

CASH AMERICA INTERNATIONAL INC

Form 8-K

September 28, 2012

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

PURSUANT TO SECTION 13 OR 15(d) OF THE

SECURITIES EXCHANGE ACT OF 1934

DATE OF REPORT (DATE OF EARLIEST EVENT REPORTED): September 24, 2012

CASH AMERICA INTERNATIONAL, INC.

(Exact name of registrant as specified in its charter)

Texas
(State of incorporation)

1-9733
(Commission

75-2018239
(IRS Employer

File No.)

Identification No.)

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1600 West 7th Street

Fort Worth, Texas 76102

(Address of principal executive offices) (Zip Code)

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

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

ITEM 2.05 COSTS ASSOCIATED WITH EXIT OR DISPOSAL ACTIVITIES

On September 24 2012, the Board of Directors of Cash America International, Inc. (the Company) approved the reorganization of its Mexico-based pawn operations (the Mexico reorganization) to include only full-service pawn locations that offer pawn loans based on the pledge of general merchandise and jewelry collateral, and the Company will discontinue the operations of approximately 147 of its jewelry-only Mexico-based pawn locations before the end of 2012. Following the reorganization, the Company expects to operate 47 full-service pawn locations in Mexico. During the six-month period ended June 30, 2012, the Company's Mexico-based pawn operations reported a loss from operations of \$8.3 million, primarily due to unprofitable stores, most of which were jewelry-only pawn locations. The Mexico reorganization was a result of the Company's decision to modify its business strategy in Mexico in order to meet its overall return expectations and improve profitability in its Mexico-based pawn operations.

The Company anticipates that it will incur total charges relating to the Mexico reorganization of between \$28 million and \$32 million. These total charges are expected to include, among other items, certain major types of costs such as charges related to one-time employee termination benefits, lease termination costs, impairment of property and equipment and the recognition of a valuation allowance on unrealizable deferred tax assets. The Company will provide an estimate of the amount or range of amounts for each major type of cost related to the Mexico reorganization, and, if applicable, an estimate of the amount or range of amounts of the charges that will result in any future cash expenditures, if any, in a subsequent filing or filings with the Securities and Exchange Commission within four business days after the Company is able to make a good faith determination of the applicable estimate or range of estimates.

The Company's press release announcing the Mexico reorganization is attached to this Current Report on Form 8-K as Exhibit 99.1.

ITEM 9.01 FINANCIAL STATEMENTS AND EXHIBITS

(d) Exhibits

The following Exhibit is furnished herewith:

Exhibit	Description
99.1	Cash America International, Inc. Press Release dated September 27, 2012

FORWARD-LOOKING STATEMENTS

This report contains forward-looking statements about the business, financial condition and prospects of the Company. The actual results of the Company could differ materially from those indicated by the forward-looking statements because of various risks and uncertainties including, without limitation: changes in domestic and foreign pawn, consumer credit, tax and other laws and governmental rules and regulations applicable to the Company's business or changes in the interpretation or enforcement thereof; the anticipated regulation of consumer financial products and services by the Consumer Financial Protection Bureau; acceptance by consumers, legislators or regulators of the negative characterization by the media and consumer activists with respect to certain of the Company's loan products; the reorganization of the Company's Mexico-based pawn operations; the deterioration of the political, regulatory or economic environment in foreign countries where the Company operates or in the future may operate; the actions of third parties who provide, acquire or offer products and services to, from or for the Company; changes in demand for the Company's services and the continued acceptance of the online distribution channel by the Company's online loan customers; fluctuations in the price of gold or a deterioration in economic conditions; changes in competition; the ability of the Company to open new locations in accordance with its plans or to successfully integrate newly acquired businesses into the Company's operations; interest rate and foreign currency exchange rate fluctuations; the effect of any current or

future litigation proceedings or any judicial decisions or rule-making that affect the Company's arbitration agreements; changes in the capital markets; changes in the Company's ability to satisfy its debt obligations or to refinance existing debt obligations or obtain new capital to finance growth; a prolonged interruption in the Company's operations of its facilities, systems and business functions, including its information technology and other business systems; security breaches, cyber attacks or fraudulent activity; the implementation of new, or changes in the interpretation of existing, accounting principles or financial reporting requirements; acts of God, war or terrorism, pandemics and other events; the effect of any of such changes on the Company's business or the markets in which it operates; and other risks and uncertainties indicated in the Company's filings with the Securities and Exchange Commission. These risks and uncertainties are beyond the ability of the Company to control, nor can the Company predict, in many cases, all of the risks and uncertainties that could cause its actual results to differ materially from those indicated by the forward-looking statements. When used in this report, terms such as believes, estimates, should, could, would, plans, expects, anticipates, may, forecasts, projects and similar expressions and variations as they relate to the Company or its management are intended to identify forward-looking statements. The Company disclaims any intention or obligation to update or revise any forward-looking statements.

SIGNATURES

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

CASH AMERICA INTERNATIONAL, INC.

Date: September 28, 2012

By: /s/ J. Curtis Linscott
J. Curtis Linscott
Executive Vice President, General Counsel

& Secretary

EXHIBIT INDEX

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