

EZCORP INC
Form S-4/A
November 04, 2008

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File No. 333-153703

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM S-4/A
PRE-EFFECTIVE AMENDMENT NO. 1
to
REGISTRATION STATEMENT
UNDER THE SECURITIES ACT OF 1933
EZCORP, INC.
(Exact name of registrant as specified in its charter)**

Delaware
(State or other jurisdiction
of incorporation or organization)

5900
(Primary Standard Industrial
Classification Code Number)
**1901 CAPITAL PARKWAY
AUSTIN, TEXAS 78746
(512) 314-3400**

74-2540145
(I.R.S. Employer
Identification Number)

(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

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(Name, address, including zip code, and telephone number, including area code, of agent for service)

Approximate dates of commencement of proposed sale to public: As soon as practicable after this registration statement becomes effective.

If the securities being registered on this Form are being offered in connection with the information of a holding company and there is compliance with General Instruction G, check the following box.

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

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

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

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company
(Do not check if a smaller reporting company)

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

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The information in this proxy statement/prospectus is not complete and may be changed. EZCORP may not sell these securities until the registration statement filed with the Securities and Exchange Commission, of which this document is a part, is declared effective. This proxy statement/prospectus is not an offer to sell these securities and EZCORP is not soliciting an offer to buy these securities in any state where an offer or sale is not permitted.

SUBJECT TO COMPLETION, DATED NOVEMBER 4, 2008
VALUE FINANCIAL SERVICES, INC.
NOTICE OF SPECIAL MEETING OF SHAREHOLDERS

Date: _____, 2008

Time: 5:00 p.m.

Place: The Memphis Hilton
939 Ridge Lake Boulevard
Memphis, TN 38120

Dear Shareholders:

The board of directors of Value Financial Services, Inc., a Florida corporation (VFS), has called this special meeting of shareholders for the following purposes:

1. To approve: (i) the articles of amendment to the amended and restated articles of incorporation of VFS to amend the effective time of a mandatory conversion of series A-1 participating stock, series A-2 participating stock and series B participating stock to occur upon approval of such mandatory conversion with no requirement of prior written notice, subject to approval and completion of the merger; and (ii) the conversion of all participating stock into common stock, subject to approval and completion of the merger (upon completion of the merger, all accrued and unpaid dividends due to the holders of the series A-2 participating stock will be paid in full).
2. To approve the merger agreement by and between VFS, EZCORP, Inc., a Delaware corporation (EZCORP) and Value Merger Sub, Inc., a Florida corporation (Merger Sub) pursuant to which Merger Sub will merge with and into VFS. In the merger, VFS's shareholders will receive 0.75 shares of EZCORP's Class A Non-voting Common Stock (the EZCORP Shares) for each share of VFS's common stock. EZCORP will also pay a limited amount of additional consideration to VFS shareholders who sell their EZCORP Shares in the open stock market within 125 days after closing of the merger at prices either above or below \$14.67 per share. Further, EZCORP will pay cash of \$11.00 per share for up to 20% of the outstanding VFS common stock, on an as converted basis, to VFS shareholders who elect to receive cash instead of EZCORP Shares.
3. To transact any other business that may properly come before the special meeting.

Appraisal Rights

VFS has determined that you are entitled to assert appraisal rights under Chapter 607 of the Florida Statutes. In accordance with Florida law, a copy of Sections 607.1301-607.1333 of the Florida Statutes, regarding your entitlement to assert appraisal rights, is attached as Exhibit D to the accompanying proxy statement/prospectus.

Record Date

If you were a shareholder of record as of September 16, 2008, you are entitled to notice of and to vote on matters to which you are entitled at the special meeting. A list of VFS's shareholders entitled to vote at the meeting will be available during business hours at our offices, 1063 Maitland Commons Boulevard, Suite 200, Maitland, Florida 32751 for examination by any shareholder for any purpose germane to the meeting.

By Order of the Board of Directors,

/s/ John D. Thedford

John D. Thedford

Chairman of the Board, Chief Executive Officer and President

_____, 2008

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Exhibits

A	The Merger Agreement
B	Articles of Amendment to the Amended and Restated Articles of Incorporation of VFS
C	Fairness Opinion of Stephens, Inc.
D	Selected Provisions of the Florida Business Corporation Act (Appraisal Rights)
E	The Voting Agreement
F	Proxy Ballot

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QUESTIONS AND ANSWERS ABOUT THE SPECIAL MEETING AND THE MERGER

The following questions and answers are intended to address some commonly asked questions regarding the special meeting, the merger, the merger agreement, the amendment and the conversion. These questions and answers may not address all questions that may be important to you as a shareholder of Value Financial Services, Inc. (VFS). Please refer to the more detailed information contained elsewhere in this proxy statement/prospectus, the exhibits to this proxy statement/prospectus and the documents referred to in and delivered with this proxy statement/prospectus.

Q: WHAT AM I BEING ASKED TO VOTE ON?

A: Holders of outstanding VFS shares are being asked to vote on the following proposals:

1. To approve: (i) the amendment; and (ii) the conversion, both of which are subject to approval of the merger and the merger agreement and completion of the merger (upon completion of the merger, all accrued and unpaid dividends due to the holders of the series A-2 participating stock will be paid in full);
2. To approve the merger agreement and the merger; and
3. To transact any other business that may properly come before the special meeting.

Q: WHAT IS THE DATE, TIME AND PLACE OF THE SPECIAL MEETING?

A: The special meeting of shareholders of VFS will be held at the Memphis Hilton located at 939 Ridge Lake Boulevard, Memphis, TN 38120, on _____, 2008, at 5:00 p.m., local time.

Q: WHO IS SOLICITING MY PROXY?

A: This proxy is being solicited by the board of directors of VFS.

Q: WHAT ARE THE MATERIAL UNITED STATES FEDERAL INCOME TAX CONSEQUENCES OF THE MERGER?

A: Subject to the discussion under Material United States Federal Income Tax Consequences of the Merger, in connection with the filing of the registration statement of which this document forms a part, the merger will (1) qualify as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended (which we refer to as the Internal Revenue Code or the Code) and (2) EZCORP, Inc. (EZCORP), Value Merger Sub, Inc. and VFS will each be a party to the reorganization within the meaning of Section 368(b) of the Internal Revenue Code. Assuming the merger so qualifies, for United States federal income tax purposes, United States holders of VFS common stock will recognize gain (but will not recognize any loss), and the gain recognized will be equal to the lesser of (i) any cash received and (ii) the excess of (x) the sum of the cash received and the fair market value of the EZCORP common stock received over (y) the VFS common shareholder's tax basis in the shares of VFS common stock exchanged. In addition, the VFS common shareholder will recognize gain or loss attributable to cash received in lieu of a fractional share of EZCORP common stock. Please refer to the section entitled The Merger Material United States Federal Income Tax Consequences of the Merger beginning on page [____] of this proxy statement/prospectus.

Q: WHAT IF I DON'T AGREE WITH VFS'S DETERMINATION OF THE FAIR VALUE OF MY SHARES?

A: Under Florida law, you are entitled to assert your appraisal rights with respect to your shares and demand payment of your estimate of the fair value of your shares, as determined immediately prior to completion of the merger. A court of competent jurisdiction would then make a determination of the fair value of your shares, and VFS would pay you that amount, in cash. **In order to perfect your appraisal rights, you must not vote any of your shares in favor of the merger or the merger agreement, and you must fully comply with the provisions in Sections 607.1301-607.1333 of the Florida Statutes, which are summarized in *The Merger Agreement Appraisal Rights*, page 82, and the full text of which is set forth in Exhibit D attached to this proxy statement/prospectus.**

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Q: DO I HAVE APPRAISAL RIGHTS?

A: Yes. As a holder of VFS common stock, you are entitled to appraisal rights under the Florida Business Corporation Act in connection with the merger if you meet certain conditions and follow certain required procedures. See The Merger Appraisal Rights beginning on page [____] of this proxy statement/prospectus.

Q: WHAT IF THE AMENDMENT OR CONVERSION IS APPROVED AND THE MERGER IS NOT?

A: Neither the amendment nor the conversion will become effective unless the merger agreement and the merger are approved and the merger is completed.

Q: WHAT IS THE EFFECT OF THE AMENDMENT?

A: Currently, if holders of any series of VFS participating stock vote to convert their shares into common stock, the conversion will not become effective until ten days notice has been delivered to each affected holder. The amendment removes the ten day notice requirement, such that the conversion will occur upon approval of the conversion as described herein.

Q: WILL I BE PAID ANY OF THE UNPAID DIVIDENDS OWED TO ME?

A: It depends on the class of stock you hold as of the record date. The only shareholders entitled to dividends are the holders of VFS series A-2 participating stock. Such holders will be paid all of their accrued and unpaid dividends upon completion of the merger. As of June 30, 2008, the accrued, unpaid dividends on the series A-2 participating stock totaled approximately \$2.5 million. We estimate the accrued dividends on the series A-2 participating stock will equal approximately \$3.9 million upon completion of the merger and is approximately \$3.4 million as of the date of this proxy statement/prospectus.

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Q: HOW DOES THE VFS BOARD OF DIRECTORS RECOMMEND THAT I VOTE?

A: The VFS board of directors recommends that you should vote FOR each of the proposals.

Q: HAVE ANY VFS SHAREHOLDERS ALREADY COMMITTED TO VOTE FOR THE PROPOSALS?

A: Yes, three members of the VFS board of directors have agreed to vote their shares in favor of the merger. *See The Voting Agreement, page 85.*

Q: WHO IS ENTITLED TO VOTE AT THE SPECIAL MEETING?

A: Only shareholders of record as of the close of business on September 16, 2008, the record date for the special meeting, are entitled to receive notice of and to vote at the special meeting. If you hold shares of VFS series A-1 participating stock or VFS series B participating stock, you will have one vote at the special meeting for each share you owned at the close of business on the record date with respect to the merger. If you hold shares of VFS series A-2 participating stock, you will have 4.43 votes at the special meeting for each share you owned at the close of business on the record date with respect to the merger. With respect to the amendment and the conversion, each share of each class of VFS participating stock is entitled to one vote within their respective class.

Q: WHAT DO I NEED TO DO NOW? HOW DO I VOTE?

A: We urge you to read this proxy statement/prospectus, including its exhibits, carefully, and to consider how the conversion, the amendment, the merger agreement and the merger affect you. If you are a shareholder of record, then you can ensure that your shares are voted at the special meeting by submitting your proxy.

Q: HOW ARE VOTES COUNTED?

A: For any proposal, you may vote FOR, AGAINST or ABSTAIN. Abstentions will not count as votes cast on a proposal, but will count for the purpose of determining whether a quorum is present. As a result, if you ABSTAIN, it has the same effect as if you vote AGAINST the applicable proposal.

If you sign and return your proxy and do not indicate how you want to vote, your proxy will be voted FOR each of the proposals, and in accordance with the judgment of the person(s) named as attorneys in the proxy on any other matters properly brought before the meeting for a vote.

Q: MAY I VOTE IN PERSON?

A: Yes. You may attend the special meeting and vote your shares in person. We urge you to sign, date and return the enclosed proxy card or to vote as soon as possible, even if you plan to attend the special meeting, as it is important that your shares be represented and voted at the special meeting. If you attend the special meeting, you may vote in person as you wish, even

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though you have previously returned your proxy card. *See Q: May I change my vote after I have mailed my signed proxy card?, below.*

Q: WHEN SHOULD I SEND IN MY PROXY CARD?

A: You should send in your proxy card as soon as possible so that your shares will be voted at the special meeting.

Q: MAY I CHANGE MY VOTE AFTER I HAVE MAILED MY SIGNED PROXY CARD?

A: Yes. You may change your vote at any time before the shares reflected on your proxy card are voted at the special meeting. If your shares are registered in your name, you can do this in one of three ways: (1) you can deliver to VFS a written notice stating that you would like to revoke your proxy; the written notice should bear a date later than the proxy card; (2) you can complete, execute and deliver to VFS a new, later-dated proxy card for the same shares, provided the new proxy card is received before the polls close at the special meeting; or (3) you can attend the meeting and vote in person. Your attendance alone will not revoke your proxy. Any written notice of revocation should be delivered to VFS corporate secretary at or before the taking of the vote at the special meeting.

Q: SHOULD I SEND IN MY STOCK CERTIFICATE(S) NOW?

A: No. After the merger is completed, you will receive written instructions, including a letter of transmittal, for exchanging your shares for the applicable merger consideration.

Q: WHEN DO THE PARTIES EXPECT THE MERGER TO BE COMPLETED?

A: The parties expect to complete the merger immediately after shareholder approval of the conversion, the amendment, the merger and the merger agreement. It should be noted that if the merger has not been consummated by December 31, 2008, any of the parties to the merger agreement may terminate the merger agreement.

Q: WHEN WILL I RECEIVE THE CONSIDERATION FOR MY SHARES?

A: After the merger is completed, you will receive written instructions, including a letter of transmittal, that explain how to exchange your shares for the applicable consideration. When you properly complete and return the required documentation described in the written instructions, you will promptly receive from the paying agent a payment of the cash portion of the consideration for your shares.

Q: WHO CAN HELP ANSWER MY OTHER QUESTIONS?

A: If you have any questions please call John Thedford at (407) 339-0064 or VFS's legal counsel, Jeffery Bahnsen, Esq., at (561) 955-7600.

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**PROXY STATEMENT/PROSPECTUS
SUMMARY**

The following is a summary of the information contained elsewhere in this proxy statement/prospectus. This summary may not contain all of the information that is important to you. You should carefully read this entire proxy statement/prospectus and the other documents to which it refers. In particular, you should read the Exhibits attached to this proxy statement/prospectus, including the merger agreement which is attached as Exhibit A and is incorporated by reference into this proxy statement/prospectus. In addition, EZCORP incorporates by reference into this proxy statement/prospectus important business and financial information about EZCORP. You may obtain the information incorporated by reference into this proxy statement/prospectus without charge by following the instructions in the section entitled Where You Can Find More Information, page 122.

The Companies

EZCORP, Inc.
1901 Capital Parkway
Austin, TX 78746
(512) 314-3400
<http://www.ezcorp.com>

EZCORP is primarily a lender or provider of credit services to individuals who do not have cash resources or access to credit to meet their short-term cash needs. In 294 U.S. EZPAWN and 30 Mexico Empeño Fácil locations open on June 30, 2008, EZCORP offers non-recourse loans collateralized by tangible personal property, commonly known as pawn loans. At these locations, EZCORP also sells merchandise, primarily collateral forfeited from its pawn lending operations, to consumers looking for good value. In 461 EZMONEY locations and 71 EZPAWN locations open on June 30, 2008, EZCORP offers short-term non-collateralized loans, often referred to as payday loans, or fee based credit services to customers seeking loans.

Value Financial Services, Inc.
1063 Maitland Center Commons Blvd.
Suite 200
Maitland, FL 32751
www.valuepawnandjewelry.com

VFS operates 60 stores in Florida, making it the second largest pawn lender in the state, based on information provided by the National Pawnbrokers Association. VFS also operates seven stores in Georgia and Tennessee, each of which has characteristics that VFS believes are generally favorable to the provision of pawn loans.

Value Merger Sub, Inc.
1901 Capital Parkway
Austin, TX 78746
(512) 314-3400

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Merger Sub is a wholly-owned subsidiary of EZCORP that was incorporated in Florida on June 5, 2008. Merger Sub does not engage in any operations and exists solely to facilitate the merger.

Structure of the Merger (See Page 91)

Under the terms of the proposed merger, Merger Sub will be merged with and into VFS. The separate corporate existence of Merger Sub will cease, and VFS will continue as the surviving corporation and will become a wholly-owned subsidiary of EZCORP upon completion of the merger. The merger agreement dated September 16, 2008, by and among EZCORP, VFS and Merger Sub is attached as Exhibit A to this proxy statement/prospectus.

The completion of the merger is scheduled to take place immediately after the approval of the (1) amendment of VFS's articles of incorporation to amend the effective time of a mandatory conversion of certain participating stock to occur upon approval of such mandatory conversion with no requirement of prior written notice, (2) conversion of all shares of VFS participating stock into VFS common stock, and (3) merger agreement and the merger by a majority of the VFS shareholders and when each of the other conditions of the merger agreement have been satisfied or waived. It should be noted that if the merger has not been consummated by December 31, 2008, any of the parties to the merger agreement may terminate the merger agreement.

Merger Consideration (See Page 91)

VFS shareholders will be entitled to receive, upon the effectiveness of the merger and at such shareholder's election, either (1) 0.75 shares of EZCORP Class A Non-voting Common Stock (the "EZCORP Shares"), rounded up to the nearest whole EZCORP Share, or (2) \$11.00 cash for each share of VFS common stock owned by such shareholder at the effective time of the merger. The cash consideration is limited to 20% or less of the issued and outstanding VFS common stock, assuming for all purposes the exercise or conversion into common stock of all their outstanding capital stock other than common stock and exercise of all options, warrants or other conversion rights or rights to acquire VFS's common stock (the "VFS Common Stock"), and will be prorated if more VFS shareholders than the maximum decide to elect to receive the cash consideration.

The components of the merger consideration were developed by EZCORP to satisfy the following concerns of EZCORP and VFS, and the needs of VFS shareholders as EZCORP perceived them:

EZCORP desired, to the extent acceptable to VFS shareholders, to issue EZCORP Shares as consideration in the merger.

EZCORP realized that if it issued stock instead of cash as consideration, the time involved to complete the merger would be longer because of the necessity for SEC registration to issue the stock.

EZCORP believed that use of EZCORP stock as consideration would be acceptable to more VFS shareholders if EZCORP provided some sort of price protection against market swings in the EZCORP stock price.

EZCORP wanted to offer an incentive for taking EZCORP stock which would also improve the price per share and thereby discourage competing offers, or at least make EZCORP's offer look more attractive to the VFS shareholders.

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EZCORP believed that several of the smaller VFS shareholders wanted cash and not stock.

These considerations led EZCORP to offer a limited option to receive either EZCORP stock or cash in the merger and also to offer the deficiency guaranty and premium reserve described below. If you sell your EZCORP Shares in open market sales on NASDAQ within 125 days after closing of the merger, you may be entitled to additional payments described in the next section.

Value of Merger Consideration the Deficiency Guaranty and the Premium Reserve (See Page 91)*Deficiency Guaranty*

EZCORP has agreed to provide VFS shareholders some price protections if they sell their EZCORP Shares received in the merger within 125 days after the closing of the merger. Pursuant to such guaranty, EZCORP will pay a selling shareholder the difference between \$14.67 per share and the gross price per share the selling shareholder actually receives, if less than \$14.67 per share, up to a maximum of \$4.01 per share.

If you sell your EZCORP Shares at \$14.67 per share, you will receive the equivalent of \$11.00 per share of VFS Common Stock ($\$14.67 \times 0.75$ EZCORP Shares = \$11.00 per VFS share). If you sell your EZCORP Shares at less than \$10.66 per share within 125 days after the closing of the merger, the total amount of consideration, including the deficiency guaranty, will be less than \$11.00 per share of VFS Common Stock, because the deficiency guaranty will not make up the entire difference between the sale price of your EZCORP Shares and the \$11.00 cash per share merger consideration. Two examples of the deficiency guaranty are set forth below:

Sales Price of	Deficiency Guaranty	Total Amount Received for EZCORP	Equivalent Value per VFS Share
EZCORP Share	Amount	Share	VFS Share
\$12.00	\$2.67	\$ 14.67	\$11.00
\$10.00	\$4.01	\$ 14.01	\$10.51

In the second example above, the equivalent price per VFS share (when multiplied by the 0.75 exchange rate of EZCORP Shares per each share of VFS Common Stock) equals less than the \$11.00 agreed value of VFS shares for purposes of the merger.

If and to the extent that a VFS shareholder does not sell their EZCORP Shares within 125 days after the closing of the merger, they will not be entitled to any deficiency guaranty payment.

Premium Reserve

In addition to the deficiency guaranty, EZCORP has agreed to provide VFS shareholders who decide to sell their EZCORP Shares within 125 days after the closing of the merger a premium for sales of their EZCORP Shares for more than \$14.67 per share. For VFS

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shareholders who sell their EZCORP Shares for more than \$14.67 per share and, after a five day waiting period to facilitate share distribution, within the (1) first 35 day period from the date of the closing of the merger, EZCORP will pay \$1.33 per share, (2) second 30 day period from the date of the closing of the merger, \$1.00 per share, (3) third 30 day period from the date of the closing of the merger, \$0.67 per share, and (4) fourth 30 day period from the date of the closing of the merger, \$0.33 per share.

For example, a VFS shareholder who sells his stock for \$15.00 per share within 125 days after the closing of the merger would receive the following: in the following cases

Days After	Sales Price of EZCORP Share	Premium Reserve Amount	Total Amount Received for EZCORP Share	Equivalent Value per VFS Share
Closing				
20	\$ 15.00	\$1.33	\$ 16.33	\$12.25
45	\$ 15.00	\$1.00	\$ 16.00	\$12.00
90	\$ 15.00	\$0.67	\$ 15.67	\$11.75
120	\$ 15.00	\$0.33	\$ 15.33	\$11.50

If and to the extent that a VFS shareholder does not sell their EZCORP Shares within 125 days after the closing of the merger, or sell the shares for less than \$14.67 per share, they will not be entitled to any premium reserve payment. EZCORP will promptly pay the full amount of any premium reserve payments that become due. The maximum amount EZCORP will be required to pay is \$6,646,527, if all VFS shareholders elect to receive EZCORP Shares, and all of these shares are sold for more than \$14.67 per share within 35 days after closing.

Comparative Market Prices and Share Information

EZCORP Class A Non-voting Common Stock is quoted on the NASDAQ Global Select Market under the symbol EZPW. VFS, as a private company, does not have publicly traded stock. EZCORP offered to pay \$11.00 per share as merger consideration. The following table shows the closing sale price of EZCORP Class A Non-voting Common Stock as reported on the NASDAQ Global Select Market on September 16, 2008, the last trading day before we announced the merger, and on [], 2008, the last practicable trading day before distribution of this document. This table also shows the implied value of the EZCORP Shares to be used as merger consideration for each share of VFS common stock, which we calculated by multiplying the closing price of EZCORP Shares on those dates by the exchange ratio of 0.75. This implied value excludes the effect of any deficiency guaranty or premium reserve payment, as described above, as we cannot predict whether VFS shareholders will sell their EZCORP Shares during the period covered by the deficiency guarantee and premium reserve or the price at which VFS shareholders would sell their EZCORP Shares.

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	EZCORP Class A		Implied Value of One Share of VFS
	Non-voting Common Stock	VFS Common Stock	Common Stock
At September 16, 2008	\$ 16.35	\$ 11.00	\$ 12.2625
At [], 2008	\$ []	\$ []	\$ []

The market price of EZCORP Class A Non-voting Common Stock will fluctuate prior to the merger. VFS shareholders are urged to obtain current market quotations for EZCORP's shares prior to making any decision with respect to the merger.

The EZCORP Shares are Non-Voting (See Page 99)

The EZCORP Shares to be issued in the merger do not have voting rights. Only the Series B Voting Common Stock of EZCORP has the right to vote on any matter not required by the Delaware General Corporation Law to be voted upon separately by each class of equity securities. As such, VFS shareholders who receive EZCORP Shares in the merger will not have the right to vote for the election of directors or for other matters generally requiring a vote of common stockholders of a corporation. *See Comparison of the Rights and Privileges of the VFS Common Stock and the EZCORP Shares, page 99.*

Conditions to Closing the Merger (See Page 93)

The respective obligations of EZCORP, VFS and Merger Sub to complete the merger are subject to the satisfaction of a number of conditions.

Termination (See Page 95)

The merger agreement may be terminated by EZCORP, VFS or Merger Sub under certain circumstances at any time prior to the completion of the merger, whether before or after adoption of the merger agreement by VFS shareholders.

Termination Fee (See Page 96)

A termination fee of \$5 million may be payable by VFS to EZCORP upon the termination of the merger agreement under certain circumstances, including the failure of the VFS shareholders to approve the merger.

Non-Solicitation Agreement (See Page 96)

VFS has agreed that it will not solicit or encourage, directly or indirectly, any proposal or offer or engage in any negotiations with respect to any Acquisition Proposal, as such term is defined in the merger agreement. VFS has also agreed that it will immediately cease and cause to be terminated any existing negotiations with any third parties with respect to any Acquisition Proposal.

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VFS has agreed to promptly notify EZCORP if it receives any other acquisition proposals or acquisition inquiries and the material terms thereof.

Recommendation of the VFS Board of Directors to its Shareholders (See Pages 56 and 66)

The VFS board of directors has unanimously determined that the merger agreement and the merger are advisable and fair to, and in the best interests of, VFS and its shareholders, and unanimously approved the merger and the merger agreement. The VFS board of directors unanimously recommends that the VFS shareholders vote FOR each of the proposals. *See Reasons for the Merger, page 66. You should read this section.*

Risk Factors (See Page 21)

VFS shareholders should carefully consider the risk factors listed in this proxy statement/prospectus in evaluating whether to vote in favor of the proposal to adopt the merger agreement.

Opinion of VFS's Financial Advisor (See Page 69)

VFS's financial advisor, Stephens, Inc., (Stephens), delivered its opinion to the board of directors of VFS to the effect that, as of September 10, 2008, and based upon and subject to the various considerations described in its written opinion, the consideration to be received by the holders of VFS common stock pursuant to the merger agreement was fair, from a financial point of view, to the holders of such common stock.

The full text of the written opinion of Stephens, which sets forth the assumptions made, procedures followed, matters considered, and qualifications and limitations on the review undertaken by Stephens in rendering its opinion, is attached as Exhibit C to this proxy statement/prospectus. VFS shareholders are urged to, and should, read the opinion carefully and in its entirety. Stephens provided its opinion for the use and benefit of the board of directors of VFS in connection with its consideration of the merger. The Stephens opinion addresses only the fairness, from a financial point of view, of the consideration to be received by the VFS shareholders as of September 10, 2008, the date of the Stephens opinion. Although the merger agreement was revised to provide each shareholder with the right to select the category of merger consideration to be received (e.g., cash or stock), the VFS board did not request Stephens to provide an updated fairness opinion because Stephens had only opined as to the fairness, from a financial point of view, of the merger consideration of \$11.00 per share and not as to the category of consideration to be received. Accordingly, because the merger consideration of \$11.00 per share remained the same and Stephens had already opined as to its fairness, from a financial point of view, the VFS board did not believe that an updated fairness opinion would have provided it with any new or meaningful information. The Stephens opinion does not address the merits of the underlying decision by VFS to engage in the merger and does not constitute a recommendation as to how any holder of VFS Common Stock should vote on the proposed merger or any other matter.

Vote Required by VFS Shareholders (See Page 54)

The affirmative vote of a majority of the shares of each class of VFS stock, voting separately as a class, is required to approve the amendment and the conversion. The affirmative

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vote of a majority of the shares of the series A-1 and B participating stock voting together as a class and the series A-2 participating stock voting separately as a class is required to approve the merger and merger agreement.

As of the record date for the special meeting, VFS's directors, executive officers and their affiliates, as a group, beneficially owned and were entitled to vote an aggregate of approximately 57% of the outstanding series A-1, 8% of the outstanding series A-2 and 42% of the outstanding series B participating stock.

Pursuant to a voting agreement entered into by and among EZCORP, Merger Sub and three VFS directors who are shareholders of VFS, these VFS shareholders have agreed to vote their shares of VFS Common Stock in favor of adoption of the merger agreement. As of the record date for the VFS special meeting, VFS shareholders who are a party to the Voting Agreement collectively owned an aggregate of approximately 47% of the outstanding series A-1, 8% of the outstanding series A-2 and 37% of the outstanding series B participating stock.

Interests of Certain VFS Officers and Directors in the Merger (See Page 86)

When considering the recommendation by the VFS board of directors, you should be aware that John Thedford, the Chairman of the board, CEO and President of VFS, has interests in the merger that are different from, or in addition to, those of other VFS shareholders. Mr. Thedford will be released from his current employment obligations to VFS upon consummation of the merger. Mr. Thedford will then become an employee of Texas EZPAWN, L.P., a subsidiary of EZCORP and his title will be President of EZPAWN Worldwide. Mr. Thedford will be entitled to the following as the President of EZPAWN Worldwide:

- (1) A base salary of \$524,000 per year, with consideration for yearly merit increases, which are not guaranteed;
- (2) An unguaranteed annual bonus whereby Mr. Thedford may not earn any bonus or he may earn up to 150% of his base salary;
- (3) Consideration for (no guaranty) stock compensation based on performance; and
- (4) Severance payment equal to one year's salary if terminated without cause.

In comparison, Mr. Thedford, under his current employment agreement with VFS, is entitled to a base salary of \$425,000 per year and is eligible to earn a yearly bonus of 100% of his base salary. Mr. Thedford is not, however, eligible to receive any performance based equity compensation under his current employment agreement with VFS.

EZCORP Will List the EZCORP Shares on NASDAQ (See Page 82)

EZCORP has agreed to use its reasonable best efforts to cause the EZCORP Shares to be issued to VFS shareholders pursuant to the merger agreement to be authorized for listing on the NASDAQ Global Select Market, subject to notice of issuance. The listing of the shares on the NASDAQ Global Select Market (subject to notice of issuance) is a condition to VFS's obligation to complete the merger.

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Accounting Treatment of the Merger (See Page 82)

The merger will be accounted for as a purchase transaction for EZCORP, as the acquirer, for financial reporting purposes under U.S. generally accepted accounting principles.

EZCORP's Credit Facility (See Page 98)

EZCORP has secured an amendment to its existing credit facility with a banking syndicate led by Wells Fargo Bank, N.A., as agent and issuing bank. This amendment to EZCORP's credit facility will provide for, among other things, (1) an \$80 million revolving credit facility that EZCORP may request to be increased to \$110 million, and (2) a \$40 million term loan.

The credit facility amendments and related loan documents have been placed in escrow pending the earlier of (1) the closing of the merger or (2) December 31, 2008.

SUMMARY SELECTED CONSOLIDATED FINANCIAL DATA OF EZCORP

The tables below present summary selected consolidated financial data of EZCORP prepared in accordance with U.S. generally accepted accounting principles, or GAAP. The following selected financial data should be read in conjunction with EZCORP's consolidated financial statements and related notes, Management's Discussion and Analysis of Financial Condition and Results of Operations, and other financial information in EZCORP's Annual Report on Form 10-K for the fiscal year ended September 30, 2007 as filed with the SEC on December 14, 2007, which is incorporated by reference into this proxy statement/prospectus. *See Where You Can Find More Information, page 122.*

The consolidated statement of operations data set forth below for the nine months ended June 30, 2008 and June 30, 2007 and the consolidated balance sheet data as of June 30, 2008 and June 30, 2007, are derived from, and are qualified by reference to the unaudited condensed consolidated financial statements of EZCORP and the related notes thereto that are incorporated by reference into this proxy statement/prospectus. The consolidated statement of operations data set forth below for the fiscal year ended September 30, 2007, September 30, 2006 and September 30, 2005, and the consolidated balance sheet data as of September 30, 2007 and September 30, 2006, are derived from, and qualified by reference to, the audited financial statements of EZCORP and the related notes thereto that are incorporated by reference into this proxy statement/prospectus. The consolidated statement of operations data for the fiscal year ended September 30, 2004 and September 30, 2003, and the consolidated balance sheet data as of September 30, 2005, September 30, 2004 and September 30, 2003, are derived from audited financial statements not included in, or incorporated by reference into, this proxy statement/prospectus.

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	Fiscal Years Ended September 30,				
	2003	2004	2005	2006	2007
	<i>(Amounts in thousands, except per share and store figures)</i>				
Operating Data:					
Sales	\$ 134,591	\$ 143,472	\$ 148,410	\$ 177,424	\$ 192,987
Pawn service charges	58,175	59,090	62,274	65,325	73,551
Signature loan fees	12,538	23,874	42,200	71,840	104,347
Other	1,045	1,361	1,275	1,263	1,330
Total revenues	206,349	227,797	254,159	315,852	372,215
Cost of goods sold	86,100	88,202	90,678	106,873	118,007
Net revenues	120,249	139,595	163,481	208,979	254,208
Store operating expenses	81,822	87,898	97,079	111,738	128,602
Signature loan bad debt	3,551	8,067	13,000	17,897	28,508
Corporate administrative expenses	17,008	21,845	23,067	27,749	31,749
Depreciation and amortization	8,775	7,512	8,104	8,610	9,812
Interest expense (income), net	2,006	1,528	1,275	(79)	(1,373)
Equity in net income of unconsolidated affiliate	(1,412)	(1,739)	(2,173)	(2,433)	(2,945)
(Gain) loss on sale of assets	170	3	79	(7)	(72)
Impairment of investment	1,100				
Income before income taxes and cumulative effect of adopting a new accounting principle	7,229	14,481	23,050	45,504	59,927
Income tax expense (benefit)	(1,170)	5,358	8,298	16,245	22,053
Income before cumulative effect of adopting a new accounting principle	8,399	9,123	14,752	29,259	37,874
Cumulative effect of adopting a new accounting principle, net of tax	(8,037)				
Net income	\$ 362	\$ 9,123	\$ 14,752	\$ 29,259	\$ 37,874
Earnings per common share, diluted	\$ 0.01	\$ 0.23	\$ 0.36	\$ 0.69	\$ 0.88
Cash dividends per common share	\$	\$	\$	\$	\$
Weighted average common shares and share equivalents, diluted	37,656	39,366	40,722	42,264	43,230

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