CONNS INC
Form 8-K
August 20, 2008

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): August 14, 2008

Conn's, Inc.
(Exact name of registrant as specified in its charter)

Delaware	000-50421	06-1672840
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)

3295 College Street Beaumont, Texas	
(Address of principal executive offices)	77701 (Zip Code)

Registrant's telephone number, including area code: (409) 832-1696

Not applicable
(Former name or former address, if changed since last report.)

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 1.01 Entry into a Material Definitive Agreement.

Asset Backed Loan Credit Facility

Effective August 14, 2008, we entered a LOAN AND SECURITY AGREEMENT with certain financial institutions as parties to the Agreement from time to time referred to as Lenders, BANK OF AMERICA, N.A., a national banking association, as Administrative Agent and Joint Book Runner for the Lenders, referred to as Agent, JPMORGAN CHASE BANK, NATIONAL ASSOCIATION, as Syndication Agent and Joint Book Runner for the Lenders, and CAPITAL ONE, N.A., as Co-Documentation Agent for the Lenders.

This Agreement provides a $210 million revolving loan facility, referred to as the ABL Facility, with an accordion feature allowing for future expansion of the committed amount up to $350 million, that provides funding based on a borrowing base calculation that includes accounts receivable and inventory. The borrowing base is calculated as eligible inventory and receivables multiplied by specified funding percentages, less certain reserves specified in the agreement. The ABL Facility replaces our existing $100 million revolving credit facility, which was terminated upon the closing of the ABL Facility. The ABL Facility matures in August 2011 and bears interest at LIBOR plus a spread ranging from 225 basis points to 275 basis points, based on a fixed charge coverage ratio, on the principal outstanding from time to time. All of our receivables not sold under our asset backed securitization facility, referred to as our ABS Facility, together with our inventory and other assets, will be pledged to the Lenders under the ABL Facility.

Amendments to Existing Asset-Backed Securitization Facility

In conjunction with completing this ABL Facility, Conn Funding II, L.P., our qualified special purpose entity, referred to as our QSPE, amended certain of its agreements related to its ABS Facility to provide for the existence of our ABL Facility and adjust certain terms of its borrowing arrangements to current market requirements, including reducing the advance rate on its variable funding note facility from a maximum of 85% to a maximum of 76%. The amended agreements also provide for, among other things, the extension of the maturity date on our QSPE's 364-day variable funding note facility in the amount of $100 million, from August 15 until August 28, 2008, to provide the lenders additional time to consider renewal of the facility and the terms of renewal in light of the completion of the ABL Facility.

Effective August 14, 2008, our QSPE, as Issuer, entered into a "Supplement No. 1 to Amended and Restated Series 2002-A Supplement" with Wells Fargo Bank, National Association, as Trustee, amending that certain Amended and Restated Series 2002-A Supplement dated as of September 10, 2007 between Issuer and Trustee. Supplement No. 1 to Amended and Restated Series 2002-A Supplement provides for the addition of a definition of our ABL Facility, as well as additional definitions and definitional modifications to reflect our ABL Facility, including, among other things, additional portfolio performance covenants relating to the combined performance of receivables financed under our ABL Facility and the ABS Facility, and a reduction of the advance rate on the variable funding note facility from a maximum of 85% to a maximum of 76%, beginning on September 30, 2008.

Also, effective August 14, 2008, our QSPE entered, as Issuer, a Fourth Supplemental Indenture with Wells Fargo Bank, National Association, as Trustee, modifying certain definitions contained in the Base Indenture, dated as of September 1, 2002, as amended and supplemented, providing for, among other things, a reduction in the allowable percentage of eligible contract receivables that have been re-aged, as adjusted per the agreement, from 20% to 15% (by principal balance), to conform to the terms of the Series 2006-A Bonds.

Further, effective August 14, 2008, our QSPE, as Issuer, and one of our subsidiaries, Conn Appliances, Inc., as Seller, entered a Second Amended and Restated Note Purchase Agreement with Three Pillars Funding LLC and Park Avenue Receivables Company, LLC, together "Conduit Purchasers", JPMorgan Chase Bank, N.A., as funding agent for Park Avenue Receivables Company and as "Committed Purchaser", and SunTrust Robinson Humphrey, Inc., as Administrator. The Second Amended and Restated Note Purchase Agreement provides for, among other things, the extension of the maturity date on the $100 million Tranche A Commitment to August 28, 2008, the conversion of the $200 million Tranche B Commitment to a 364-day commitment with the option for the Issuer to request the commitment be extended to September 10, 2012, if acceptable renewal terms are not provided, and modification of the fixed charge coverage and leverage ratios to match those in the ABL Facility.

Effective August 14, 2008, our subsidiaries Conn Appliances, Inc., as Initial Servicer for our ABL Facility, Conn Credit Corporation, Inc. and Conn Credit I, LP, together as Borrower under the ABL Facility, Bank of America, N.A., as ABL Agent under the ABL Facility, Wells Fargo Bank, National Association, as Securitization Trustee under our ABS Facility, and Bank of America, N.A., as Collateral Agent for the ABL Agent and the Securitization Trustee entered into an "Intercreditor Agreement" providing for, among other things, the appointment of a collateral agent to protect the interests of the lenders and security holders in both the ABL Facility and the ABS Facility in amounts held by us in our bank accounts representing commingled proceeds of assets of both us and of the QSPE, and setting forth the responsibilities of the ABL Agent and the Securitization Trustee to the other relative to the handling of assets pledged to the other, including the handling of customer payments, returned or repossessed merchandise and other of our and the QSPE's assets.

Item 9.01 Financial Statements and Exhibits

Exhibit 99.1	Loan and Security Agreement (without Exhibits)
Exhibit 99.2	Supplement No. 1 to Amended and Restated Series 2002-A Supplement
Exhibit 99.3	Second Amended and Restated Note Purchase Agreement
Exhibit 99.4	Fourth Supplemental Indenture
Exhibit 99.5	Intercreditor Agreement

SIGNATURE

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.

CONN'S, INC.

Date: August 20, 2008 By: /s/ Michael J. Poppe

Name: Michael J. Poppe

Title: Chief Financial Officer

m operations on its consolidated statements of operations. For the six months ended June 30, 2013, the net increase in net assets from operations was $78,007 as compared to a net increase in net assets from operations of $3,084,065 for the same six month period in 2012.

Liquidity and Capital Resources

The Corporation s principal objective is to achieve growth in net asset value per share through capital appreciation. Therefore, a significant portion of the investment portfolio is structured to maximize the potential for capital appreciation and certain portfolio investments may be structured to provide little or no current yield in the form of dividends or interest payments.

As of June 30, 2013, the Corporation s total liquidity, consisting of cash and cash equivalents, was $3,770,042.

Management expects that the cash and cash equivalents at June 30, 2013, coupled with the $4,000,000 of available SBA leverage and the scheduled interest and dividend payments on its portfolio investments, will be sufficient to meet the Corporation s cash needs throughout the next twelve months. The Corporation is also evaluating potential exits from portfolio companies to increase the amount of liquidity available for new investments, operating activities and future SBA debenture obligations.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

The Corporation s investment activities contain elements of risk. The portion of the Corporation s investment portfolio consisting of equity and debt securities in private companies is subject to valuation risk. Because there is typically no public market for the equity and equity-linked debt securities in which it invests, the valuation of the equity interests in the portfolio is stated at fair value as determined in good faith by the management of the Corporation and submitted to the Board of Directors for approval. This is in accordance with the Corporation s investment valuation policy (see the discussion of valuation policy contained in Note 3.-Investments in the consolidated financial statements contained in Item 1 of this report, which is hereby incorporated herein by reference.) In the absence of readily ascertainable market values, the estimated value of the Corporation s portfolio may differ significantly from the values that would be placed on the portfolio if a ready market for the investments existed. Any changes in valuation are recorded in the Corporation s consolidated statement of operations as Net unrealized appreciation on investments.

At times the Corporation s portfolio may include marketable securities, including marketable securities traded in the over-the-counter market. In addition, there may be securities in the Corporation s portfolio for which no regular trading market exists. In order to realize the full value of a security, the market must trade in an orderly fashion or a willing purchaser must be available when a sale is to be made. Should an economic or other event occur that would not allow markets to trade in an orderly fashion, the Corporation may not be able to realize the fair value of its marketable investments or other investments in a timely manner.

As of June 30, 2013, the Corporation did not have any off-balance sheet arrangements or hedging or similar derivative financial instrument investments.

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Item 4. Controls and Procedures

Disclosure Controls and Procedures. The Corporation maintains disclosure controls and procedures that are designed to ensure that information required to be disclosed in reports that it files or submits under the Securities Exchange Act of 1934 is recorded, processed, summarized, and reported within the time periods specified in the SEC s rules and forms, and that this information is accumulated and communicated to management, including the Chief Executive Officer and the Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure. The Chief Executive Officer and the Chief Financial Officer carried out an evaluation of the effectiveness of the design and operation of the Corporation s disclosure controls and procedures as of June 30, 2013. Based on the evaluation of these disclosure controls and procedures, the Chief Executive Officer and Chief Financial Officer concluded that the Corporation s controls and procedures were effective as of June 30, 2013.

Changes in Internal Control over Financial Reporting. There have been no significant changes in our internal control over financial reporting during the most recent fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

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PART II.

OTHER INFORMATION

Item 1. Legal Proceedings
None

Item 1A. Risk Factors
See Part I, Item 1A, Risk Factors, of the Annual Report on Form 10-K for the year ended December 31, 2012. The Risk Factors from our 2012 report on Form 10-K remain applicable with the exception of the following addition:

Fluctuations of Quarterly Results

The Corporation s quarterly operating results could fluctuate as a result of a number of factors. These factors include, among others, variations in and the timing of the recognition of realized and unrealized gains or losses, the degree to which portfolio companies encounter competition in their markets and general economic conditions and the market value of publicly traded securities. As a result of these factors, results for any one quarter should not be relied upon as being indicative of performance in future quarters.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Issuer Purchases of Equity Securities

Period	Total number of shares purchased (1)	Average price paid per share (2)	Total number of shares purchased as part of publicly announced plan (3)	Maximum number of shares that may yet be purchased under the share repurchase program
4/1/2013 4/30/2013	1,100	$ 2.81	1,100	246,102
5/1/2013 5/31/2013	46,536	$ 2.90	46,536	199,566
6/1/2013 6/30/2013	67,539	$ 2.89	67,539	132,027

(1) The total number of shares purchased was 115,175 for the second quarter of 2013. All transactions were made in the open market.
(2) The average price paid per share is calculated on a settlement basis and includes commission.
(3) On November 1, 2012, the Board of Directors authorized the repurchase of up to 500,000 shares of the Corporation s outstanding Common Stock on the open market at prices no greater than the then current net asset value through November 1, 2013.

Item 3. Defaults upon Senior Securities
None

Item 4. Mine Safety Disclosures
None

Item 5. **Other Information**

None

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Item 6. Exhibits

(a) Exhibits

The following exhibits are filed with this report or are incorporated herein by reference to a prior filing, in accordance with Rule 12b-32 under the Securities Exchange Act of 1934.

(3)(i)	Certificate of Incorporation of the Corporation, incorporated by reference to Exhibit (a) (1) of Form N-2 filed with the Securities Exchange Commission on April 22, 1997. (File No. 814-00235).
(3)(ii)	By-laws of the Corporation incorporated by reference to Exhibit (b) of Form N-2 filed with the Securities Exchange Commission on April 22, 1997. (File No. 814-00235).
(4)	Specimen certificate of common stock certificate, incorporated by reference to Exhibit (b) of Form N-2 filed with the Securities Exchange Commission on April 22, 1997. (File No. 814-00235).
(31.1)	Certification of the Chief Executive Officer Pursuant to Rules 13a-14(a)/15d-14(a) under the Securities Exchange Act of 1934, as amended, filed herewith
(31.2)	Certification of Chief Financial Officer Pursuant to Rules 13a-14(a)/15d-14(a) under the Securities Exchange Act of 1934, as amended, filed herewith
(32.1)	Certification Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 Rand Capital Corporation furnished herewith

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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 thereunto duly authorized.

Dated: August 1, 2013

RAND CAPITAL CORPORATION

By: /s/ Allen F. Grum
Allen F. Grum, President

By: /s/ Daniel P. Penberthy
Daniel P. Penberthy, Treasurer