and December 31, 2014 that would require a re-assessment of the Company's indefinite-lived intangible assets.

The Company's sale of its Mexico-based pawn operations in August 2014 was considered a triggering event for purposes of goodwill assessment. Following the sale, the Company tested the goodwill remaining in the retail services reporting unit, and determined that the fair value exceeded its carrying value.

The Enova Spin-off in November 2014 was considered a triggering event for purposes of goodwill assessment. Following the Enova Spin-off and as of December 31, 2014, the estimated fair value of the retail services reporting unit was re-calculated to incorporate changes in strategy, observed business trends and outlook. The estimated fair value of the retail services reporting unit declined since the June 30, 2014 annual assessment, but it continued to exceed its underlying carrying value. However, the excess fair value over the carrying value had been reduced to approximately 3% at December 31, 2014. A change in assumptions, such as an increase in the weighted-average cost of capital, could cause the carrying value of the retail services reporting unit to exceed its fair value at December 31, 2014, which could have resulted in an impairment loss. If all assumptions were held constant, a one percentage point increase in the weighted average cost of capital would have decreased the estimated fair value of the reporting unit to approximately $90.6 million below the carrying value, which would have required the Company to perform additional analysis in accordance with ASC 350 to determine if an impairment existed and could have resulted in an impairment loss.

As part of the goodwill assessment, the Company also considers market capitalization, which is the observable market value of the Company based on the quoted market prices of the Company's common stock. The Company compares the market capitalization to its carrying value of equity. Following the Enova Spin-off and as of December 31, 2014, the Company's market capitalization was observed to be lower than the carrying value of equity. The Company believes the observable market value at December 31, 2014 is not a reliable indicator of the Company's fair value, due to the very short time frame since the date of the Enova Spin-off, a likely transition of a significant number of investors occurring due to the magnitude of the event, and the disruption of the Company's share price following the

event. Management believes this disruption is temporary but acknowledges 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.

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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 any significant unfavorable changes in the Company's forecasted revenue, expenses, cash flows, weighted-average cost of capital and/or market transaction multiples. The Company will continue to monitor for events and circumstances that could negatively impact the key assumptions in determining the fair value of the retail services reporting unit.

Long-Lived Assets and Other Intangible Assets

An evaluation of the recoverability of property and equipment and intangible assets subject to amortization is performed whenever the facts and circumstances indicate that the carrying value may be impaired. An impairment loss is recognized if the future undiscounted cash flows associated with the asset and the estimated fair value of the asset are less than the asset’s corresponding carrying value. The amount of the impairment loss, if any, is the excess of the asset’s carrying value over its estimated fair value.

The Company amortizes intangible assets subject to amortization on the basis of their expected periods of benefit, generally three to 10 years. The costs of start-up activities and organization costs are charged to expense as incurred.

Equity Securities

The Company accounts for its marketable and non-marketable equity securities in accordance with ASC 323 and ASC 325, respectively. The Company has marketable equity securities that are held in its Nonqualified Savings Plan, marketable equity securities for its retained shares of Enova common stock, and non-marketable equity securities, each as described further below.

The Company retained approximately 20% of the outstanding shares of Enova common stock after the Enova Spin-off. The shares of Enova common stock held by the Company are classified as available-for-sale and unrecognized gains and losses, net of tax, are recorded in “Accumulated other comprehensive income (loss)” in the consolidated statements of equity. Enova was in the process of registering these securities with the SEC as of December 31, 2014. Since these securities are not yet registered with the SEC, the Company has valued this investment based on the market determined stock price of Enova on December 31, 2014, less an adjustment factor due to the unregistered nature of the shares.

The Company evaluates marketable and non-marketable equity securities for impairment if circumstances arise that indicate that an impairment may exist. Non-marketable equity securities are held in “Other assets” in the Company’s consolidated balance sheets. If an impairment of an equity security is determined to be other than temporary, the cost basis of the investment will be reduced and the resulting loss recognized in net income in the period the other-than-temporary-impairment is identified.

Income Taxes

As part of the process of preparing its consolidated financial statements, the Company is required to estimate income taxes in each of the jurisdictions in which it operates. This process involves estimating the actual current tax expense together with assessing temporary differences in recognition of income for tax and accounting purposes. These differences result in deferred tax assets and liabilities and are included within the consolidated balance sheets. Management must then assess the likelihood that the deferred tax assets will be recovered from future taxable income and, to the extent it believes that recovery is not likely, it must establish a valuation allowance. An expense or benefit is included within the tax provision in the consolidated statement of income for any increase or decrease in the valuation allowance for a given period.

The Company performs an evaluation of the recoverability of its deferred tax assets on a quarterly basis. The Company establishes a valuation allowance if it is more-likely-than-not (greater than 50 percent) that all or some portion of the deferred tax asset will not be realized. The Company analyzes several factors, including the

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nature and frequency of operating losses, the Company's carryforward period for any losses, the reversal of future taxable temporary differences, the expected occurrence of future income or loss and the feasibility of available tax planning strategies to protect against the loss of deferred tax assets.

As of December 31, 2013, the valuation allowance against the Company's gross deferred tax assets was $13.8 million. In 2014, the Company released a $12.5 million valuation allowance in connection with the write off of the deferred tax assets at its subsidiary, Creazione, as a result of the anticipated liquidation of Creazione and $1.3 million in connection with the sale of the Company's Mexico-based pawn lending locations. As of December 31, 2014, the Company had no remaining valuation allowance recorded.

The Company accounts for uncertainty in income taxes recognized in the consolidated financial statements in accordance with ASC 740. ASC 740 requires that a more-likely-than-not threshold be met before the benefit of a tax position may be recognized in the consolidated financial statements and prescribes how such benefit should be measured. Management must evaluate tax positions taken on the Company's tax returns for all periods that are open to examination by taxing authorities and make a judgment as to whether and to what extent such positions are more likely than not to be sustained based on merit.

Management'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 ASC 740.

RECENT ACCOUNTING PRONOUNCEMENTS

See "Item 8. Financial Statements and Supplementary Data—Note 2" for a discussion of recent accounting pronouncements that the Company has adopted or will adopt in future periods.

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RESULTS OF OPERATIONS

The Company completed a variety of strategic initiatives in 2014 that materially affected its reported financial results for the period. In addition, during 2013, the Company was affected by certain income and expense items that impacted comparisons between the two periods. Specifically, in 2014, the Company: i) completed the Enova Spin-off, resulting in two publicly traded companies, ii) prepaid certain of its debt obligations, iii) completed the sale of the non-strategic assets of its Mexico and Colorado pawn lending operations, iv) completed the 2014 Reorganization, which reorganized the Company’s corporate and field administrative functions and resulted in severance expense, and v) ceased offering unsecured consumer loans in 311 of its locations. These events, including their effect on the Company’s financial condition and results of operations for the year ended December 31, 2014, are summarized below and explained in greater detail under “Recent Developments” and “Liquidity and Capital Resources—Cash Flows—Cash Flows from Continuing Financing Activities.”

- As a result of the Enova Spin-off, operating results for Enova are presented as discontinued operations for all periods presented. Unless stated otherwise, any reference to financial information in this Management’s Discussion and Analysis of Financial Condition and Results of Operations refers to results from continuing operations.

- On August 25, 2014, the Company completed the divestiture of its 47 pawn lending locations in Mexico. The Company recorded a loss of $4.9 million related to this divestiture, which is included in “Loss on divestitures” in the Company’s consolidated statement of income. During the year ended December 31, 2014, the Company’s Mexico-based pawn operations reported revenue of $17.5 million and an operating loss of $6.7 million.

- On August 25, 2014, the Company completed the divestiture of all five of its pawn lending locations in Colorado, and recorded a loss of $0.3 million on the sale, which is included in “Loss on divestitures” in the Company’s consolidated statement of income. During the year ended December 31, 2014, the Colorado operations reported total revenues of $2.8 million and an operating loss of $0.1 million.

- During the year, the Company reduced its debt outstanding by $543.5 million and incurred $22.6 million in losses on debt extinguishment related to debt repayment activities, which are included in “Loss on extinguishment of debt” in the consolidated statements of income.

- During the third and fourth quarters of 2014, the Company initiated a reorganization to better align the corporate and operating cost structure with its storefront operations after the Enova Spin-off. In connection with the 2014 Reorganization, the Company incurred $7.5 million of charges for severance and other employee-related costs, which are included in “Operations and administration” in the consolidated statements of income.

- In 2014, the Company continued its strategy to de-emphasize consumer lending and focus on its core business of pawn lending. As a result, the Company discontinued unsecured consumer lending activities in 311 of its locations. This reduction was in addition to the closure in 2013 of 36 locations in Texas that offered consumer loans as their primary source of revenue in connection with the Texas Consumer Loan Store Closures.

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Highlights

The Company’s financial results for 2014 continuing operations, including the significant events described above and under “Recent Developments,” are summarized below.

- Total revenue was $1.1 billion, representing an increase of $64.2 million, or 6.2%, for 2014 compared to 2013. Net revenue increased $3.0 million, or 0.5%, to $589.6 million, in 2014 compared to 2013. The increase was primarily due to an $18.6 million, or 3.7%, increase in pawn-related net revenue, which consists of pawn loan fees and services charges and proceeds from disposition of merchandise, net of cost of disposed merchandise. Consumer loan fees, net of the loss provision, partially offset the pawn-related net revenue increase.

- Income from operations decreased $28.2 million, or 46.1%, to $33.0 million in 2014 compared to $61.2 million in 2013. Consolidated income from operations for 2014 includes expense items totaling $13.3 million related to the 2014 Reorganization, losses on divestitures and certain charges incurred in 2014 related to the 2013 Litigation Settlement. Expenses in 2013 included $16.9 million related to the 2013 Litigation Settlement, the Texas Consumer Loan Store Closures and the Regulatory Penalty, partially offset by the Ohio Adjustment.

- Net loss from continuing operations was $10.4 million in 2014 compared to net income from continuing operations of $59.2 million in 2013. Diluted net loss per share from continuing operations was $0.36 in 2014 compared to net income per share of $1.93 in 2013. In addition to the expenses noted above for 2014, net income from continuing operations in 2014 included early extinguishment of debt charges of $14.2 million net of taxes ($0.48 per share). See “Overview—Non-GAAP Disclosure—Adjusted Earnings Measures” and “Overview—Non-GAAP Disclosure—Adjusted EBITDA” for additional information.

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OVERVIEW

Consolidated Net Revenue

Consolidated net revenue is composed of total revenue less cost of disposed merchandise and consumer loan loss provision. Net revenue is the income available to satisfy all remaining expenses and is the measure management uses to evaluate top-line performance.

The following tables show the components of net revenue for the years ended December 31, 2014, 2013 and 2012 (dollars in thousands):

	Year Ended December 31,								
	2014			2013			2012		
	Amount	% of Total		Amount	% of Total		Amount	% of Total	
Pawn loan fees and service charges	$329,368	55.9	%	$311,799	53.2	%	$300,929	47.6	%
Proceeds from disposition of merchandise, net of cost of disposed merchandise	185,869	31.5	%	184,826	31.5	%	225,588	35.7	%
Pawn related	$515,237	87.4	%	$496,625	84.7	%	$526,517	83.3	%
Consumer loan fees, net of loss provision	$66,665	11.3	%	$79,852	13.6	%	$92,667	14.7	%
Other revenue	7,648	1.3	%	10,037	1.7	%	12,855	2.0	%
Net revenue	$589,550	100.0	%	$586,514	100.0	%	$632,039	100.0	%

Consolidated net revenue increased $3.0 million, or 0.5%, to $589.6 million in 2014. Pawn-related net revenue accounted for 87.4% and 84.7% of total consolidated net revenue in 2014 and 2013, respectively. Pawn-related net revenue increased $18.6 million, or 3.7%, to $515.2 million in 2014 from $496.6 million in 2013. The increase in pawn-related net revenue was primarily due to higher pawn loan fees and service charges and higher gross profit on retail sales.

Consumer loan net revenue accounted for 11.3% and 13.6% of total consolidated net revenue in 2014 and 2013, respectively. Consumer loan net revenue decreased $13.2 million to $66.7 million during 2014 from $79.9 million in 2013, primarily due to the Company's strategy to reduce the Company's short-term consumer lending activities. See "General—Recent Developments—Reduction in Short-Term Consumer Lending Operations" for further discussion.

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Non-GAAP Disclosure

In addition to the financial information prepared in conformity with GAAP, the Company provides historical non-GAAP financial information. Management believes that presentation of non-GAAP financial information is meaningful and useful in understanding the activities and business metrics of the Company's operations. Management believes that these non-GAAP financial measures reflect an additional way of viewing aspects of the Company's business that, when viewed with its GAAP results, provide a more complete understanding of factors and trends affecting its business.

Management provides non-GAAP financial information for informational purposes and to enhance understanding of the Company's GAAP consolidated financial statements. Readers should consider the information in addition to, but not instead of or superior to, its financial statements prepared in accordance with GAAP. This non-GAAP financial information may be determined or calculated differently by other companies, limiting the usefulness of those measures for comparative purposes.

Adjusted Earnings Measures

In addition to reporting financial results in accordance with GAAP, the Company has provided Adjusted Earnings Measures, which are non-GAAP measures. Management believes that the presentation of these measures provides investors with greater transparency and facilitates comparison of operating results across a broad spectrum of companies with varying capital structures, compensation strategies, derivative instruments and amortization methods, which provides a more complete understanding of the Company's financial performance, competitive position and prospects for the future. Management also believes that investors regularly rely on non-GAAP financial measures, such as the Adjusted Earnings Measures, to assess operating performance and that such measures may highlight trends in the Company's business that may not otherwise be apparent when relying on financial measures calculated in accordance with GAAP. In addition, management believes that the adjustments included in the table below, especially those included in "Adjusted net income and adjusted diluted net income per share from continuing operations," are useful to investors in order to allow them to clearly quantify these amounts and compare the Company's financial results for the years ended December 31, 2014, 2013 and 2012, respectively. The computation of Adjusted Earnings Measures as presented below may differ from the computation of similarly-titled measures provided by other companies.

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The following table provides a reconciliation for the years ended December 31, 2014, 2013 and 2012, respectively, between net (loss) income from continuing operations and diluted earnings per share from continuing operations calculated in accordance with GAAP to the Adjusted Earnings Measures, which are shown net of tax (dollars in thousands, except per share data):

	Year Ended December 31,					
	2014		2013		2012	
	$	Per Diluted Share[a]	$	Per Diluted Share[a]	$	Per Diluted Share[a]
Net (loss) income and diluted net income (loss) per share from continuing operations	$(10,387)	$(0.36)	$59,182	$1.93	$40,901	1.30
Adjustments (net of tax):						
Loss on divestitures	6,444	0.22	—	—	—	—
2014 Reorganization	4,749	0.16	—	—	—	—
Texas Consumer Loan Store Closures	—	—	865	0.03	—	—
Loss on early debt extinguishment	14,208	0.48	382	0.01	—	—
Regulatory Penalty			2,500	0.08		
2013 Litigation Settlement	400	0.01	11,340	0.37	—	—
Tax benefit related to Creazione Deduction	—	—	(33,201)	(1.09)	—	—
Charges related to the Mexico Reorganization	—	—	—	—	25,421	0.81
Charges related to Ohio Adjustment and Ohio Reimbursement Program	—	—	(3,209)	(0.10)	8,442	0.27
Adjusted net income and adjusted diluted net income per share from continuing operations	15,414	0.51	37,859	1.23	74,764	2.38
Other adjustments (net of tax):						
Intangible asset amortization	4,148	0.14	3,495	0.11	2,618	0.08
Non-cash equity-based compensation	2,806	0.11	3,092	0.11	3,007	0.09
Convertible debt non-cash interest and issuance cost amortization	518	0.02	2,493	0.08	2,386	0.08
Foreign currency transaction gain	(71)	—	(11)	—	(18)	—
Adjusted earnings and adjusted earnings per share from continuing operations	$22,815	$0.78	$46,928	$1.53	$82,757	$2.63

(a) Diluted shares are calculated by giving effect to the potential dilution that could occur if securities or other contracts to issue common shares were exercised and converted into common shares during the period. Per-share values may not compute correctly using the weighted average common shares outstanding value as the denominator due to rounding differences.

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The table below reconciles the gross amounts, the impact of income taxes and noncontrolling interest, or NCI, and the net amounts for each of the adjustments included in the table above.

	Year Ended December 31,								
	2014			2013			2012		
	Pre-tax	Tax	After-tax	Pre-tax	Tax	After-tax	Pre-tax	Tax and NCI	After-tax
Loss on divestitures	$5,176	$(1,268)	$6,444	$—	$—	$—	$—	$—	$—
2014 Reorganization	7,538	2,789	4,749	—	—	—	—	—	—
Texas Consumer Loan Store Closures	—	—	—	1,373	508	865	—	—	—
Loss on early debt extinguishment	22,553	8,345	14,208	607	225	382	—	—	—
Regulatory Penalty	—	—	—	2,500	—	2,500	—	—	—
2013 Litigation Settlement	635	235	400	18,000	6,660	11,340	—	—	—
Tax benefit related to Creazione Deduction	—	—	—	—	33,201	(33,201)	—	—	—
Charges related to the Mexico Reorganization	—	—	—	—	—	—	28,873	3,452	25,421
Charges related to the Ohio Adjustment and the Ohio Reimbursement Program	—	—	—	(5,000)	(1,791)	(3,209)	13,400	4,958	8,442
Total Adjustments	$35,902	$10,101	$25,801	$17,480	$38,803	$(21,323)	$42,273	$8,410	$33,863

The Company has provided certain additional quarterly non-GAAP information for 2014 to conform previously reported quarterly data for 2014 to the current presentation, with the operations of Enova in discontinued operations as a result of the Enova Spin-off. The table below provides a reconciliation for each quarter of 2014 between net income (loss) from continuing operations and diluted net income (loss) per share from continuing operations calculated in accordance with GAAP to the adjusted net income (loss) and diluted net income (loss) per share from continuing operations, which are shown net of tax (dollars in thousands, except per share data).

	Three Months Ended							
	March 31, 2014		June 30, 2014		September 30, 2014		December 31, 2014	
	$	Per Diluted Share [(a)]	$	Per Diluted Share [(a)]	$	Per Diluted Share [(a)]	$	Per Diluted Share [(a)]
Net income (loss) and diluted net income (loss) per share from continuing operations	$3,237	$0.11	$(11,746)	$(0.41)	$(9,370)	$(0.32)	$7,492	$0.26
Adjustments (net of tax):								
Loss on early extinguishment of debt	974	0.03	9,460	0.32	3,774	0.13	—	—
2013 Litigation Settlement	164	0.01	236	0.01	—	—	—	—
Loss on divestitures	—	—	—	—	6,444	0.22	—	—
2014 Reorganization	—	—	—	—	3,870	0.13	879	0.03
Adjusted net income (loss) and diluted net income (loss) per share from continuing operations	$4,375	$0.15	$(2,050)	$(0.08)	$4,718	$0.16	$8,371	$0.29

[a] Diluted shares are calculated by giving effect to the potential dilution that could occur if securities or other contracts to issue common shares were exercised and converted into common shares during the period. Per-share values may not compute correctly using the weighted average common shares outstanding value as the denominator due to rounding differences.

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Adjusted EBITDA

The table below shows adjusted EBITDA from continuing operations, a non-GAAP measure that the Company defines as earnings from continuing operations excluding depreciation, amortization, interest, foreign currency transaction gains or losses, loss on early extinguishment of debt, equity in earnings or loss of unconsolidated subsidiary, taxes and including the net income or loss attributable to noncontrolling interests. Management believes adjusted EBITDA from continuing operations is used by investors to analyze operating performance and evaluate the Company's ability to incur and service debt and its capacity for making capital expenditures. Adjusted EBITDA from continuing operations is also useful to investors to help assess the Company's estimated enterprise value. In addition, management believes that the adjustments shown below are useful to investors in order to allow them to compare the Company's financial results during the periods shown without the effect of each of these income and expense items. The computation of adjusted EBITDA from continuing operations as presented below may differ from the computation of similarly-titled measures provided by other companies. The following table provides a reconciliation between net (loss) income from continuing operations, which is the nearest GAAP measure presented in the Company's financial statements, to Adjusted EBITDA from continuing operations (dollars in thousands):

	Year Ended December 31,		
	2014	2013	2012
Net (loss) income from continuing operations	$(10,387)	$59,182	$40,901
Net loss (income) attributable to the noncontrolling interest in continuing operations	—	308	(5,806)
Provision (benefit) for income taxes [a]	2,041	(15,505)	39,114
Equity in loss of unconsolidated subsidiary	—	136	295
Loss on early extinguishment of debt	22,553	607	—
Foreign currency transaction gain	(113)	(17)	(29)
Interest expense, net	18,873	16,457	7,991
Depreciation and amortization expenses	60,942	55,949	49,592
Adjustments			
2014 Reorganization	7,538	—	—
Loss on Divestitures	5,176	—	—
Texas Consumer Loan Store Closures	—	1,373	—
Regulatory Penalty	—	2,500	—
2013 Litigation Settlement	635	18,000	—
Charges related to Mexico Reorganization	—	—	28,873
Charges related to Ohio Adjustment and Ohio Reimbursement Program	—	(5,000)	13,400
Adjusted EBITDA from continuing operations	$107,258	$133,990	$174,331
Adjusted EBITDA margin from continuing operations calculated as follows:			
Total revenue	$1,094,696	$1,030,486	$1,139,443
Adjusted EBITDA	107,258	133,990	174,331
Adjusted EBITDA as a percentage of total revenue	9.8%	13.0%	15.3%

[a] For the year ended December 31, 2012, excludes a $7.2 million charge for the recognition of a deferred tax asset valuation allowance, which is included in "Charges related to the Mexico Reorganization."

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The Company has provided certain additional quarterly non-GAAP information for 2014 to conform previously reported quarterly data for 2014 to the current presentation, with the operations of Enova in discontinued operations as a result of the Enova Spin-off. The following table provides a reconciliation for each quarter of 2014 between net income (loss) from continuing operations, which is the nearest GAAP measure presented in the Company's financial statements, to Adjusted EBITDA (dollars in thousands):

	Three Months Ended			
	March 31, 2014	June 30, 2014	September 30, 2014	December 31, 2014
Net income (loss) from continuing operations	$3,237	$(11,746)	$(9,370)	$7,492
Provision (benefit) for income taxes	3,822	(5,303)	(1,560)	5,082
Loss on early extinguishment of debt	1,546	15,016	5,991	—
Foreign currency transaction loss (gain)	2	(119)	4	—
Interest expense, net	5,304	5,509	4,321	3,739
Depreciation and amortization expenses	15,143	15,181	15,106	15,512
Adjustments:				
2013 Litigation Settlement	260	375	—	—
Loss on divestitures	—	—	5,176	—
2014 Reorganization	—	—	6,143	1,395
Adjusted EBITDA	$29,314	$18,913	$25,811	$33,220

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YEAR ENDED DECEMBER 31, 2014 COMPARED TO YEAR ENDED DECEMBER 31, 2013

Pawn Lending Activities

The following table sets forth selected data related to the Company’s pawn lending activities as of and for the years ended December 31, 2014 and 2013 (dollars in thousands except where otherwise noted).

	Year Ended December 31,			
	2014	2013	Change	% Change
Pawn loan fees and service charges	$329,368	$311,799	$17,569	5.6%
Ending pawn loan balance (as of December 31,)	$252,168	$261,148	$(8,980)	(3.4)%
Average pawn loan balance outstanding	$251,695	$238,109	$13,586	5.7%
Amount of pawn loans written and renewed	$1,071,760	$1,014,662	$57,098	5.6%
Average amount per pawn loan (in ones)	$123	$124	$(1)	(0.8)%
Annualized yield on pawn loans	130.9%	130.9%		

The average balance of pawn loans outstanding increased by $13.6 million, or 5.7%, and pawn loan fees and service charges increased by $17.6 million, or 5.6%, from 2013 to 2014. These increases were primarily due to growth from acquisitions that occurred in the second half of 2013. The increase in pawn loan fees and service charges in 2014 was partially offset by a decrease in the pawn loan fees and service charges of $2.3 million in the Company’s Mexico-based pawn operations as a result of the sale of those operations in August 2014. Excluding the impact of the decrease from the Company’s Mexico-based pawn operations, pawn loan fees and service charges increased $19.8 million, or 6.5%, from 2013 to 2014. Excluding pawn loan balances in the Company’s Mexico-based pawn operations, the Company’s domestic pawn loan balances decreased $4.6 million, or 1.8%, to $252.2 million in 2014, compared to $256.8 million in 2013, primarily due to lower demand for pawn loans during the fourth quarter of 2014. Same store ending domestic pawn loan balances decreased 1.2% in 2014 compared to the year end 2013 balances. Management believes that the precipitous decline in gasoline prices in the fourth quarter of 2014 contributed to the decrease in demand for pawn loans.

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Merchandise Sales Activities
Proceeds From Disposition of Merchandise

Profit from the disposition of merchandise represents the proceeds received from the disposition of merchandise in excess of the cost of disposed merchandise, which is generally the principal amount loaned on an item or the amount paid for purchased merchandise. Management separates proceeds from disposition of merchandise and gross profit on disposition of merchandise into two groups, retail sales and commercial sales. Retail sales include the sale of jewelry and general merchandise direct to consumers through the Company's locations or over the internet through auction and other similar sites. Commercial sales include the sale of refined gold, platinum, silver and diamonds to brokers or manufacturers. The following table summarizes the proceeds from the disposition of merchandise and the related profit for the years ended December 31, 2014 and 2013 (dollars in thousands):

	Year Ended December 31,					
	2014			2013		
	Retail	Commercial	Total	Retail	Commercial	Total
Proceeds from disposition	$528,312	$131,694	$660,006	$427,644	$167,795	$595,439
Gross profit on disposition	$173,714	$12,155	$185,869	$151,757	$33,069	$184,826
Gross profit margin	32.9 %	9.2 %	28.2 %	35.5 %	19.7 %	31.0 %
Percentage of total gross profit	93.5 %	6.5 %	100.0 %	82.1 %	17.9 %	100.0 %

During 2013 and 2014, the Company shifted its strategy to place a greater emphasis on retail disposition of merchandise and much less reliance on the disposition of commercial merchandise due to the prevailing lower market price for pure gold. The percentage of gross profit from commercial sales has become a less significant percentage of the total gross profit from dispositions. Management expects this trend to continue and will focus on the profit from the retail disposition of merchandise in future periods.

As a result of this shift in strategy, proceeds and gross profit from disposition of merchandise for retail merchandise increased by $100.7 million, or 23.5%, and $22.0 million, or 14.5%, respectively, from 2013 to 2014. Excluding the Company's Mexico-based pawn operations, which were sold in August 2014, proceeds from the domestic disposition of retail merchandise increased $106.2 million, and gross profit from the disposition of retail merchandise remained at $22.0 million after this exclusion.

Proceeds and gross profit from disposition of merchandise for commercial merchandise decreased by $36.1 million and $20.9 million, respectively, from 2013 to 2014, primarily as a result of lower average price of gold sold in 2014. Total gross margin decreased from 31.0% in 2013 to 28.2% in 2014, due to lower gross margin on retail sales, which declined mainly as a result of discounting of retail merchandise prices on general merchandise items to enhance sales, and lower gross margin on commercial dispositions. In addition, the Company increased the allowance for merchandise held for disposition by $1.5 million in 2014 due to the increase in the mix of general merchandise to total merchandise held for disposition. General merchandise typically requires a slightly higher allowance than jewelry due to its higher risk of losing value over time. This expense also contributed to the gross margin decrease from 2013 to 2014. However, total gross profit from the disposition of merchandise increased $1.0 million, or 0.6% overall.

Merchandise turnover decreased slightly from 2013 to 2014, from 2.4 times to 2.3 times.

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The table below summarizes the age of merchandise held for disposition related to the Company's pawn operations before and after valuation allowance of $2.4 million and $0.9 million as of December 31, 2014 and 2013, respectively (dollars in thousands):

	As of December 31,					
	2014			2013		
	Amount	%		Amount	%	
Jewelry – held for one year or less	$111,963	52.0	%	$116,256	55.4	%
Other merchandise – held for one year or less	90,642	42.1	%	79,851	38.1	%
Total merchandise held for one year or less	202,605	94.1	%	196,107	93.5	%
Jewelry – held for more than one year	3,494	1.6	%	6,734	3.2	%
Other merchandise – held for more than one year	9,150	4.3	%	7,007	3.3	%
Total merchandise held for more than one year	12,644	5.9	%	13,741	6.5	%
Merchandise held for disposition, gross	$215,249	100.0	%	$209,848	100.0	%
Merchandise held for disposition, net of allowance	$212,849			$208,899		

Consumer Loan Activities

Combined Consumer Loans

In addition to reporting consumer loans owned by the Company and consumer loans guaranteed by the Company, which are either GAAP items or disclosures required by GAAP, the Company has provided combined consumer loans, which is a non-GAAP measure. In addition, the Company has reported consumer loans written and renewed, which is statistical data that is not included in the Company's financial statements. References throughout Management's Discussion and Analysis of Financial Condition and Results of Operations to renewed consumer loans include both renewals and extensions made by customers to their existing loans in accordance with applicable laws. Management believes these non-GAAP measures provide investors with important information needed to evaluate the magnitude of potential loan losses and the opportunity for revenue performance of the consumer loan portfolio on an aggregate basis. Management also believes that the comparison of the aggregate amounts from period to period is more meaningful than comparing only the amounts reflected on the Company's balance sheet since both revenue and the loss provision for loans are impacted by the aggregate amount of loans owned by the Company and those guaranteed by the Company as reflected in its financial statements.

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Consumer Loan Balances

The following table summarizes consumer loan balances outstanding as of December 31, 2014 and 2013 (dollars in thousands):

	As of December 31,					
	2014			2013		
	Company Owned[a]	Guaranteed by the Company[a]	Combined[b]	Company Owned[a]	Guaranteed by the Company[a]	Combined[b]
Ending consumer loan balances:						
Short-term loans	$42,954	$2,718	$45,672	$49,856	$4,900	$54,756
Installment loans	6,061	7,073	13,134	9,787	12,639	22,426
Total ending loan balance, gross	49,015	9,791	58,806	59,643	17,539	77,182
Less: Allowance and liabilities for losses	(4,162)	(1,060)	(5,222)	(4,911)	(1,030)	(5,941)
Total ending loan balance, net	$44,853	$8,731	$53,584	$54,732	$16,509	$71,241
Allowance and liability for losses as a % of consumer loan balances, gross	8.5 %	10.8 %	8.9 %	8.2 %	5.9 %	7.7 %

(a) GAAP measure. The consumer loan balances guaranteed by the Company represent loans originated by third-party lenders through the CSO programs, so these balances are not recorded in the Company's financial statements. However, the Company has established a liability for estimated losses in support of its guarantee of these loans, which is reflected in the table above and included in its consolidated balance sheets.

(b) Except for allowance and liability for estimated losses, amounts represent non-GAAP measures.

Consumer Loan Fees

Consumer loan fees decreased $15.5 million, or 13.7%, to $97.7 million in 2014 compared to $113.2 million in 2013. The decrease in consumer loan fees was primarily due to a decrease in short-term consumer loan balances, mainly due to the Company's strategic decision to discontinue short-term consumer lending in 311 of its locations in 2014. See "General—Recent Developments—Reduction in Short-Term Consumer Lending Operations" for further discussion of the recent changes in the Company's short-term consumer lending activities.

The following table sets forth interest and fees on consumer loans by product type, and the related loan loss provision for the years ended December 31, 2014 and 2013 (dollars in thousands):

	Year Ended December 31,					
	2014			2013		
	Short-term loans	Installment loans	Total	Short-term loans	Installment loans	Total
Consumer loan fees	$83,909	$13,765	$97,674	$100,146	$13,065	$113,211
Less: consumer loan loss provision	23,269	7,740	31,009	27,513	5,846	33,359
Consumer loan fees, net loss provision	$60,640	$6,025	$66,665	$72,633	$7,219	$79,852

Year-over-year change—$	$(11,993)	$(1,194)	$(13,187)	$(12,056)	$(759)	$(12,815)
Year-over-year change—%	(16.5)%	(16.5)%	(16.5)%	(14.2)%	(9.5)%	(13.8)%
Consumer loan loss provision as a % of consumer loan fees	27.7%	56.2%	31.7%	27.5%	44.7%	29.5%

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Consumer Loan Loss Provision

The loss provision as a percentage of consumer loan fees increased to 31.7% in 2014 from 29.5% in 2013, primarily due to the change in the mix in the consumer loan portfolio during 2014. In connection with the Company's strategy to de-emphasize its short-term consumer loan lending activities, the total consumer loan portfolio included a greater proportion of installment loans in 2014 compared to 2013. Short-term loans generally carry lower loss rates than installment loans, and the decrease in short-term loans led to the overall increase in the loss rate in 2014. Despite the higher loss rate in 2014 in the consumer loan loss portfolio, the consumer loan loss provision decreased overall, primarily as a result of the significant decline in the short-term consumer loan balances in the portfolio during 2014.

The average amount outstanding per consumer loan is calculated as the total amount of combined consumer loans outstanding as of the end of the period divided by the total number of combined consumer loans outstanding as of the end of the period. The table below shows the average amount per consumer loan by product for 2014 compared to 2013. The decrease in the average amount of installment loans outstanding from December 31, 2013 to December 31, 2014 was primarily due to the discontinuation during 2014 of one of the Company's installment loan products that typically carried higher average balances than other loans in the installment loan portfolio.

	Year Ended December 31,	
	2014	2013
Average amount outstanding per consumer loan (in ones)[a]		
Short-term loans	$475	$474
Installment loans	$1,442	$2,083

[a] The disclosure regarding the average amount per consumer loan is statistical data that is not included in the Company's financial statements.

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Consumer Loan Information by Product

Management evaluates consumer loan loss rates for all of its consumer loan products to determine credit quality and evaluate trends. For short-term loans, the Company evaluates consumer loan losses as a percentage of combined consumer loans written and renewed. For installment loans, the Company evaluates consumer loan losses as a percentage of the average consumer loan balance outstanding and the average combined consumer loan balance outstanding, respectively, for each portfolio. The following tables provide additional information related to each of the Company's consumer loan products as of and for the years ended December 31, 2014 and 2013 (dollars in thousands). Ratios provided in the tables below reflect performance measures used by management, which may differ by products due to the specific characteristics of each product.

	Year ended December 31,			
	2014		2013	
Short-term consumer loans:				
Consumer loan loss provision	$23,269		$27,513	
Charge-offs (net of recoveries)	24,363		27,628	
Allowance and liability for losses	3,138		4,232	
Short-term consumer loans written and renewed:[a]				
Company owned	$646,232		$712,253	
Guaranteed by the Company[b]	62,698		104,236	
Combined consumer loans written and renewed	$708,930		$816,489	
Short-term consumer loans and fees receivable:				
Gross - Company owned	$42,954		$49,856	
Gross - Guaranteed by the Company[b]	$2,718		$4,900	
Combined consumer loans and fees receivable, gross [c]	$45,672		$54,756	
Short-term consumer loan ratios:				
Consumer loan loss provision as a % of combined consumer loans written and renewed[a]	3.3	%	3.4	%
Charge-offs (net of recoveries) as a % of combined consumer loans written and renewed[a]	3.4	%	3.4	%
Consumer loan loss provision as a % of consumer loan fees	27.7	%	27.5	%
Allowance and liability for losses as a % of combined consumer loans and fees receivable, gross[c]	6.9	%	7.7	%

(a) The disclosure regarding the amount of short-term consumer loans written and renewed is statistical data that is not included in the Company's financial statements.

(b) Represents loans originated by third-party lenders through the CSO programs, which are not included in the Company's financial statements

(c) Non-GAAP measure.

	Year ended December 31,			
	2014		2013	
Installment loans:				
Consumer loan loss provision	$7,740		$5,846	
Charge-offs (net of recoveries)	7,365		5,441	
Allowance and liability for losses	2,084		1,709	
Installment loan ratios:				
Consumer loan loss provision as a % of consumer loan fees	56.2	%	44.7	%
Allowance and liability for losses as a % of combined ending consumer loan balance[a]	15.9	%	7.6	%

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(a) Non-GAAP measure.

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Expenses

The table below shows additional detail of the total expenses for the Company for the years ended December 31, 2014 and 2013 (dollars in thousands):

	Year Ended December 31,	
	2014	2013
Operations and administration:		
Personnel	$297,180	$262,820
Occupancy	126,897	118,124
Other	66,388	88,274
Total operations and administration	490,465	469,218
Loss on divestitures	5,176	—
Depreciation and amortization	60,942	56,128
Total expenses	$556,583	$525,346
Year-over-year change—$		
Operations and administration	$21,247	$(11,038)
Loss on divestitures	5,176	—
Depreciation and amortization	4,814	(6,028)
Total expenses	$31,237	$(17,066)
Year-over-year change—%	5.9%	(3.1)%

Consolidated total expenses increased $31.2 million, or 5.9%, to $556.6 million in 2014 compared to 2013.

Operations and Administration Expenses

The Company completed a variety of strategic initiatives in 2014 that materially affected its operations and administration expenses for the period. In addition, during 2013, the Company was affected by certain income and expense items that impacted comparisons between the two periods. See "General—Recent Developments" and "Overview" sections above for more information about the expense items in 2014.

Operations and administration expenses increased $21.2 million, or 4.5%, to $490.5 million in 2014 compared to 2013. Components of the increase included a $34.4 million increase in personnel expenses, an $8.8 million increase in occupancy expenses and a $22.0 million decrease in other expenses.

The $34.4 million increase in personnel expenses is primarily due to severance costs related to the 2014 Reorganization, the addition of retail services locations through acquisitions made during 2013, normal merit increases, incentives and increased health insurance costs.

The $8.8 million increase in occupancy expenses, which includes rent, property taxes, insurance, utilities and maintenance, is primarily due to acquisitions made during 2013 and normal rent increases, partially offset by lower expenses in 2014, primarily related to $1.4 million of expenses in 2013 for the Texas Consumer Loan Store Closures. The $22.0 million decrease in other expenses in 2014 from 2013 was primarily driven by lower expenses in 2014 due to a charge incurred in 2013 related to an accrual of $18.0 million for the 2013 Litigation Settlement and decreased marketing expenses in 2014 compared to 2013. Offsetting these decreases was an increase in expenses in 2014 due to a benefit recognized by the Company in 2013 of $5.0 million related to the Ohio Adjustment, partially offset by a $2.5 million expense incurred in 2013 related to the Regulatory Penalty.

The 2014 Reorganization resulted in an increase in operations and administration expenses in 2014 and the full impact of the cost reductions was not fully realized in 2014. Management expects that the cost reductions

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resulting from the 2014 Reorganization will decrease operations and administration expenses related to its corporate and field management operations in future periods relative to 2014.

Loss on Divestitures

The Company incurred a loss on divestitures of $5.2 million in 2014 as a result of a $2.8 million loss on the sale of its Mexico-based pawn operations, a $2.1 million expense recognized related to an uncollectible receivable as a result of the Company’s discontinuation of its Mexico-based pawn operations, and a $0.3 million loss on the sale of the Company’s Colorado pawn lending locations. See “General—Recent Developments—Divestiture of Mexico-based Pawn Operations” and “—Divestiture of Colorado Pawn Shops” for additional information.

Depreciation and Amortization Expenses

Consolidated depreciation and amortization expenses increased $4.8 million, or 8.6%, primarily due to an increase in capitalized amounts related to depreciation expenses related to acquisitions completed during 2013 and the Company’s recent remodeling activities in its existing and newly acquired stores. In addition, amortization expenses increased due to acquisitions completed in 2013. In recent years, the Company has completed significant acquisitions, which have increased the Company’s intangible assets and the related amortization expenses.

Interest Expense and Interest Income

Following the Enova Spin-off, interest expense for the Company from continuing operations excludes interest expense in 2014 associated with the $500.0 million of senior unsecured notes issued by Enova in May 2014 and excludes interest expense in 2014 and 2013 for the Enova Note Receivable, both of which are presented in discontinued operations. Following the Enova Spin-off, the $500.0 million of senior unsecured notes are debt obligations of Enova, and interest expense related thereto is no longer incurred by the Company.

The following table shows the Company’s interest income and expense for the years ended December 31, 2014 and 2013 (dollars in thousands):

	Year Ended December 31,			
	2014	2013	Change	% Change
Interest expense	$26,520	$36,319	$(9,799)	(27.0)%
Interest income	7,647	19,862	(12,215)	(61.5)%
Interest expense, net	$18,873	$16,457	$2,416	14.7%

Interest expense, net of interest income, increased $2.4 million, or 14.7%, to $18.9 million in 2014 as compared to $16.5 million in 2013. The Company’s interest income in 2014 and 2013 related primarily to the Enova Note Receivable. The Enova Note Receivable was repaid in full and terminated in May 2014 and was outstanding for the full year in 2013, resulting in a decrease in interest income of $12.2 million in 2014 from 2013. In addition, during 2014, interest expense decreased, primarily due to the payments made in connection with several of the Company’s debt instruments in 2014, including prepayment in its entirety of the Company’s Private Placement Notes, the purchase of a portion of the Company’s outstanding 2018 Senior Notes, payments made in connection with the conversion and redemption of the Company’s 2029 Convertible Notes and a reduction of the outstanding indebtedness under the Company’s Domestic and Multi-currency Line of Credit. These debt instruments were repaid primarily with the proceeds received from Enova for the repayment of the Enova Note Receivable. The overall decrease in interest income offset the decrease in interest expense, resulting in an increase to net interest expense in 2014. See Note 11 of the consolidated financial statements for additional information regarding the Company’s debt instruments.

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Loss on Early Extinguishment of Debt

The Company incurred a loss on early extinguishment of debt of $22.6 million in 2014 compared to $0.6 million in 2013. This loss was composed of an approximately $15.1 million loss during 2014 associated with the prepayment of $106.2 million of aggregate principal amount of the Company's outstanding Private Placement Notes, a $6.0 million loss in 2014 related to the repurchase of $103.5 million of aggregate principal amount of the Company's 2018 Senior Notes and a $1.5 million loss associated with the repurchase of $58.6 million principal amount of 2029 Convertible Notes prior to the Convertible Notes being called in May 2014.

Income Taxes

During 2014, the Company recorded income tax expense of $2.0 million on a pre-tax loss of $8.3 million, resulting in a negative effective tax rate of (24.5%). The negative effective tax rate was primarily due to the tax impact of the write-off of non-deductible goodwill associated with the sale of the Company's Mexico-based pawn operations and an additional valuation allowance associated with the current year losses in Mexico. During 2013, the Company recorded an income tax benefit of $15.5 million on pre-tax profits of $44.0 million, resulting in a negative effective tax rate of (35.3%). The negative effective tax rate was primarily due to the recognized income tax benefit of $33.2 million associated with the Creazione Deduction as well as the release of reserves established for unrecognized tax benefits associated with the Company's Mexico operations. Without the impact of these items, the Company's effective tax rate would have been 11.6% and 39.6% for 2014 and 2013, respectively. The lower effective tax rate for 2014 is primarily due to the pre-tax loss incurred in 2014 and the tax impact of other permanently non-deductible items. Given the impact of the pre-tax loss incurred in 2014 and the significance of the one-time items that affected the 2014 effective tax rate, that rate should not be viewed as indicative of the effective tax rate for future periods.

Net Income from Discontinued Operations

As a result of the Enova Spin-off, the financial results of Enova are presented as discontinued operations for all applicable periods in this discussion. As the Enova Spin-off occurred on November 13, 2014, the Company's results discussed below for 2014 include only revenue and expenses incurred prior to that date.

Net income from discontinued operations increased $25.7 million, or 30.8%, from 2013 to 2014. The increase was primarily due to a $27.7 million, or 6.2%, increase in net revenue, driven by higher revenue from Enova's domestic and foreign line of credit account and installment loan portfolios and lower consumer loan loss rates across all of Enova's consumer loan portfolios, including short-term loans, line of credit accounts and installment loans. Enova's effective tax rate for 2014 and 2013, respectively, was 36.6% and 35.7%.

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YEAR ENDED DECEMBER 31, 2013 COMPARED TO YEAR ENDED DECEMBER 31, 2012

Pawn Lending Activities

The following table sets forth selected data related to the Company's pawn lending activities as of and for the years ended December 31, 2013 and 2012 (dollars in thousands except where otherwise noted):

	Year Ended December 31,			
	2013	2012	Change	% Change
Pawn loan fees and service charges	$311,799	$300,929	$10,870	3.6 %
Ending pawn loans outstanding (as of December 31,)	$261,148	$244,640	$16,508	6.7 %
Average pawn loans outstanding	$238,109	$237,121	$988	0.4 %
Amount of pawn loans written and renewed	$1,014,662	$1,040,478	$(25,816)	(2.5)%
Average amount per pawn loan (in ones)	124	124	—	—
Annualized yield on pawn loans	130.9 %	126.9 %		

Pawn Loan Fees and Service Charges and Pawn Balances

Consolidated pawn loan balances as of December 31, 2013 were $261.1 million, which was $16.5 million higher than the balances as of December 31, 2012. Consolidated pawn loan fees and service charges increased $10.9 million, or 3.6%, to $311.8 million in 2013 from $300.9 million in 2012. The increases in pawn loan balances and pawn loan fees and service charges were primarily due to increases in pawn loan balances from acquisitions in the U.S. that the Company made in 2013.

Domestic Pawn Lending

The average balance of pawn loans outstanding during 2013 increased by $8.1 million, or 3.6%, compared to 2012, primarily due to an increase in the loan balances as a result of the addition of 81 pawn lending locations, net of closures, through acquisitions and de novo store growth since 2012. The increase was partially offset by lower average pawn loan balances in same-store locations, which decreased 3.6% in 2013 compared to 2012. Management believes this decrease is primarily attributable to a reduction in demand for pawn loans by customers. The average amount per loan decreased to $127 in 2013 from $131 in 2012 and was influenced by a greater mix of pawn loans being collateralized by non-jewelry merchandise, which generally have a lower average loan amount than loans collateralized by jewelry.

Pawn loan fees and service charges increased $16.4 million, or 5.7%, to $304.5 million in 2013 compared to 2012. The increase is primarily due to higher pawn loan yields and higher average pawn loan balances during 2013. The increase in pawn loan yield was primarily due to a greater mix of pawn loans in markets with higher statutory lending rates on pawn loans and lower forfeiture rates. The increase in average pawn loan balances is primarily due to acquisitions and de novo store growth in domestic operations.

Foreign Pawn Lending

The average balance of foreign pawn loans outstanding during 2013 decreased by $7.1 million, or 59.0%, compared to 2012. The decrease was mainly due to the net closure of 148 pawn lending locations in 2012 as part of the Mexico Reorganization. Consequently, foreign pawn loan fees and service charges decreased $5.5 million, or 42.9%, to $7.3 million in 2013 compared to 2012. However, the annualized yield on pawn loans increased from 105.9% in 2012 to 147.4% in 2013, primarily due to the greater mix in 2013 of general merchandise pawn loans, which have a higher yield than jewelry-based pawn loans in the Company's foreign pawn operations.

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Merchandise Sales Activities

Proceeds From Disposition of Merchandise

The following table summarizes the proceeds from the disposition of merchandise and the related profit for the years ended December 31, 2013 and 2012 (dollars in thousands):

	Year Ended December 31,					
	2013			2012		
	Retail	Commercial	Total	Retail	Commercial	Total
Proceeds from disposition	$427,644	$167,795	$595,439	$391,566	$312,201	$703,767
Gross profit on disposition	$151,757	$33,069	$184,826	$144,095	$81,493	$225,588
Gross profit margin	35.5 %	19.7 %	31.0 %	36.8 %	26.1 %	32.1 %
Percentage of total gross profit	82.1 %	17.9 %	100.0 %	63.9 %	36.1 %	100.0 %

As the table above indicates, the Company placed a greater emphasis on retail disposition of merchandise in its locations and de-emphasized the commercial disposition of merchandise due to lower market prices for pure gold. The total proceeds from disposition of merchandise decreased $108.3 million, or 15.4%, in 2013 compared to 2012. Total gross profit from the disposition of merchandise decreased $40.8 million, or 18.1%, during 2013 compared to 2012. The overall gross profit margin percentage decreased to 31.0% in 2013 compared to 32.1% in 2012, primarily due to a decrease in gross profit margin on commercial sales. The consolidated merchandise turnover decreased to 2.4 times during 2013 compared to 3.0 times in 2012, primarily due to management's decision to emphasize retail disposition activity rather than the Company's previous practice of disposing of a higher volume of merchandise through commercial sales. Commercial sales typically have a higher turnover rate than retail sales.

Proceeds from retail dispositions of merchandise increased $36.1 million, or 9.2%, during 2013 compared to 2012. Proceeds from domestic retail dispositions increased $42.9 million, primarily due to management's emphasis on retail disposition activity and the addition of locations through acquisitions and de novo store growth. Offsetting this increase was a $6.8 million decrease in foreign retail sales proceeds, mainly due to the closure in 2012 of pawn lending locations in Mexico as part of the Mexico Reorganization.

Gross profit from retail dispositions increased to 82.1% of total gross profit in 2013 compared to 63.9% in 2012, primarily due to the shift to emphasize more retail disposition activity over commercial sales activity. Consolidated gross profit from retail dispositions increased $7.7 million, composed of a $10.2 million increase from domestic operations, offset by a $2.5 million decrease from foreign operations. Total retail gross profit margin decreased to 35.5% in 2013 compared to 36.8% in 2012, primarily due to management's discounting of merchandise to encourage retail sales activity.

Proceeds from commercial dispositions decreased $144.4 million, or 46.3%, during 2013 compared to 2012. Proceeds from commercial dispositions from domestic operations decreased by $123.2 million, primarily due to a decrease in the volume of gold sold as part of an effort to place a greater emphasis on retail disposition activity, decreases in the market price of gold sold and the volume of jewelry forfeitures of collateral and jewelry purchased directly from customers. Foreign operations contributed $21.2 million of the decrease, primarily due to the closure of pawn lending locations in Mexico as part of Mexico Reorganization. Consolidated gross profit from commercial dispositions decreased $48.4 million, mainly due to lower gross profit in domestic operations. The decrease in consolidated gross profit margin from commercial dispositions, which was 19.7% in 2013 compared to 26.1% in 2012, was mainly due to a lower volume of gold sold and a decrease in the market price of gold sold.

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Consumer Loan Activities
Combined Consumer Loans
Consumer Loan Balances
The following table summarizes consumer loan balances outstanding as of December 31, 2013 and 2012 (dollars in thousands):

	As of December 31,					
	2013			2012		
	Company Owned[(a)]	Guaranteed by the Company[(a)]	Combined[(b)]	Company Owned[(a)]	Guaranteed by the Company[(a)]	Combined[(b)]
Ending consumer loan balances:						
Short-term loans	$49,856	$4,900	$54,756	$52,171	$7,134	$59,305
Installment loans	9,787	12,639	22,426	11,246	9,395	20,641
Total ending loan balance, gross	59,643	17,539	77,182	63,417	16,529	79,946
Less: Allowance and liabilities for losses	(4,911)	(1,030)	(5,941)	(4,779)	(872)	(5,651)
Total ending loan balance, net	$54,732	$16,509	$71,241	$58,638	$15,657	$74,295
Allowance and liability for losses as a % of consumer loan balances, gross	8.2%	5.9%	7.7%	7.5%	5.3%	7.1%

(a) GAAP measure. The consumer loan balances guaranteed by the Company represent loans originated by third-party lenders through the CSO programs, so these balances are not recorded in the Company’s financial statements. However, the Company has established a liability for estimated losses in support of its guarantee of these loans, which is reflected in the table above and included in its consolidated balance sheets.

(b) Except for allowance and liability for estimated losses, amounts represent non-GAAP measures.

Consumer Loan Fees

Consumer loan fees decreased $8.7 million, or 7.1%, to $113.2 million in 2013 compared to $121.9 million in 2012. The decrease in consumer loan fees was primarily due to a decrease in consumer loan demand in the Company’s retail services locations and the Texas Consumer Loan Store Closures.

Consumer Loan Loss Provision

The loss provision as a percentage of consumer loan fees increased to 29.5% in 2013 from 24.0% in 2012 primarily due to a shift in mix of loans in the portfolio in 2013 as compared to 2012 to include a higher proportion of the installment loans, which generally carry higher loss rates than short-term consumer loans. Additionally, the Company experienced higher charge-offs and decreased collections in each of these portfolios in 2013 as compared to 2012, leading to higher loan losses in the overall portfolio. The consumer loan loss provision increased $4.1 million, or 14.1%, to $33.4 million from 2012 to 2013.

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The following table sets forth interest and fees on consumer loans by product type, and the related loan loss provision for the years ended December 31, 2013 and 2012 (dollars in thousands):

	Year Ended December 31,					
	2013			2012		
	Short-term loans	Installment loans	Total	Short-term loans	Installment loans	Total
Consumer loan fees	$100,146	$13,065	$113,211	$109,972	$11,920	$121,892
Less: consumer loan loss provision	27,513	5,846	33,359	25,283	3,942	29,225
Consumer loan fees, net loss provision	$72,633	$7,219	$79,852	$84,689	$7,978	$92,667
Year-over-year change—$	$(12,056)	$(759)	$(12,815)	$(4,854)	$2,330	$(2,524)
Year-over-year change—%	(14.2)%	(9.5)%	(13.8)%	(5.4)%	41.3%	(2.7)%
Consumer loan loss provision as a % of consumer loan fees	27.5%	44.7%	29.5%	23.0%	33.1%	24.0%

The table below shows the average amount per consumer loan by product for 2013 compared to 2012. The decrease in the average amount of installment loans outstanding from December 31, 2012 to December 31, 2013 was primarily due to a change in the mix of products in the installment loan portfolio. In 2013, the Company introduced an installment loan product that had a lower average balance relative to its other installment loan products, which resulted in a decrease in the average loan outstanding for 2013.

	Year Ended December 31,	
	2013	2012
Average amount per consumer loan (in ones)[a]		
Short-term loans	$474	$473
Installment loans	2,083	3,069

[a] The disclosure regarding the average amount per consumer loan is statistical data that is not included in the Company’s financial statements.

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Consumer Loan Information by Product

The following tables provide additional information related to each of the Company’s consumer loan products as of and for the year ended December 31, 2013 and 2012 (dollars in thousands):

	2013		2012	
Short-term consumer loans:				
Consumer loan loss provision	$27,513		$25,283	
Charge-offs (net of recoveries)	27,628		24,795	
Allowance and liability for losses	4,232		4,347	
Short-term consumer loans written and renewed:[a]				
Company owned	$712,253		$743,575	
Guaranteed by the Company[b]	104,236		145,221	
Combined consumer loans written and renewed	$816,489		$888,796	
Short-term consumer loans and fees receivable:				
Gross - Company owned	$49,856		$52,171	
Gross - Guaranteed by the Company [b]	4,900		7,134	
Combined consumer loans and fees receivable, gross [c]	$54,756		$59,305	
Short-term consumer loan ratios:				
Consumer loan loss provision as a % of combined consumer loans written and renewed[a]	3.4	%	2.8	%
Charge-offs (net of recoveries) as a % of combined consumer loans written and renewed[a]	3.4	%	2.8	%
Consumer loan loss provision as a % of consumer loan fees	27.5	%	23.0	%
Allowance and liability for losses as a % of combined consumer loans and fees receivable, gross[c]	7.7	%	7.3	%

(a) The disclosure regarding the amount of short-term consumer loans written and renewed is statistical data that is not included in the Company’s financial statements.

(b) Represents loans originated by third-party lenders through the CSO programs, which are not included in the Company’s financial statements.

(c) Non-GAAP measure.

	2013		2012	
Installment loans:				
Consumer loan loss provision	$5,846		$3,942	
Charge-offs (net of recoveries)	5,441		3,575	
Allowance and liability for losses	1,709		1,304	
Installment loan ratios:				
Consumer loan loss provision as a % of consumer loan fees	44.7	%	33.1	%
Allowance and liability for losses as a % of combined ending consumer loan balance[a]	7.6	%	6.3	%

(a) Non-GAAP measure.

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Expenses

The table below shows additional detail of the total expenses for the Company for the years ended December 31, 2013 and 2012 (dollars in thousands):

	Year Ended December 31,	
	2013	2012
Operations and administration:		
Personnel	$262,820	$264,143
Occupancy	118,124	115,489
Other	88,274	100,624
Total operations and administration	469,218	480,256
Depreciation and amortization	56,128	62,156
Total expenses	$525,346	$542,412
Year-over-year change - $		
Operations and administration	$(11,038)	$42,109
Depreciation and amortization	(6,028)	19,270
Total	$(17,066)	$61,379
Year-over-year change - %	(3.1)%	12.8%

Consolidated total expenses decreased $17.1 million, or 3.1%, to $525.3 million in 2013 compared to $542.4 million in 2012.

Operations and Administration Expenses

Operations and administration expenses decreased $11.0 million, or 2.3%, to $469.2 million during 2013 compared to 2012. Components of the decrease included a $12.3 million decrease in other expenses, a $1.3 million decrease in personnel expenses and a $2.6 million increase in occupancy expenses.
The $12.3 million decrease from 2012 to 2013 in other expenses was primarily driven by the higher expenses incurred in 2012 related to the $13.4 million charge for the Ohio Reimbursement Program. Also contributing to the decrease in other expenses was approximately $4.4 million of lower expenses in 2013 from the charges incurred in 2012 related to the Mexico Reorganization and $7.0 million lower operating and administrative costs in 2013 from the reduced operations in Mexico in 2013, mainly as a result of the Mexico Reorganization. In addition, in 2013, the Company recognized a benefit in operations and administration expenses of $5.0 million related to the Ohio Adjustment, partially offset by a $2.5 million charge incurred in 2013 related to the Regulatory Penalty. Other decreases in other expenses were primarily due to decreased collection costs in 2013 as a result of a decrease in loans written, lower processing charges related to the disposition of commercial merchandise and lower underwriting costs related to a decrease in loans written in 2013. Partially offsetting the decreases noted above was an increase related to an accrual of $18.0 million in 2013 for the 2013 Litigation Settlement.

Depreciation and Amortization Expenses

Consolidated depreciation and amortization expenses decreased $6.0 million, or 9.7%, primarily due to the reduction in assets and impairment charges taken in 2012 from the Mexico Reorganization, partially offset by acquisitions in late 2012 and in 2013 and an increase in depreciation and amortization associated with corporate assets.

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Interest Expense and Interest Income

In connection with the Company's reporting of Enova in discontinued operations as a result of the Enova Spin-off, interest expense for the Company from continuing operations excludes interest in 2013 and 2012 for the Enova Note Receivable. This interest was included as interest income for both of these years.

The following table shows the Company's interest income and expense for the years ended December 31, 2014 and 2013 (dollars in thousands):

	Year Ended December 31,			
	2013	2012	Change	% Change
Interest expense	$36,319	$29,134	$7,185	24.7 %
Interest income	19,862	21,143	(1,281)	(6.1)%
Interest expense, net	$16,457	$7,991	$8,466	105.9 %

Interest expense, net of interest income, increased $8.5 million, or 105.9%, to $16.5 million in 2013 as compared to $8.0 million in 2012. The Company's interest income in 2013 and 2012 related primarily to the Enova Note Receivable. The average amount outstanding for the Enova Note Receivable was lower in 2013 compared to 2012, resulting in a decrease in interest income of $1.3 million in 2013 from 2012. In addition, the Company issued the $300.0 million in aggregate principal amount of 5.75% Senior Notes, or 2018 Senior Notes, in May 2013. Following the issuance of the 2018 Senior Notes, the Company decreased the outstanding indebtedness under its Domestic and Multi-currency Line of Credit, which had a lower effective interest rate than the 2018 Senior Notes. As a result, the Company's effective blended borrowing cost increased to 5.5% in 2013 compared to 4.8% in 2012.

Income Taxes

During 2013, the Company recorded an income tax benefit of $15.5 million on pre-tax profits of $44.0 million, resulting in a negative effective tax rate of (35.3%). The negative effective tax rate was primarily due to the recognized income tax benefit of $33.2 million associated with the Creazione Deduction as well as the release of reserves established for unrecognized tax benefits associated with the Company's Mexico operations. During 2012, the Company recorded income tax expense of $46.3 million on pre-tax profits of $81.4, resulting in an effective tax rate of 56.9%. The effective tax rate was negatively impacted by a $12.6 million valuation allowance related to the deferred tax assets of the Company's Mexico subsidiaries. Without the impact of these items, the Company's effective tax rate would have been 39.6% and 41.9% for 2013 and 2012, respectively. The effective tax rate for 2012 was also negatively impacted by significant losses in the Company's Mexico-based pawn operations, which were taxed at a lower rate than the domestic operations.

Net Loss Attributable to the Noncontrolling Interest

Net (income) loss attributable to the noncontrolling interest changed by $6.1 million in 2013 from a net loss attributable to the noncontrolling interest of $5.8 million in 2012 to net income attributable to the noncontrolling interest of $0.3 million in 2013, primarily due to the Company's purchase of the outstanding shares held by minority shareholders in Creazione in September 2012.

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Net Income from Discontinued Operations

As a result of the Enova Spin-off, the financial results of Enova are presented as discontinued operations for all applicable periods in this discussion. Net income from discontinued operations increased $16.8 million, or 25.2%, from 2012 to 2013. The increase was primarily due to 19.9% increase in net revenue, driven by higher revenue from Enova's domestic and foreign line of credit account and installment loan portfolios and lower consumer loan loss rates across Enova's entire consumer loan portfolio. Enova's effective tax rate for 2013 and 2012, respectively, was 35.7% and 36.6%.

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LIQUIDITY AND CAPITAL RESOURCES

The Company manages its liquidity and capital positions to satisfy three primary objectives. First, near-term liquidity is managed to ensure that adequate resources are available to fund the Company’s seasonal working capital growth, which is driven by demand for the Company’s loan products. Second, longer-term financing strategies are used to manage the Company’s debt refinancing risk, and third, long-term capital strategies are used to provide the capital necessary to fund the Company’s long-term strategic growth objectives. Near-term liquidity is provided through operating cash flows and the utilization of borrowings under the Company’s Domestic and Multi-currency Line of Credit. Long-term liquidity is provided through long-term debt financing and the issuance of debt securities.
Long-term capital needs are managed by assessing the growth capital needs of the Company over time and balancing those needs against the internal and external capital resources available. Longer-term financing risk is managed by staggering the Company’s debt maturities and issuing new long-term debt securities from time to time as market conditions permit.

The Company has historically generated significant cash flow through normal operating activities for funding both short-term and long-term needs. As a result, operating cash flow, which may be supplemented with borrowings under the Company’s Domestic and Multi-currency Line of Credit is expected to meet the needs of near-term operating objectives without reliance on short-term credit instruments such as warehouse lines of credit, asset-backed securities or commercial paper.

Management considers additional sources of long-term funding when strategic transactions, such as large scale acquisitions, are necessary or desirable. Historically, funding for long-term strategic transactions has been supplemented by the Company’s long-term unsecured bank line of credit or other long-term debt securities.

As of December 31, 2014, 2013 and 2012, the Company believes it was in compliance with all financial ratios, covenants and other requirements set forth in its debt agreements. Representatives of a small number of holders of the 2018 Senior Notes, which the Company believes own less than a majority of the aggregate principal amount of the 2018 Senior Notes, have indicated that they believe the Enova Spin-off was not permitted by the 2018 Senior Notes Indenture. These noteholders have taken the position that the Company is in default under the Indenture and that a make-whole premium is payable, in addition to principal and accrued interest. The Company disagrees with the assertion that a default exists under the 2018 Senior Notes Indenture and also disagrees that a make-whole premium would be due in the event of a default because, among other things, the 2018 Senior Notes Indenture provides that upon acceleration of the 2018 Senior Notes due to a default, the repayment remedy is the repayment of principal and accrued interest with no provision for a make-whole premium. The Company believes the position taken by these noteholders is without merit and the Company intends to vigorously defend its position on these issues if formally asserted. 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. As of the date of this Annual Report, the Company has ample liquidity and capital resources, including availability under the Company’s Domestic and Multi-Currency Line of Credit, to repay the 2018 Senior Notes regardless of the outcome of this claim.

In the event of a significant decline in demand for the Company’s products and services or other unexpected changes in financial condition, the Company could experience a violation of its debt agreements that could result in an acceleration of the Company’s debt, increase the Company’s borrowing costs, and possibly adversely affect the Company’s ability to renew its existing bank line of credit or obtain new credit on favorable terms in the future. The Company does not anticipate a significant decline in demand for its services and has historically been successful in maintaining compliance with, and renewing, its debt agreements. To the extent the Company experiences short-term or long-term funding disruptions, the Company has the ability to address these risks through a variety of adjustments related to the current assets of the business, which predominately have short durations. Such actions could include the immediate liquidation of jewelry inventory, which is comprised primarily of gold items that would be refined into pure gold and sold on the open market, and adjustments to its lending practices to consumers that would reduce cash outflow requirements while increasing cash inflows through repayments of loans. Additional alternatives may include the sale of assets, including the Enova shares held by the Company, reductions in capital spending and/or the issuance of debt or equity securities, all of which could be expected to generate additional liquidity.

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Cash Flows

The Company's continuing cash flows and other key indicators of liquidity are summarized as follows (dollars in thousands):

	Year Ended December 31,		
	2014	2013	2012
Net cash provided by continuing operating activities	$127,775	$140,763	$137,708
Pawn activities	$(24,203)	$(33,564)	$2,449
Consumer loans	(24,742)	(31,324)	(28,564)
Acquisitions, net of cash acquired	(1,207)	(165,284)	(78,039)
Purchases of property and equipment	(37,910)	(46,400)	(61,527)
Proceeds from sale of marketable equity securities	—	6,616	—
Proceeds from divestitures, net of cash divested	21,534	—	5,471
Proceeds from note receivable	431,034	36,187	16,280
Dividends received	122,384	—	—
Other investing activities	246	776	(926)
Net cash provided by (used in) continuing investing activities	$487,136	$(232,993)	$(144,856)
Net cash (used in) provided by continuing financing activities	$(581,533)	$89,289	$7,028
Net cash provided by discontinued operations	$56,363	$5,194	$764
Working capital	$658,937	$862,067	$710,566
Current ratio	6.5 x	2.4 x	2.2 x
Merchandise turnover	2.3 x	2.4 x	3.0 x
Total debt to adjusted EBITDA ratio[(a)]	1.8 x	5.5 x	3.3 x

(a) Non-GAAP measure. See "Overview—Non-GAAP Disclosure—Adjusted EBITDA" section for a reconciliation of adjusted EBITDA to net income attributable to the Company.

Cash Flows from Continuing Operating Activities

2014 comparison to 2013

Net cash provided by continuing operating activities decreased $13.0 million, or 9.2%, from $140.8 million in 2013 to $127.8 million in 2014.

The significant components of the decrease included:

- a $69.8 million decrease in net income from continuing operations, which was impacted by certain expense items shown in "Overview-Non-GAAP Disclosures-Adjusted Earnings Measures" and "Results of Operations—Highlights;" and
- a $20.4 million decrease in accounts payable and accrued expenses, primarily due to an $18.6 million payment made in 2014 related to the accrued 2013 Litigation Settlement.

Offset by:

- a $23.6 million increase due to a change in income taxes, which increased net income in 2013, primarily due to the recognized income tax benefit of $33.2 million associated with the Creazione Deduction in 2013 offset by the tax impact of lower pre-tax income in 2014;
- a $19.8 million increase of non-cash interest income on the Enova Note Receivable in 2013. Interest income on the Enova Note Receivable in 2014 was paid by Enova as part of the full repayment of the Enova Note Receivable in 2014;

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- a $15.9 million increase related to changes in “Restricted cash” on the Company’s consolidated balance sheet. The Company established an $8.0 million restricted cash fund in 2013 in connection with the Company’s Consent Order issued by the CFPB. In 2014, the Company reclassified a majority of the cash previously held in “Restricted cash” to “Cash and cash equivalents” in connection with the release of restrictions on the accrued funds; and
- $17.9 million of other net increases to net cash provided by continuing operating activities, primarily related to divestitures and debt extinguishment, which are non-cash items.

Management believes that its expected cash flows from operations and available cash balances and borrowings will be sufficient to fund the Company’s operating liquidity needs.

2013 comparison to 2012

Net cash provided by continuing operating activities increased $3.1 million, or 2.2%, from $137.7 million in 2012 to $140.8 million in 2013.

The significant components of the increase included:

- a $24.3 million increase in net income from continuing operations.

Offset by:

- an $8.0 million decrease related to the establishment of a restricted cash fund in 2013 in connection with the Company’s Consent Order with the CFPB;
- a $6.0 million decrease related to a decrease in depreciation and amortization expense, a non-cash item, primarily due to the reduction in assets and impairment charges taken in 2012 from the Mexico Reorganization, partially offset by acquisitions in late 2012 and in 2013 and an increase in depreciation and amortization associated with corporate assets; and
- a $5.1 million decrease due to a change in income taxes.

Cash Flows from Continuing Investing Activities

2014 comparison to 2013

Net cash from continuing investing activities increased $720.1 million from 2013 to 2014, from a $233.0 million use of cash in 2013 to a $487.1 million source of cash in 2014.

The significant components of the increase included:

- a $394.8 million increase due to proceeds received in 2014 in connection with the repayment in full of the Enova Note Receivable;
- a $164.1 million increase related to $165.3 million of cash used in 2013 for acquisitions compared to $1.2 million used for acquisitions in 2014;
- a $122.4 million increase in cash related to dividends received from Enova in 2014;
- a $21.5 million increase in cash related to the proceeds from the divestitures of the Company’s Mexico-based pawn operations and five Colorado pawn lending locations in 2014; and
- an $8.5 million decrease in cash used for purchases of property and equipment.

Offset by:

- a $9.4 million increase in cash used by pawn activities, primarily due to a decrease in the disposition of merchandise through commercial sales of gold resulting in an increase in merchandise available for

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disposition in retail services locations, which is a result of the Company's strategy to emphasize the sale of gold through retail channels rather than commercial channels.

Management anticipates that expenditures for property and equipment for 2015 will be between $20 million and $30 million, excluding acquisitions of stores, primarily for the remodeling of stores, facility upgrades, technology infrastructure and the establishment of up to five new locations. The Company has agreed, pursuant to a private letter ruling received from the IRS to sell its retained shares of Enova common stock (other than shares retained for delivery under the Company's long-term incentive plans) within two years following the Enova Spin-off, which will increase cash flows from continuing investing activities. See "Recent Developments—Enova Spin-off" for additional information.

2013 comparison to 2012

Net cash used in continuing investing activities increased $88.1 million, or 60.8%, from $144.9 million in 2012 to $233.0 million in 2013.

The significant components of the increase included:

- an $87.2 million increase in cash used for acquisitions, as described below; and
- a $36.0 million increase in cash used by pawn activities, primarily due to a decrease in the disposition of merchandise through commercial sales of gold resulting in an increase in merchandise available for disposition in retail services locations, which is a result of the Company's strategy to emphasize the sale of gold through retail channels rather than commercial channels.

Offset by:

- a $19.9 million increase in proceeds for the partial paydown of the Enova Note Receivable; and
- a $15.1 million decrease in expenditures for purchases and equipment, primarily due to decreased expenditures in 2013 for remodeling of existing locations.

The Company completed the acquisition of 76 domestic pawn lending locations in 2013, including the acquisition 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) and the acquisition of a 34-store chain of pawn lending locations in Georgia and North Carolina (31 locations in Georgia and three locations in North Carolina). Consideration for these acquisitions was paid in cash and funded through available cash and the Company's Domestic and Multi-currency Line of Credit.

Cash Flows from Continuing Financing Activities

2014 comparison to 2013

Net cash flows from continuing financing activities decreased by $670.8 million from 2013 to 2014, from a source of cash of $89.3 million in 2013 to a use of cash of $581.5 million in 2014. The significant components of the change included:

- a $424.9 million increase in cash used for several debt reduction activities in 2014, including prepayment in its entirety of the Company's Private Placement Notes, the purchase of a portion of the Company's outstanding 2018 Senior Notes, payments made in connection with the repurchase of a portion of the 2029 Convertible Notes and the conversion and redemption of the remainder of the 2029 Convertible Notes and a reduction of the outstanding indebtedness under the Company's Domestic and Multi-currency Line of Credit; and
- a $300.0 million decrease in cash received from the issuance in 2013 of the 2018 Senior Notes, net of payments for debt issuance costs, as described further below.

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Offset by:

- a $44.7 million decrease in cash used for repurchases of shares of Company common stock primarily through open market transactions. See “Share Repurchases” below for additional information related to share repurchase activity.

As of December 31, 2014, the Company had no borrowings outstanding on its Domestic and Multi-currency Line of Credit, and it had $280.0 million of available borrowings. Management believes that the borrowings available under the Company’s Domestic and Multi-currency Line of Credit, anticipated cash generated from operations and current working capital of $658.9 million is sufficient to meet the Company’s anticipated capital requirements for its business. See Note 11 of the consolidated financial statements for additional information regarding the Company’s debt instruments, including the Domestic and Multi-currency Line of Credit, which was amended in 2014 and 2013.

The Company had standby letters of credit of $12.0 million issued under its $20.0 million standby Letter of Credit Facility as of December 31, 2014.

2013 comparison to 2012

Net cash provided by continuing financing activities increased $82.3 million, from $7.0 million in 2012 to $89.3 million in 2013.

The significant components of the increase included:

- a net increase in the proceeds received from the issuance of long-term debt of $248.0 million, mainly from the issuance and sale of $300.0 million of 2018 Senior Notes in May of 2013, which is discussed in greater detail below.

Offset by:

- a $145.2 million increase in cash used in 2013 for payments and repurchases of long-term debt, including the repayment of outstanding balances under the Company’s Domestic and Multi-currency Line of Credit, the repurchase, through privately negotiated transactions, of a portion of the 2029 Convertible Notes, and for debt issuance costs incurred in conjunction with the issuance of the 2018 Senior Notes and the amendments to the Domestic and Multi-currency Line of Credit, as discussed below; and
- a $22.5 million increase in cash used in 2013 from 2012 for repurchases of shares of Company common stock, primarily through open market transactions. The Company repurchased $47.6 million of the Company’s common shares in 2013. See “Share Repurchases” below for additional information related to share repurchase activity.

On May 15, 2013, the Company issued and sold the 2018 Senior Notes for an aggregate principal amount of $300.0 million. The 2018 Senior Notes bear interest at a rate of 5.75% per year on the principal amount, payable semi-annually in arrears on May 15 and November 15 of each year, beginning on November 15, 2013. The 2018 Senior Notes will mature on May 15, 2018. The 2018 Senior Notes were sold to qualified institutional buyers in accordance with Rule 144A under the Securities Act, and outside the United States pursuant to Regulation S under the Securities Act. The 2018 Senior Notes are senior unsecured debt obligations of the Company. The 2018 Senior Notes are guaranteed by all of the Company’s domestic subsidiaries and one foreign subsidiary. As required by a registration rights agreement that the Company entered into with the initial purchasers when the 2018 Senior Notes were issued, the Company completed an exchange offer with respect to the 2018 Senior Notes in January 2014. All of the unregistered 2018 Senior Notes have been exchanged for identical new notes registered under the Securities Act.

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Net Cash Flows from Discontinued Operations

2014 comparison to 2013

Net cash flows provided by discontinued operations increased by $51.2 million from 2013 to 2014, primarily due to:

- a $143.0 million decrease in cash used by investing activities in 2014, mainly as a result of a decrease in cash used for consumer loan activities as a result of decreased loans written and increased payments from customers and collections on consumer loans.

Offset by:

- a $39.8 million increase in cash used by financing activities, primarily due to payments of $431.0 million made by Enova to repay the Enova Note Receivable and for aggregate dividend payments of $122.4 million to the Company in 2014. These uses of cash were partially offset by cash proceeds from the issuance of $500.0 million of senior unsecured notes by Enova in 2014 (see "Interest Expense and Interest Income" above); and
- a $52.0 million decrease in cash provided by operating activities, primarily due to a decrease in the consumer loan loss provision from 2013 to 2014, a non-cash item.

2013 comparison to 2012

Net cash flows provided by discontinued operations increased by $4.4 million from 2012 to 2013, primarily due to:

- a $62.9 million increase in cash provided by operating activities in 2013, primarily due to higher net income in 2013 and an increase in the consumer loan loss provision, a non-cash item in 2013.

Offset by:

- a $38.5 million increase in cash used by investing activities, primarily due to additional cash used for consumer loan activities in 2013 compared to 2012 as a result of growth in Enova's consumer loan portfolio; and
- a $19.9 million decrease in cash used for financing activities as a result of lower payments by Enova on the Enova Note Receivable.

Contractual Obligations and Commitments

The table below summarizes the Company's contractual obligations at December 31, 2014, and the effect such obligations are expected to have on its liquidity and cash flow in future periods (dollars in thousands).

	2015	2016	2017	2018	2019	Thereafter	Total
Long-term debt	—	—	—	196,470	—	—	196,470
Interest on long-term debt	11,297	11,297	11,297	5,649	—	—	39,540
Non-cancelable operating leases	55,881	47,605	37,407	29,533	22,172	40,811	233,409
Total	$67,178	$58,902	$48,704	$231,652	$22,172	$40,811	$469,419

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Share Repurchases

On January 28, 2015, the Board of Directors of the Company authorized a new share repurchase program for the repurchase of up to 4.0 million shares of the Company's common stock, or the 2015 Authorization, and canceled the Company's previous share repurchase authorization from January 2013, or the 2013 Authorization. During 2014, the Company purchased 62,909 shares in open market transactions under the 2013 Authorization for a total investment of $1.3 million, including commissions. Management anticipates that it will periodically purchase shares under the 2015 Authorization based on its assessment of market characteristics, the liquidity position of the Company and alternative prospects for the investment of capital to expand the business and pursue strategic objectives.

At December 31, 2014, there were 1,470,391 shares remaining under the 2013 Authorization to repurchase shares. Generally, the Company retains the shares upon repurchase in treasury, which are not considered outstanding for earnings per common share computation purposes. For additional information regarding the Company's share repurchases during the year ended December 31, 2014, see "Item 5(c)—Issuer Purchases of Equity Securities" in Part II.

Off-Balance Sheet Arrangements

In certain markets, the Company arranges for consumers to obtain consumer loan products from one of its independent third-party lenders through the CSO programs. For consumer loan products originated by third-party lenders under the CSO programs, each lender is responsible for providing the criteria by which the consumer's application is underwritten and, if approved, determining the amount of the consumer loan. The Company in turn is responsible for assessing whether or not the Company will guarantee such loans. When a consumer executes an agreement with the Company under the CSO programs, the Company agrees, for a fee payable to the Company by the consumer, to provide certain services to the consumer, one of which is to guarantee the consumer's obligation to repay the loan received by the consumer from the third-party lender if the consumer fails to do so. The guarantee represents an obligation to purchase specific loans that go into default. Short-term loans that are guaranteed generally have terms of less than 90 days. Unsecured installment loans that are guaranteed generally have terms of two to 12 months. Installment loans secured by the customer's vehicle that are guaranteed typically have terms of up to 60 months. As of December 31, 2014 and 2013, the outstanding amount of active consumer loans originated by third-party lenders under the CSO programs was $9.8 million and $17.5 million, respectively, which were guaranteed by the Company. The estimated fair value of the liability for estimated losses on consumer loans guaranteed by the Company of $1.1 million and $1.0 million as of December 31, 2014 and 2013, respectively, is included in "Accounts payable and accrued expenses" in the consolidated balance sheets.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Market risks relating to the Company's operations historically result primarily from changes in interest rates, gold prices and foreign currency exchange rates. The Company does not engage in speculative or leveraged transactions, nor does it hold or issue financial instruments for trading purposes. As of December 31, 2014, the Company did not have significant foreign operations to cause significant foreign currency risk. Additionally, as of December 31, 2014, the Company did not have any outstanding variable rate debt borrowings.

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Gold Price Risk

The Company periodically uses forward sale contracts with a major gold bullion bank to sell a portion of the expected amount of refined gold produced in the normal course of business from its liquidation of gold merchandise. A significant decrease in the price of gold would result in a reduction of proceeds from the disposition of refined gold to the extent that the aggregate amount sold exceeded the amount of contracted forward sales. In addition, a significant and sustained decline in the price of gold would negatively impact the value of some of the goods pledged as collateral by customers and other items which are now, or could be in the future, identified for liquidation as refined gold. In this instance, management believes some customers would be willing to add additional items of value to their pledge in order to obtain the desired loan amount. However, those customers unable or unwilling to provide additional collateral would receive lower loan amounts, possibly resulting in a lower balance of pawn loans outstanding for the Company.

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ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

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Report of Independent Registered Public Accounting Firm

To the Board of Directors and Shareholders of Cash America International, Inc.:

In our opinion, the accompanying consolidated balance sheets and the related consolidated statements of income, comprehensive income, equity, and cash flows present fairly, in all material respects, the financial position of Cash America International, Inc. and its subsidiaries (the "Company") at December 31, 2014 and 2013, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2014 in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2014, based on criteria established in Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The Company's management is responsible for these financial statements, for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the Report of Management on Internal Control over Financial Reporting appearing under Item 9A. Our responsibility is to express opinions on these financial statements and on the Company's internal control over financial reporting based on our integrated audits. We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement and whether effective internal control over financial reporting was maintained in all material respects. Our audits of the financial statements included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ PricewaterhouseCoopers LLP

Fort Worth, Texas

March 13, 2015

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CASH AMERICA INTERNATIONAL, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(dollars in thousands, except per share data)

	December 31, 2014	2013
Assets		
Current assets:		
Cash and cash equivalents	$53,042	$19,748
Restricted cash	60	8,000
Pawn loans	252,168	261,148
Consumer loans, net	44,853	54,732
Merchandise held for disposition, net	212,849	208,899
Pawn loan fees and service charges receivable	53,648	53,438
Income taxes receivable	8,881	9,573
Prepaid expenses and other assets	21,317	24,969
Deferred tax assets	—	8,448
Note receivable	—	425,413
Investment in equity securities	131,584	—
Current assets of discontinued operations	—	390,589
Total current assets	778,402	1,464,957
Property and equipment, net	201,054	221,818
Goodwill	487,569	495,214
Intangible assets, net	45,828	52,211
Other assets	9,594	14,843
Noncurrent assets of discontinued operations	—	256,101
Total assets	$1,522,447	$2,505,144
Liabilities and Equity		
Current liabilities:		
Accounts payable and accrued expenses	$74,331	$88,514
Customer deposits	17,314	14,803
Current portion of long-term debt	—	22,606
Current deferred tax liabilities	27,820	—
Current liabilities of discontinued operations	—	476,967
Total current liabilities	119,465	602,890
Deferred tax liabilities	72,432	56,414
Other liabilities	878	980
Noncurrent liabilities of discontinued operations	—	45,054
Long-term debt	196,470	717,383
Total liabilities	$389,245	$1,422,721
Commitments and Contingencies (Note 13)		
Equity:		
Common stock, $0.10 par value per share, 80,000,000 shares authorized, 30,235,164 shares issued and outstanding	3,024	3,024
Additional paid-in capital	86,388	150,833
Retained earnings	1,030,387	1,017,981
Accumulated other comprehensive income	71,959	4,649
Treasury shares, at cost (1,428,495 shares and 2,224,902 shares as of December 31, 2014 and 2013, respectively)	(58,556)	(94,064)

Total equity	1,133,202	1,082,423
Total liabilities and equity	$1,522,447	$2,505,144

See notes to consolidated financial statements.

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CASH AMERICA INTERNATIONAL, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
(dollars in thousands, except per share data)

	Year Ended December 31,		
	2014	2013	2012
Revenue			
Pawn loan fees and service charges	$329,368	$311,799	$300,929
Proceeds from disposition of merchandise	660,006	595,439	703,767
Consumer loan fees	97,674	113,211	121,892
Other	7,648	10,037	12,855
Total Revenue	1,094,696	1,030,486	1,139,443
Cost of Revenue			
Disposed merchandise	474,137	410,613	478,179
Consumer loan loss provision	31,009	33,359	29,225
Total Cost of Revenue	505,146	443,972	507,404
Net Revenue	589,550	586,514	632,039
Expenses			
Operations and administration	490,465	469,218	480,256
Loss on divestitures	5,176	—	—
Depreciation and amortization	60,942	56,128	62,156
Total Expenses	556,583	525,346	542,412
Income from Operations	32,967	61,168	89,627
Interest expense	(26,520)	(36,319)	(29,134)
Interest income	7,647	19,862	21,143
Foreign currency transaction gain	113	17	29
Loss on extinguishment of debt	(22,553)	(607)	—
Equity in loss of unconsolidated subsidiary	—	(136)	(295)
(Loss) Income from Continuing Operations before Income Taxes	(8,346)	43,985	81,370
Provision (benefit) for income taxes	2,041	(15,505)	46,275
Net (Loss) Income from Continuing Operations before Noncontrolling Interest	(10,387)	59,490	35,095
Net (income) loss attributable to the noncontrolling interest in continuing operations	—	(308)	5,806
Net (Loss) Income from Continuing Operations	(10,387)	59,182	40,901
Net Income from Discontinued Operations, Net of Tax	109,025	83,346	66,569
Net Income Attributable to Cash America International, Inc.	$98,638	$142,528	$107,470
Earnings Per Share:			
Basic Earnings Per Share			
Net (Loss) Income from Continuing Operations	$(0.36)	$2.07	$1.39
Net Income from Discontinued Operations	$3.77	$2.91	$2.26
Net Income Attributable to Cash America International, Inc.	$3.41	$4.97	$3.64
Diluted Earnings Per Share			
Net (Loss) Income from Continuing Operations	$(0.36)	$1.93	$1.30
Net Income from Discontinued Operations	$3.72	$2.72	$2.12
Net Income Attributable to Cash America International, Inc.	$3.36	$4.66	$3.42
Weighted average common shares outstanding:			
Basic	28,901	28,657	29,514
Diluted	29,341	30,613	31,452

Dividends declared per common share	$0.155	$0.140	$0.140

See notes to consolidated financial statements.

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CASH AMERICA INTERNATIONAL, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(dollars in thousands)

	Year Ended December 31,		
	2014	2013	2012
Net income including noncontrolling interest	$98,638	$142,836	$101,664
Other comprehensive (loss) gain, net of tax:			
Unrealized derivatives gain[a]	—	—	12
Foreign currency translation (loss) gain[b]	(7,255)	1,664	9,064
Marketable equity securities unrealized gain (loss)[c]	71,959	(254	