

CASH AMERICA INTERNATIONAL INC  
Form DEF 14A  
March 26, 2008

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the Securities

Exchange Act of 1934 (Amendment No. )

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
  - Confidential, For Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
  - Definitive Proxy Statement
  - Definitive Additional Materials
  - Soliciting Material Pursuant to §240.14a-12
- CASH AMERICA INTERNATIONAL, INC.**

(Name of Registrant as Specified in Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

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- No fee required.
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1) Amount Previously Paid:

2) Form, Schedule or Registration Statement No.:

3) Filing Party:

4) Date Filed:

1600 West 7th Street

Fort Worth, Texas 76102

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

To Be Held April 23, 2008

To Our Shareholders:

You are cordially invited to attend Cash America International, Inc.'s Annual Meeting of Shareholders to be held on Wednesday, April 23, 2008 at 9:00 a.m., Central Daylight Time, at the Cash America Building, 1600 West 7<sup>th</sup> Street, Fort Worth, Texas 76102. At the Annual Meeting, we will ask you to:

- (1) Elect eight directors to serve until the 2009 Annual Meeting;
- (2) Ratify the appointment of PricewaterhouseCoopers LLP as our independent registered public accounting firm for 2008;
- (3) Consider a shareholder proposal, if presented at the meeting; and

- (4) Transact any other business properly brought before the meeting or any adjournments to the meeting.

Only shareholders of record at the close of business on March 5, 2008 are entitled to vote at the Annual Meeting. The presence, in person or by proxy, of the holders of a majority of the issued and outstanding common stock entitled to vote at the meeting is required for a quorum to transact business. The stock transfer books will not be closed.

We sincerely desire your presence at the meeting. Whether or not you plan to attend the meeting in person, please sign and date the enclosed proxy card and return it promptly in the enclosed prepaid envelope. If you attend the meeting, you may revoke your proxy and vote in person.

By Order of the Board of Directors,

J. Curtis Linscott

*Secretary*

Fort Worth, Texas

March 26, 2008

**1600 West 7th Street**

**Fort Worth, Texas 76102**

**PROXY STATEMENT**

**for**

**ANNUAL MEETING OF SHAREHOLDERS**

**April 23, 2008**

**GENERAL INFORMATION**

Our Board of Directors is soliciting proxies for the 2008 Annual Meeting of Shareholders. We will hold the Annual Meeting at 9:00 a.m., Central Daylight Time, on Wednesday, April 23, 2008 at the Cash America Building, 1600 W. 7<sup>th</sup> Street, Fort Worth, Texas 76102 and at any recess or adjournment thereof. We will begin sending this proxy statement and the enclosed proxy card to our shareholders on or about March 26, 2008.

We are enclosing our Annual Report to Shareholders for the year ended December 31, 2007 with these proxy materials, but it is not part of the proxy solicitation material.

**PURPOSE OF THE ANNUAL MEETING**

At the Annual Meeting, we will ask you to:

- (1) Elect eight directors to serve until the 2009 Annual Meeting;
- (2) Ratify the appointment of PricewaterhouseCoopers LLP as our independent registered public accounting firm for 2008;
- (3) Consider a shareholder proposal, if presented at the meeting; and
- (4) Transact any other business properly brought before the meeting or any adjournments to the meeting.

**VOTING PROCEDURES**

**Who Can Vote.** Only record holders of our common stock at the close of business on March 5, 2008, the record date, are entitled to vote. At the close of business on the record date, 29,200,689 shares of common stock, par value \$.10 per share, were issued and outstanding. Each share owned on the record date is entitled to one vote. Shareholders do not have the right to vote cumulatively in director elections.

**Quorum.** A quorum will be present at the Annual Meeting if the holders of a majority of the issued and outstanding shares of common stock as of the record date are present in person or by proxy. Shares represented by a proxy marked *withhold* or *abstain* will be considered present at the Annual Meeting for purposes of determining a quorum.

**How to Vote.** If you are a shareholder of record, you may vote in person at the Annual Meeting, or by proxy without attending the Annual Meeting. You may vote by mail by signing, dating and returning your proxy card in the enclosed prepaid envelope. If you hold your shares in an account through a broker or other nominee in street name, you should complete, sign and date the voting instruction card that your broker or nominee provides to you or as your broker or nominee otherwise instructs.

**Vote Required to Elect Directors.** The eight nominees for election as directors who receive the most votes for election will be elected. Withheld votes, abstentions and broker non-votes do not affect whether a nominee has received sufficient votes to be elected.

**Vote Required to Adopt Other Proposals.** The affirmative vote of the majority of common stock represented in person or by proxy will be required to approve the other proposals presented. If you abstain, your shares will be treated as shares present or represented and voting, so that your abstention will have the effect as a vote against the proposal.

**How Your Shares Will Be Voted if You do Not Provide Instructions to Your Broker.** If your broker holds your shares in street name, your broker, as the registered holder, must vote your shares in accordance with your instructions. If you do not provide voting instructions, your broker has the discretion to vote those shares with respect to certain routine items (sometimes called discretionary items), but not with respect to non-routine, or non-discretionary items. Shares for which brokers do not receive instructions, sometimes called broker non-votes, will be included in determining the presence of a quorum at the meeting but will not be considered present for purposes of voting on a non-discretionary proposal. The election of directors and the proposal to ratify the selection of our independent public accounting firm will be discretionary items. The shareholder proposal will be non-discretionary.

**How Your Shares Will Be Voted if New Matters Are Raised at the Meeting.** If new matters are raised at the meeting and we did not have notice of the matter on or before February 13, 2008 (45 days before the date we mailed our 2007 proxy statement), the shares will be voted at the discretion of the proxy holders.

**What to do if You Wish to Change Your Voting Instructions.** If you wish to change or revoke your voting instructions after you have submitted your proxy, you may do so at any time before the proxies are voted at the Annual Meeting either (a) by notifying the Secretary of the Company in writing at the Company's principal executive offices that you wish to revoke your proxy, (b) by delivering a subsequent proxy relating to the same shares, or (c) by attending the Annual Meeting and voting in person. Please note that your attendance at the Annual Meeting will not of itself revoke your proxy.

**We Will Bear Solicitation Expenses.** We will bear the expenses of this proxy solicitation and reimburse brokerage firms and other custodians, nominees and fiduciaries for their expenses in forwarding solicitation materials to beneficial owners. Georgeson Shareholder Communications, Inc. will assist us in the solicitation of proxies and we will pay Georgeson approximately \$6,000 for these services. Our directors, officers, regular employees or our transfer agent may also solicit proxies after the original solicitation. We will not pay these persons additional compensation for these efforts, but will reimburse their out-of-pocket expenses.

**PROPOSAL 1****ELECTION OF DIRECTORS**

Our Board of Directors has eight members, each of whom is elected annually. The Board, upon the recommendation of the Nominating and Corporate Governance Committee, has nominated the eight persons listed below for election as directors. Those elected will serve until the 2009 Annual Meeting, until their successors are elected and qualify or until their earlier death or resignation.

Each nominee is a current director who was elected at the 2007 Annual Meeting. All nominees are independent except for Mr. Daugherty and Mr. Feehan. There are no family relationships among any of the directors and executive officers.

Each nominee has agreed to serve if elected. If a nominee becomes unavailable for election or cannot serve, an event that we do not expect, the Board of Directors may substitute another nominee or reduce the number of nominees. In this event, the proxy holders may vote in their discretion for any substitute nominee that the Board proposes unless you indicate otherwise.

The following is information about each nominee:

Name and Age	Principal Occupation During Past Five Years	Director Since
Jack R. Daugherty (60)	Mr. Daugherty founded the Company and has served as Chairman of the Board since its inception. He was also the Company's Chief Executive Officer from its inception until his retirement in February 2000. Mr. Daugherty has owned and operated pawnshops since 1971. Other public company directorships currently held: None.	1983
Daniel E. Berce (54)	Mr. Berce has been President and Chief Executive Officer of AmeriCredit Corp since August 2005 and its President since April 2003. He was AmeriCredit's Vice Chairman and Chief Financial Officer from November 1996 until April 2003, and, prior to November 1996, served AmeriCredit as its Executive Vice President, Chief Financial Officer and in other positions. Before joining AmeriCredit, he was a partner with Coopers & Lybrand. Other public company directorships currently held: AmeriCredit Corp and AZZ incorporated.	2006
A. R. Dike (72)	Mr. Dike has owned and served as President of The Dike Co., Inc. (a private insurance agency) since 1998. He served as Chairman of Willis Corroon Life, Inc. of Texas from 1991 through June 1999. Other public company directorships currently held: AmeriCredit Corp.	1988
Daniel R. Feehan (57)	Mr. Feehan became Chief Executive Officer and President of the Company in February 2000. Prior to that he served as President and Chief Operating Officer, beginning January 1990. Other public company directorships currently held: AZZ incorporated and RadioShack Corporation.	1984

Name and Age	Principal Occupation During Past Five Years	Director Since
James H. Graves (59)	Mr. Graves has served as Managing Director and Partner of Erwin, Graves & Associates, LP, a management consulting firm located in Dallas, Texas, since January 2002. He is also a Director of BankCap Partners, LP, a private equity fund, which he co-founded in February 2006. He was Chief Executive Officer of Texas Capital Investors, a subsidiary of Texas Capital Bank Holding Company, from October 2005 until February 2006. He was Vice Chairman and Chief Operating Officer of Detwiler, Mitchell & Co., a Boston-based securities research firm, from June 2002 until June 2006. He has been a partner in Haverfield Homes, LP, a Dallas-based home construction company, since June 2004. From November 2000 until January 2002, he was a Managing Director-Investment Banking for UBS Warburg. Other public company directorships currently held: Hallmark Financial Services, Inc.	1996
B. D. Hunter (78)	Mr. Hunter served as Vice Chairman of the Board of Service Corporation International, a publicly held company that owns and operates funeral homes and related businesses, from January 2000 until February 2005 and is currently a consultant to that company. Other public company directorships currently held: None.	1984
Timothy J. McKibben (59)	Mr. McKibben has served as Chairman of the Board of Ancor Holdings, L.P., a private investment firm, since 1994. Prior to that he served as Chairman of the Board and President of Anago Incorporated, a medical products manufacturing company he co-founded in 1978. Other public company directorships currently held: None.	1996
Alfred M. Micallef (65)	Mr. Micallef has served as Chairman of JMK International, Inc., a holding company of rubber and plastics manufacturing businesses, for more than five years. Other public company directorships currently held: None.	1996

**The Board of Directors unanimously recommends that you vote *FOR* each of the nominees.**

**PROPOSAL 2**

**RATIFICATION OF**

**INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

The Audit Committee of the Board of Directors has selected PricewaterhouseCoopers LLP as our independent registered public accounting firm for fiscal 2008 subject to your ratification.

The Board is asking you to ratify the selection of PricewaterhouseCoopers LLP. Although our bylaws do not require this ratification, the Board believes that the selection of the independent registered public accounting firm is an important matter of shareholder concern and that a proposal that shareholders ratify this selection is an important opportunity for you to provide direct feedback to the Board on an important issue of corporate governance. If our shareholders do not ratify the selection, we will consider that action as a direction to the Audit Committee and the Board of Directors to consider the selection of a different firm. Even if you do ratify this selection, the Audit Committee can select a different independent registered public accounting firm, subject to ratification by the full Board, whenever it determines that such a change would be in the best interests of the Company and its shareholders.

Representatives of PricewaterhouseCoopers LLP will be present at the Annual Meeting to respond to questions and will have the opportunity to make a statement.

**The Board of Directors unanimously recommends a vote *FOR* the ratification of PricewaterhouseCoopers LLP as the Company's independent registered public accounting firm for 2008.**

**Audit and Non-Audit fees**

Fees paid to PricewaterhouseCoopers LLP during the last two fiscal years were as follows:

	2007	2006	Description of Fees
Audit Fees:	\$ 742,500	\$ 741,731	Audit fees consist primarily of the audit and quarterly reviews of the consolidated financial statements, the audit of management's assessment of internal control over financial reporting, and statutory audits of subsidiaries required by governmental or regulatory bodies.
Audit-Related Fees:	-0-	205,485	Audit-related fees consist of acquisition due diligence services and uniform franchise offering circular review.
<b>Total:</b>	<b>\$ 742,500</b>	<b>\$ 947,216</b>	

We paid no tax-related or other fees to PricewaterhouseCoopers LLP during the last two fiscal years.

**Policy on Audit Committee Pre-Approval of Audit and Permissible Non-Audit Services of Independent Registered Public Accounting Firm**

The Audit Committee must pre-approve all auditing services and permitted non-audit services that the independent registered public accounting firm is to perform for the Company, subject to the requirements of applicable law.

Before engaging the independent registered public accounting firm for the next year's audit, our management will present a proposal to the Audit Committee describing the services in each of four categories of services (audit services, audit-related services, tax services and other services) that the firm is expected to render during the next year and a budget for fees related to such services.



After the Audit Committee has approved the proposal, it must approve any fees that exceed the budgeted amount for a particular category of services or the engagement of the independent registered public accounting firm for any services not included in the proposal. The Audit Committee periodically monitors the services rendered by, and actual fees paid to, the independent registered public accounting firm to ensure that such services are within the parameters that the Audit Committee has approved.

The Audit Committee pre-approved all of the Audit and Audit-Related Fees for 2006 and 2007.

### PROPOSAL 3

#### SHAREHOLDER PROPOSAL

We have been notified that two shareholders intend to jointly present the following proposal for consideration at the annual meeting, which we are presenting as submitted to us. The affirmative vote of the holders of a majority of shares represented in person or by proxy and entitled to vote on the proposal will be required for approval. Abstentions will have the effect of a negative vote on the proposal. Broker non-votes will not be considered entitled to vote on the proposal and will not be counted in determining the number of shares necessary for approval of the proposal.

#### Proposal

Christian Brothers Investment Services, Inc., 90 Park Avenue, 29<sup>th</sup> Floor, New York, NY 10016, which held 4,500 shares as of November 15, 2007, and the Benedictine Sisters of Boerne, Texas, 285 Oblate Drive, San Antonio, TX 78216, who owned 1,600 shares as of November 19, 2007, have notified us that they intend to jointly present the following proposal for consideration at the annual meeting:

#### *Establish Anti-Predatory Lending Policies*

#### **Whereas:**

*Our company provides consumer cash advances, or payday loans, but unlike many financial services providers, our company makes little effort to ensure the suitability of its products for borrowers.*

*According to the Cash America website, the annual percentage rate for a typical payday loan exceeds 400%, though a study found that nearly half of all borrowers believed their rate to be under 30% (Credit Research Center, 2001).*

*The industry claims that these loans are for occasional short-term cash needs only, yet many borrowers obtain frequent payday loans. According to a 2003 Iowa Banking Division study, the average payday borrower in Iowa received 12 such loans per year, suggesting that many people may be using cash advances to roll over or flip earlier payday loans.*

*According to the Coalition for Responsible Lending, the average payday loan borrower pays nearly \$800 to repay a loan of \$325. Since most payday loan customers are of low or moderate income, frequent roll-overs of cash advances could result in a debt trap from which some would be unable to emerge.*

*Critics have identified several industry activities as predatory, including:*

*Triple digit interest rates and poor disclosure of borrowing costs;*

*Loan flipping;*

*Mandatory arbitration clauses; and*

*Little or no consideration of borrowers' ability to repay.*



*Policymakers are increasingly restricting the practice of payday lending:*

*All four national banking regulators effectively prohibit banks under their supervision from marketing payday lending products.*

*At least eleven states passed laws that effectively end the practice, with the District of Columbia doing so in September 2007.*

*Federal law caps loans to U.S. Military service personnel at 36%.*

*Legislation recently introduced in Congress would ban lending based on post-dated checks or debits drawn on depository institutions, a key industry practice.*

*The academic and political consensus is increasingly that payday loans harm the interests of working poor and military customers. The media has extensively covered the high financial and professional price military customers pay for payday loans, and the industry has been criticized for targeting military families for predatory loans.*

**Resolved:** *Shareholders request that the board of directors of Cash America form an independent committee of outside directors to (1) oversee the amendment of current policies and the development of enforcement mechanisms to prevent employees or affiliates from engaging in predatory lending practices; and (2) provide a report to shareholders that offers assurances about the adequacy of the policy and its enforcement, by May 2009.*

#### **Supporting Statement**

*Shareholders have no means of evaluating the effectiveness of current company policies. Reports to shareholders on our company's anti-predatory lending policies should include:*

*Metrics to determine whether loans were consistent with the borrowers' ability to repay;*

*The results of our company's efforts to be transparent regarding the terms of loan amounts; and*

*An assessment of the reasonableness of collection procedures.*

*Policies must be accompanied by thorough internal controls and public reporting to allow shareholders to evaluate the company's success in complying with its own standard.*

#### **The Board of the Directors unanimously recommends a vote AGAINST this proposal for the following reasons:**

The Board believes that the proposal is not in the best interests of Cash America or its shareholders and is unnecessary, as we already have procedures and controls in place to address the concerns it identifies.

We have been in the business of providing financial services to our customers for over 23 years and have provided short-term cash advances, also known as payday loans, for nearly 10 years. Our experience has provided us an in-depth knowledge of the types of financial services that our customers want and that are suitable to their needs and their ability to repay. In our cash advance business, we evaluate our customers' ability to repay and facilitate our lending decisions by using our own proprietary credit scoring models and credit scoring models of third parties with vast experience in the cash advance industry. We do not make a loan if we believe a customer cannot repay it.

Several of the state laws that govern our cash advance products create suitability standards by dictating how much we can advance to a customer based on the customer's income and/or prior loan activity, or by limiting the number of loans that our customers can receive. Many of these state laws also impose extensive licensing and disclosure requirements, limitations on rollovers and a variety of other consumer protections. These laws were vigorously debated in formal legislative processes and provide parameters deemed appropriate for residents within each state. In

addition, as a result of a new federal law limiting the interest rate charged to military personnel, our cash advance products are no longer available to military personnel or their families.

We are also a leading member of the Community Financial Services Association of America (the CFSA), a national association of responsible lenders that promotes cash advance legislation and regulation providing payday advance customers with substantive consumer protections while preserving their access to short-term credit options, and encourages responsible industry practices. We adhere to guidelines that the CFSA has developed as best practices, and requires that its members follow, to promote responsible lending practices in the payday loan industry, and to ensure that our customers have complete information about their loan and are treated fairly and in compliance with the laws applicable to their loan. Among other things, the guidelines developed by the CFSA include:

Fully disclosing the terms of each loan, including prominent disclosure of the annual percentage rate, as required by the Federal Truth in Lending Act and applicable state laws;

Providing customers who are unable to repay a loan according to its original terms an opportunity, at least once in a 12-month period, to repay the loan in installments over an extended period at no extra cost;

Limiting the number of times a customer can extend an outstanding advance to not more than four times, and only if such extensions are allowed under applicable state law;

Requiring that any rates or fees charged are permitted by state or federal law;

Providing customers the right to rescind any cash advance transaction on or before the close of the following business day without incurring any charges on the loan;

Promoting responsible use of cash advances and informing customers of the intended use of the cash advance service, so that they understand which uses of this short-term loan product are appropriate;

Collecting past due amounts in a professional, fair and lawful manner, and in accordance with the collection limitations contained in the Fair Debt Collection Practices Act and applicable state laws.

We already disclose in our SEC filings information about the performance of our cash advance portfolio, including metrics concerning loans written and the magnitude of loan losses sustained by lending to this customer group. We believe that these disclosures provide an effective means for our shareholders to evaluate our cash advance practices and procedures. In addition, since we believe our proprietary loan scoring criteria provides us with a competitive advantage in the cash advance industry, disclosure of the information requested by the proponents could compromise that competitive advantage. Accordingly, we believe that developing and maintaining the additional reporting proposed by the proponents would serve mainly to impose additional time, resource and expense burdens without providing meaningful additional benefit to our shareholders.

Several recent academic studies have concluded that payday lending is beneficial to customers and provides them a valuable credit alternative. A recent report prepared by staff members of the Federal Reserve Bank of New York has concluded that consumers in areas without access to payday loans experience increased credit problems, such as higher bounced check fees and late charges, more problems with debt collectors and other lenders, more sales of personal assets to stave off bankruptcy, increases in Chapter 7 bankruptcies, and greater overall financial distress. We believe our products provide a valuable tool to our customers to meet their financial needs and avoid these types of distress.

We are proud of our record in providing financial services to persons for whom traditional lending sources are unavailable or unsuitable. We believe that our products provide a valuable credit alternative to our customers.

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**BOARD STRUCTURE, CORPORATE GOVERNANCE MATTERS**

**AND**

**DIRECTOR COMPENSATION**

**Committees of the Board of Directors**

Our Board of Directors has three standing committees: the Audit Committee, Management Development and Compensation Committee, and Nominating and Corporate Governance Committee. Committee members are named below. All members of the three standing committees are independent directors.

**Audit**  
Daniel E. Berce (chair)  
James H. Graves  
Timothy J. McKibben

**Management Development and  
Compensation**  
James H. Graves (chair)  
Daniel E. Berce  
A.R. Dike

**Nominating and Corporate Governance**  
Timothy J. McKibben (chair)  
B.D. Hunter  
Alfred M. Micallef

*Audit Committee.* The Audit Committee's principal responsibilities are described under Audit Committee Report found later in this Proxy Statement. The Audit Committee Report also describes the independence and financial expert status of Audit Committee members.

*Management Development and Compensation Committee.* The Management Development and Compensation Committee's responsibilities include (i) overseeing the Company's incentive compensation plans and equity-based plans, (ii) developing and overseeing the Company's succession planning and leadership development efforts and (iii) annually reviewing and approving the corporate goals and objectives relevant to the Chief Executive Officer's compensation, evaluating the CEO's performance in light of those goals and objectives, and setting the CEO's compensation level based on that evaluation. The Committee also administers the 2004 Long-Term Incentive Plan. The full Board of Directors reviews the Committee's decisions and recommendations relating to executive compensation.

*Nominating and Corporate Governance Committee.* The Nominating and Corporate Governance Committee considers and recommends to the Board qualified candidates for inclusion on the slate of nominees for the Board of Directors. It also assists in developing and recommending corporate governance principles and practices, including determining director independence and committee membership.

**Meetings of the Board of Directors**

During 2007:

the Board of Directors held four meetings, acted by unanimous written consent once, and held a strategic planning retreat;

the Audit Committee held five meetings;

the Management Development and Compensation Committee held eight meetings;

the Nominating and Corporate Governance Committee held four meetings; and

the non-management members of the Board of Directors held four executive sessions.

All directors attended 75% or more of meetings of the Board and committees on which they serve, and seven attended our 2007 Annual Meeting. While we do not have a formal policy requiring them to do so, we encourage our directors to attend the Annual Meeting and expect that they will. Non-management members of the Board of Directors hold regular executive sessions in conjunction with each of the Board's regularly scheduled meetings and at other times as they may deem necessary.



**Director Qualification Criteria**

Candidates for director are selected for their character, judgment, business experience and acumen. Financial expertise and familiarity with national and international issues affecting our business are among the relevant criteria. Our Corporate Governance Principles also require that a majority of the Board meet the New York Stock Exchange ( NYSE ) listing standards independence criteria.

**Directors Compensation****2007 DIRECTOR COMPENSATION**

Name	Fees Earned or Paid in cash (\$) <sup>(1)</sup>	Stock Awards (\$) <sup>(3)(4)</sup>	All Other Compensation (\$)	Total(\$)
Jack R. Daugherty	\$ 26,000	\$ 40,024	\$ 4,103 <sup>(5)</sup>	\$ 70,127
Daniel R. Feehan	\$ 26,000			\$ 26,000
Daniel E. Berce,	\$ 40,000	\$ 16,680		\$ 56,680
<b>Chairman of the Audit Committee</b>				
A.R. Dike	\$ 31,000	\$ 40,024		\$ 71,024
James H. Graves,	\$ 41,500	\$ 40,024		\$ 81,524
<b>Chairman of the MD&amp;C Committee</b>				
B. D. Hunter	\$ 33,500 <sup>(2)</sup>	\$ 40,024		\$ 70,024
Timothy J. McKibben,	\$ 40,000	\$ 40,024		\$ 80,024
<b>Chairman of the N&amp;CG Committee</b>				
Alfred M. Micallef	\$ 27,500	\$ 40,024		\$ 67,524

- (1) Each director, including Mr. Feehan, receives a \$5,000 quarterly retainer and a meeting fee of \$1,500 per Board meeting attended. The Audit Committee chair receives an additional annual retainer of \$8,000, and the chairs of the Management Development and Compensation Committee and the Nominating and Corporate Governance Committee each receive additional annual retainers of \$5,000. All committee members receive meeting fees of \$1,000 for each committee meeting attended.
- (2) Mr. Hunter elected to defer his compensation. Non-employee directors may elect to defer all or part of their cash compensation in a calendar year pursuant to the terms of the 2004 Long-Term Incentive Plan. Deferred amounts are in the form of Company common stock, the amount of which is based on the closing price of the common stock on the last trading day of the month in which the cash compensation is earned. The non-employee director is entitled to receive the common stock upon retirement or separation of service from the Board for any reason.
- (3) The amounts shown represent the dollar amount recognized for financial statement reporting purposes with respect to the year ended December 31, 2007 in compliance with Statement of Financial Accounting Standards No. 123 (revised 2004) Share Based Payment ( SFAS 123R ) for restricted stock unit ( RSU ) awards under the 2004 Long Term Incentive Plan, including RSUs granted in and prior to 2007. Assumptions used in the calculation of these amounts are included in footnote 15 to the Company s audited financial statements for the year ended December 31, 2007 included in the Company s Annual Report on Form 10-K, as filed with the Securities and Exchange Commission.
- (4) On April 25, 2007, the Company granted 931 RSUs to all directors except Mr. Feehan. These RSUs were valued at \$43.00, the market price of the Company s common stock as of the day preceding the grant date; the aggregate market price of each director s RSUs was \$40,033. One-fourth of the RSUs vest on each of the first four grant date anniversaries, except that after the 360<sup>th</sup> day following the grant date, any unvested RSUs for directors who have served on the Board for five or more years will automatically become fully vested if such director s service with the Board is terminated. In addition, all unvested RSUs granted in 2007 will automatically vest if the director s



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service to the Board terminates as a result of his death. All directors other than Mr. Berce have served for more than five years. Each vested RSU entitles the director to receive one share of the Company's common stock upon his departure from the Board.

- (5) Represents payment by the Company of the actual cost of Mr. Daugherty's medical and term life insurance premiums.

## Corporate Governance

The Board of Directors has adopted:

a Code of Business Conduct and Ethics to govern the conduct of all of the officers, directors and employees of the Company;

Corporate Governance Principles, which detail the functions, activities and administration of the Board and its committees; and

charters for the Audit Committee, the Management Development and Compensation Committee and the Nominating and Corporate Governance Committee.

You can access the Code of Business Conduct and Ethics, Corporate Governance Principles, and committee charters on the Investor Relations portion of our website at [www.cashamerica.com](http://www.cashamerica.com), under the Corporate Governance tab. You may also request printed copies from the Corporate Secretary.

Under the Corporate Governance Principles, the Chair of the Nominating and Corporate Governance Committee serves as presiding director in all meetings of non-management directors.

## Director Independence

In accordance with NYSE rules, the Board of Directors affirmatively determines the independence of each director and nominee for election as a director in accordance with the guidelines it has adopted, which include all the elements of independence set forth in the NYSE listing standards.

When considering a director's independence, the Board also considers all commercial, banking, consulting, legal, accounting, charitable or other business relationships any director or members of a director's family may have with us. In particular, the Board considered the ownership of five Cash America pawnshop franchises directly or indirectly controlled by B. D. Hunter and members of his family, and James H. Graves relationship with an affiliate of Texas Capital Bank, a lender under our credit facility with Wells Fargo Bank, N.A., when evaluating their independence.

Based on these standards and considerations, the Board has determined that each of our directors other than Mr. Daugherty and Mr. Feehan is independent under the NYSE listing standards and applicable rules and regulations of the Securities and Exchange Commission. The Board also determined that Daniel R. Feehan, our President and CEO, and Jack R. Daugherty, our Chairman of the Board and former CEO, are not independent under these rules.

## Transactions with Related Persons

Our related person transaction policy, which we adopted in July 2007, governs the review of any transaction, or series of transactions, involving amounts greater than \$60,000 in which a director, director nominee, executive officer, 5% shareholder, members of their immediate families, or any entity of which any such person is an officer, director or 5% shareholder (each, a related person) has a direct or indirect material interest. The policy does not cover transactions or series of transactions that are available to all Company employees generally or that involve less than \$60,000.

The Nominating and Corporate Governance Committee (the N&CG Committee), or another Board committee comprised of at least three independent directors, must approve, ratify or refer to the full Board related person transactions involving amounts from \$60,000 to \$120,000. It must make recommendations to the full Board concerning related person transactions involving higher amounts, which the full Board must consider. A director may not participate in the review or approval of any transaction involving himself or any of his affiliates or family members. We would seek shareholder approval for a related person transaction if required by NYSE rules, our articles of incorporation or applicable law.

If it is impractical or undesirable to wait until a Board or a committee meeting to consummate a related person transaction involving \$120,000 or less, the N&CG Committee chair may review and approve the transaction. Another N&CG Committee member may review and approve the transaction if the chair is unavailable or if he, a family member or an affiliate is a party to the transaction. Such approval shall be reported to the Board at its next regularly scheduled meeting.

In evaluating a related person transaction, the Board, applicable committee or director shall determine whether the transaction is fair and reasonable to us. We are not required to obtain a fairness opinion or other third party support or advice regarding the transaction's fairness, but the Board or committee or director reviewing the transaction has the discretion to do so. A related person transaction must also comply with our Code of Business Conduct and Ethics and any other applicable policy.

We may employ a member of an executive officer's or director's immediate family, if such employment is in the ordinary course of business and is consistent with the employment, compensation and termination policies and practices applicable to our other similarly situated employees. We must notify the N&CG Committee of such employment within a reasonable period after such person commences employment.

During 2007, the Company did not participate in any transactions involving amounts exceeding \$120,000 and in which any director, executive officer, beneficial owner of more than 5% of our voting stock, or members of their immediate families or their affiliates had a direct or indirect material interest.

#### **Compensation Committee Interlocks and Insider Participation**

No member of the Management Development and Compensation Committee of the Board of Directors is an officer, former officer, or employee of the Company or any subsidiary of the Company or has any interlocking relationship with another entity requiring disclosure.

#### **Procedure for Contacting Directors**

You may communicate with the Board or with a specific director at any time by writing to the Board or that director at the Company's address, 1600 West 7<sup>th</sup> Street, Fort Worth, Texas 76102, c/o the Corporate Secretary. We will forward all such messages that we receive and any other message that reasonably appears to be about a matter of shareholder interest and is intended for communication to the Board. We will send communications to the director to whom they are addressed as soon as practicable. We will forward messages addressed to the whole Board or to the non-management directors to the Chairman of the Nominating and Corporate Governance Committee. Because there are other appropriate avenues of communication, we will not forward messages not addressed to the Board or to any director regarding matters that are not of shareholder interest, such as general business complaints or employee grievances. The Secretary has the discretion to forward these communications to appropriate persons within the Company.

#### **Shareholder Nominations of Directors**

The Nominating and Corporate Governance Committee will consider director candidates meeting director qualification criteria who are suggested by directors, management, shareholders and search firms hired to identify and evaluate qualified candidates. Shareholders may submit recommendations in writing to the Corporate Secretary of the Company. The Secretary must receive any written recommendation by November 26, 2008.

## SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The Company's common stock, par value \$.10 per share, is its only outstanding class of equity securities.

### Securities Owned by Principal Shareholders

The following table sets forth information as of the dates below, with respect to each person or entity who is known to the Company as of the record date to be the beneficial owner of more than five percent (5%) of the Company's common stock, based on a review of documents publicly filed with the Securities and Exchange Commission (the "SEC").

Name and Address of Beneficial Owner	Amount of Beneficial Ownership	Percent of Class
Eagle Asset Management, Inc.  880 Carillon Parkway  St. Petersburg, FL 33716	1,853,221 <sup>(1)</sup>	6.3%
Earnest Partners, LLC  1180 Peachtree St. NE, Suite 2300  Atlanta, GA 30309	1,848,817 <sup>(2)</sup>	6.3%

(1) According to a Schedule 13G filed with the SEC on January 31, 2008.

(2) According to a Schedule 13G filed with the SEC on February 13, 2008, Earnest Partners, LLC beneficially owns 1,848,817 shares, has sole voting power with respect to 599,632, shared voting power with respect to 525,044 shares, and has the sole right to dispose of all 1,848,817 shares.

### Securities Owned by Officers and Directors

The following table sets forth information about the beneficial ownership of our common stock as of the record date by our directors, nominees for election as directors, executive officers whose compensation is disclosed in the Executive Compensation section in this proxy statement, and all directors and executive officers as a group.

Name	Amount and Nature of Beneficial Ownership(1)(2)	Percent of Class
Daniel E. Berce	5,821	*
Jack R. Daugherty	21,908	*
A.R. Dike	22,694	*
Daniel R. Feehan	550,729	1.9%
James H. Graves	28,390	*
B.D. Hunter	39,671 <sup>(3)</sup>	0.1%
Timothy J. McKibben	25,819	*
Alfred M. Micallef	6,694	*
Thomas A. Bessant, Jr.	95,409	0.3%
Jerry A. Wackerhagen	2,553	*
James H. Kauffman	183,525	0.6%
Michael D. Gaston	41,028 <sup>(4)</sup>	0.1%
Jerry D. Finn <sup>(5)</sup>		