UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended July 31, 2006 Commission File Number 000-50421

CONN'S, INC.
(Exact name of registrant as specified in its charter)

A Delaware Corporation	06-1672840
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification Number)

3295 College Street
Beaumont, Texas 77701
(409) 832-1696
(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

NONE
(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes [x] No [ ]

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act. (Check One):
Large accelerated filer [ ] Accelerated filer [x] Non-accelerated filer [ ]

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes [ ] No [x]

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of September 13, 2006:

Class	Outstanding
Common stock, $.01 par value per share	23,697,318

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Part I. FINANCIAL INFORMATION
Item 1. Financial Statements

Conn's, Inc.
CONSOLIDATED BALANCE SHEETS
(in thousands, except share data)
(As Adjusted, see Note 1, and As Restated, see Note 8)

	January 31, 2006	July 31, 2006
		(unaudited)
Assets		
Current assets		
Cash and cash equivalents	$ 45,176	$ 22,922
Accounts receivable, net	23,542	30,390
Interests in securitized assets	139,282	145,840
Inventories	73,987	79,642
Prepaid expenses and other assets	4,004	3,835
Total current assets	285,991	282,629
Non-current deferred income tax asset	2,464	3,280
Property and equipment		
Land	6,671	8,945
Buildings	7,084	9,872
Equipment and fixtures	9,612	11,960
Transportation equipment	3,284	2,967
Leasehold improvements	65,507	67,459
Subtotal	92,158	101,203
Less accumulated depreciation	(37,332)	(42,115)
Total property and equipment, net	54,826	59,088
Goodwill, net	9,617	9,617
Debt issuance costs and other assets, net	260	340
Total assets	$ 353,158	$ 354,954
Liabilities and Stockholders' Equity		
Current liabilities		
Current portion of long-term debt	$ 136	$ --
Accounts payable	40,920	37,470
Accrued compensation and related expenses	18,847	7,258
Accrued expenses	17,380	18,213
Income taxes payable	8,794	182
Deferred income taxes	1,343	2,866
Deferred revenues and allowances	8,498	9,049
Total current liabilities	95,918	75,038
Long-term debt	--	--
Non-current deferred income tax liability	903	1,031
Deferred gain on sale of property	476	393
Stockholders' equity		
Preferred stock ($0.01 par value, 1,000,000 shares authorized; none issued or outstanding)	--	--
Common stock ($0.01 par value, 40,000,000 shares authorized; 23,571,564 and 23,697,318 shares issued and outstanding at January 31, 2006 and July 31, 2006, respectively)	236	237
Additional paid-in capital	89,027	91,299
Accumulated other comprehensive income	10,492	10,357
Retained earnings	156,106	176,599
Total stockholders' equity	255,861	278,492
Total liabilities and stockholders' equity	$ 353,158	$ 354,954

See notes to consolidated financial statements.

Conn's, Inc.
CONSOLIDATED STATEMENTS OF OPERATIONS
(unaudited)
(in thousands, except earnings per share)
(As Adjusted, See Note 1 and As Restated, See Note 8)

	Three Months Ended July 31,		Six Months Ended July 31,	
	2005	2006	2005	2006
Revenues				
Product sales	$ 130,867	$ 150,647	$ 258,142	$ 309,156
Service maintenance agreement commissions, net	7,848	7,063	14,732	15,030
Service revenues	5,134	5,927	9,909	11,156
Total net sales	143,849	163,637	282,783	335,342
Finance charges and other	20,711	18,567	39,696	39,050
Total revenues	164,560	182,204	322,479	374,392
Cost and expenses				
Cost of goods sold, including warehousing and occupancy costs	103,579	119,756	204,496	245,485
Cost of parts sold, including warehousing and occupancy costs	1,236	1,389	2,461	2,954
Selling, general and administrative expense	44,950	48,425	84,689	95,089
Provision for bad debts	(137)	390	331	433
Total cost and expenses	149,628	169,960	291,977	343,961
Operating income	14,932	12,244	30,502	30,431
Interest (income) expense, net	59	(187)	414	(371)
Other (income) expense, net	28	(721)	34	(754)
Income before income taxes	14,845	13,152	30,054	31,556
Provision for income taxes				
Current	5,564	5,247	13,107	10,333
Deferred	(312)	(639)	(2,514)	730
Total provision for income taxes	5,252	4,608	10,593	11,063
Net income	$ 9,593	$ 8,544	$ 19,461	$ 20,493
Earnings per share				
Basic	$ 0.41	$ 0.36	$ 0.83	$ 0.87
Diluted	$ 0.40	$ 0.35	$ 0.81	$ 0.84
Average common shares outstanding				
Basic	23,366	23,676	23,337	23,637
Diluted	24,012	24,344	23,896	24,355

See notes to consolidated financial statements.

Conn's, Inc.
CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY
Six Months Ended July 31, 2006
(unaudited)
(in thousands except descriptive shares)
(As Adjusted, See Note 1 and As Restated, See Note 8)

	Common Stock		Accum. Other Compre-hensive Income	Additional Paid-in Capital	Retained Earnings	Total
	Shares	Amount				
Balance January 31, 2006.....	23,572	$ 236	$10,492	$ 89,027	$156,106	$ 255,861
Exercise of options to acquire 120,928 shares of common stock.....	121	1		1,212		1,213
Issuance of 4,826 shares of common stock under Employee Stock Purchase Plan.....	4			123		123
Stock-based compensation.....				802		802
Tax benefit from options exercised.....				135		135
Net income.....					20,493	20,493
Adjustment of fair value of securitized assets (including tax benefit of $119), net of reclassficiation adjustments of $6,572 (net of tax of $3,697)			(135)			(135)
Total comprehensive income.....						20,358
Balance July 31, 2006.....	23,697	$ 237	$10,357	$ 91,299	$176,599	$ 278,492

See notes to consolidated financial statements.

Conn's, Inc.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(unaudited)
(in thousands)
(As Adjusted, See Note 1 and As Restated, See Note 8)

	Six Months Ended July 31,	
	2005	2006
Cash flows from operating activities		
Net income	$ 19,461	$ 20,493
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	5,407	6,100
Amortization	(131)	(214)
Provision for bad debts	384	433
Stock-based compensation	541	802
Excess tax benefits from stock-based compensation	--	(135)
Discounts on promotional credit	536	159
Accretion from interests in securitized assets	(9,439)	(10,269)
Provision for deferred income taxes	(2,514)	730
Loss (Gain) from sale of property and equipment	34	(754)
Loss from derivatives	69	--
Changes in operating assets and liabilities:		
Accounts receivable	2,358	(1,903)
Inventory	1,500	(5,655)
Prepaid expenses and other assets	778	169
Accounts payable	6,598	(3,450)
Accrued expenses	4,713	(10,756)
Income taxes payable	--	(10,468)
Deferred revenue and allowances	1,101	709
Net cash provided by (used in) operating activities	31,396	(14,009)
Cash flows from investing activities		
Purchase of property and equipment	(9,964)	(11,858)
Proceeds from sales of property	13	2,250
Net cash used in investing activities	(9,951)	(9,608)
Cash flows from financing activities		
Proceeds from stock issued under employee benefit plans	1,091	1,471
Excess tax benefits from stock-based compensation	--	135
Borrowings under lines of credit	41,900	8,000
Payments on lines of credit	(52,400)	(8,000)
Increase in debt issuance costs	--	(107)
Payment of promissory notes	(14)	(136)
Net cash provided by (used in) financing activities	(9,423)	1,363
Net change in cash	12,022	(22,254)
Cash and cash equivalents		
Beginning of the year	7,027	45,176
End of period	$ 19,049	$ 22,922

See notes to consolidated financial statements.

Conn's , Inc.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)
July 31, 2006

1. Summary of Significant Accounting Policies

Basis of Presentation. The accompanying unaudited, condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by accounting principles generally accepted in the United States for complete financial statements. The accompanying financial statements reflect all adjustments that are, in the opinion of management, necessary for a fair statement of the results for the interim periods presented. All such adjustments are of a normal recurring nature. Operating results for the three and six month periods ended July 31, 2006 are not necessarily indicative of the results that may be expected for the year ending January 31, 2007. The financial statements should be read in conjunction with the Company's (as defined below) audited consolidated financial statements and the notes thereto included in the Company's Annual Report on Form 10-K/A filed on September 15, 2006.

The Company's balance sheet at January 31, 2006, as adjusted for Statement of Financial Accounting Standards No. 123R, has been derived from the audited financial statements at that date but does not include all of the information and footnotes required by accounting principles generally accepted in the United States for complete financial presentation. Please see the Company's Form 10-K/A for the fiscal year ended January 31, 2006 for a complete presentation of the audited financial statements at that date, together with all required footnotes, and for a complete presentation and explanation of the components and presentations of the financial statements.

Principles of Consolidation. The consolidated financial statements include the accounts of Conn's, Inc. and its subsidiaries, limited liability companies and limited partnerships, all of which are wholly-owned (the "Company"). All material intercompany transactions and balances have been eliminated in consolidation.

The Company enters into securitization transactions to sell its retail installment and revolving customer receivables. These securitization transactions are accounted for as sales in accordance with Statement of Financial Accounting Standards ("SFAS") No. 140, Accounting for Transfers and Servicing of Financial Assets and Extinguishment of Liabilities because the Company has relinquished control of the receivables. Additionally, the Company has transferred such receivables to a qualifying special purpose entity ("QSPE"). Accordingly, neither the transferred receivables nor the accounts of the QSPE are included in the consolidated financial statements of the Company. The Company's retained interest in the transferred receivables is valued on a revolving pool basis.

Use of Estimates. The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Earnings Per Share. In accordance with SFAS No. 128, Earnings per Share, the Company calculates basic earnings per share by dividing net income by the weighted average number of common shares outstanding. Diluted earnings per share include the dilutive effects of any stock options granted calculated under the treasury method. The following table sets forth the shares outstanding for the earnings per share calculations:

	Three Months Ended July 31,		Six Months Ended July 31,	
	2005	2006	2005	2006
Common stock outstanding, beginning of period	23,351,044	23,665,335	23,267,596	23,571,564
Weighted average common stock issued in stock option exercises	13,699	9,852	67,066	63,465
Weighted average common stock issued to employee stock purchase plan	1,040	958	2,451	1,896
Shares used in computing basic earnings per share.....	23,365,783	23,676,145	23,337,113	23,636,925
Dilutive effect of stock options, net of assumed repurchase of treasury stock	646,522	667,915	558,719	718,347
Shares used in computing diluted earnings per share...	24,012,305	24,344,060	23,895,832	24,355,272

Goodwill. Goodwill represents the excess of purchase price over the fair market value of net assets acquired. The Company assesses the potential future impairment of goodwill on an annual basis, or at any other time when impairment indicators exist. The Company concluded at January 31, 2006 and July 31, 2006 that no impairment of goodwill existed.

Stock-Based Compensation. On February 1, 2006, the Company adopted SFAS No. 123R, Stock-Based Payment, using the modified retrospective application transition. Under the modified retrospective application transition, all prior period financial statements have been adjusted to give effect to the fair-value-based method of accounting for stock-based compensation. The adoption of this statement impacted the financial statements presented as follows:

- For the three months ended July 31, 2005 and 2006, Income before income taxes was reduced by $0.3 million and $0.4 million, respectively. For the six months ended July 31, 2005 and 2006, Income before income taxes was reduced by $0.5 million and $0.8 million, respectively.
- For the three months ended July 31, 2005 and 2006, Net income was reduced by $0.2 million and $0.3 million, respectively. For the six months ended July 31, 2005 and 2006, Net income was reduced by $0.4 million and $0.7 million, respectively.
- For the three months ended July 31, 2005 and 2006, Basic earnings per share was reduced by $.01 and $.01, respectively. For the six months ended July 31, 2005 and 2006, Basic earnings per share was reduced by $.02 and $.03, respectively.
- For the three months ended July 31, 2005 and 2006, Diluted earnings per share was reduced by $.01 and $.01, respectively. For the six months ended July 31, 2005 and 2006, Diluted earnings per share was reduced by $.02 and $.03, respectively.
- For the six months ended July 31, 2005 and 2006, Cash flows from operating activities were reduced by, and Cash flows from investing activities were increased by, $0.0 and $0.1 million, respectively.
- As of January 31, 2006, the Current deferred income tax asset increased $0.3 million, Additional paid-in capital increased $2.0 million and Retained earnings decreased $1.7 million.

For post-IPO stock option grants, the Company has used the Black-Scholes model to determine fair value. Stock-based compensation expense is recorded, net of estimated forfeitures, on a straight-line basis over the vesting period of the applicable grant. Prior to the IPO, the value of the options issued was estimated using the minimum valuation option-pricing model. Since the minimum valuation option-pricing model does not qualify as a fair value pricing model under FAS 123R, the Company follows the intrinsic value method of accounting for stock-based compensation to employees for these grants, as prescribed by Accounting Principles Board ("APB") Opinion No. 25, Accounting for Stock Issued to Employees, and related interpretations. If compensation expense for the Company's stock options granted prior to the IPO had been recognized using the fair value method of accounting under SFAS No. 123, net income

available for common stockholders for the three months ended July 31, 2005 and 2006 would have decreased by 1.1% and 0.6%, respectively. Net income available for common stockholders for the six months ended July 31, 2005 and 2006 would have decreased by 1.1% and 0.5%, respectively. The following table presents the impact to earnings per share as if the Company had adopted the fair value recognition provisions of SFAS No. 123 (dollars in thousands except per share data):

	Three Months Ended July 31,		Six Months Ended July 31,	
	2005	2006	2005	2006
Net income available for common stockholders as reported	$ 9,593	$ 8,544	$ 19,461	$ 20,493
Add: Stock-based compensation recorded, net of tax	227	339	448	662
Less: Stock-based compensation, net of tax for all awards	(330)	(387)	(654)	(759)
Pro forma net income	$ 9,490	$ 8,496	$ 19,255	$ 20,396
Earnings per share-as reported:				
Basic	$ 0.41	$ 0.36	$ 0.83	$ 0.87
Diluted	$ 0.40	$ 0.35	$ 0.81	$ 0.84
Pro forma earnings per share:				
Basic	$ 0.41	$ 0.36	$ 0.83	$ 0.86
Diluted	$ 0.40	$ 0.35	$ 0.81	$ 0.84

As of July 31, 2006, the total compensation cost related to non-vested awards not yet recognized totaled $4.9 million and is expected to be recognized over a weighted average period of 3.5 years.

Application of APB 21 to Promotional Credit Programs that Exceed One Year in Duration: The Company offers promotional credit payment plans, on certain products, that extend beyond one year. In accordance with APB 21, Interest on Receivables and Payables, such sales are discounted to their fair value resulting in a reduction in sales and receivables and the amortization of the discount amount over the term of the deferred interest payment plan. The difference between the gross sale and the discounted amount is reflected as a reduction of Product sales in the consolidated statements of operations and the amount of the discount being amortized in the current period is recorded in Finance charges and other. For the three months ended July 31, 2005 and 2006, Product sales were reduced by $1.0 million and $0.7 million, respectively, and Finance charges and other was increased by $0.6 million and $0.8 million, respectively, to effect the adjustment to fair value and to reflect the appropriate amortization of the discount. For the six months ended July 31, 2005 and 2006, Product sales were reduced by $1.6 million and $1.6 million, respectively, and Finance charges and other was increased by $1.1 million and $1.5 million, respectively, to effect the adjustment to fair value and to reflect the appropriate amortization of the discount.

Texas Tax Law Changes. On May 18, 2006, the Governor of Texas signed a tax bill that modified the existing franchise tax, with the most significant change being the replacement of the existing base with a tax based on margin. Taxable margin is generally defined as total federal tax revenues minus the greater of (a) cost of goods sold or (b) compensation. The tax rate to be paid by retailers and wholesalers is 0.5% on taxable margin. This will result in an increase in taxes paid by the Company, as franchise taxes paid have totaled less than $50,000 per year for the last several years. Partially offsetting this increase is a reduction in property tax rates that will be phased in during the 2006 and 2007 property tax years.

The tax changes impacted earnings beginning in this quarter. For the quarter and six months ended July 31, 2006, the Company accrued, net of federal tax benefit, $118,000 in additional tax liability and recorded approximately $29,000 in deferred tax assets as a result of the new margin tax.

Recent Accounting Pronouncements. In October 2005, FASB Staff Position (FSP) No. 13-1, Accounting for Rental Costs Incurred during a Construction Period, was issued. This FSP addresses the accounting for rental costs associated with operating leases that are incurred during a construction period. It requires that those costs be recognized as rental expense and included in income from continuing operations. The guidance in this FSP is to be applied to the first reporting period beginning after December 15, 2005 and states that a lessee shall cease capitalizing rental costs as of the effective date of the FSP for operating lease arrangements entered into prior to the effective date of the FSP. The Company implemented the guidance in this FSP as of February 1, 2006, and it did not have a material impact on its financial condition or results of operations.

Reclassifications. Certain reclassifications have been made in the prior year's financial statements to conform to current year's presentation. Specifically, Other (income) expense, which consists of (gain) loss on sales of property and equipment, is now separately detailed. Previously these amounts were included in Selling, general and administrative expense. Additionally, the impact of the cancellation of insurance policies on charged-off receivables, which were previously included in the Provision for bad debts on the consolidated statements of operations, are now reported as a reduction of Insurance commissions, which is included in Finance charges and other.

2. Supplemental Disclosure of Revenue and Comprehensive Income

The following is a summary of the classification of the amounts included as Finance charges and other for the three and six months ended July 31, 2005 and 2006 (in thousands):

	Three Months Ended July 31,		Six Months Ended July 31,	
	2005	2006	2005	2006
Securitization income (1)	$ 14,994	$ 13,274	$28,299	$ 28,511
Income from receivables not sold	304	323	584	658
Insurance commissions	4,227	4,729	8,382	8,995
Other	1,186	241	2,431	886
Finance charges and other	$ 20,711	$ 18,567	$39,696	$ 39,050

(1) Due to the expectation of higher credit losses during the next six months, resulting primarily from disruption to our credit operations as a result of Hurrican Rita, a $1.5 million impairment charge was recorded in Securitization income during the three months ended July 31, 2006. The impairment charge was based on an estimated average credit charge-off rate of 3.6% over the next six months. The charge-off rate used in the valuation of the interest in securitized assets is expected to return to the level of the historical 3.0% charge-off rate assumption at the beginning of the next fiscal year.

The components of total comprehensive income for the three and six months ended July 31, 2005 and 2006 are presented in the table below (in thousands):

	Three Months Ended July 31,		Six Months Ended July 31,	
	2005	2006	2005	2006
Net income	$ 9,593	$ 8,544	$19,461	$20,493
Unrealized gain on derivative instruments	-	-	246	-
Taxes on unrealized gain on derivatives	-	-	(86)	-
Adjustment of fair value of securitized assets	2,443	(789)	1,034	(16)
Taxes on adjustment of fair value	(857)	145	(363)	(119)
Total comprehensive income	$ 11,179	$ 7,900	$20,292	$20,358

3. Supplemental Disclosure Regarding Managed Receivables

The following tables present quantitative information about the receivables portfolios managed by the Company (in thousands):

	Total Principal Amount of Receivables		Principal Amount 60 Days or More Past Due (1)	
	January 31, 2006	July 31, 2006	January 31, 2006	July 31, 2006
Primary portfolio:				
Installment	$380,603	$369,611	$ 24,934	$ 20,127
Revolving	41,046	43,793	1,095	959
Subtotal	421,649	413,404	26,029	21,086
Secondary portfolio:				
Installment	98,072	117,268	9,508	9,693
Total receivables managed	519,721	530,672	35,537	30,779
Less receivables sold	509,681	520,256	33,483	29,263
Receivables not sold	10,040	10,416	$ 2,054	$ 1,516
Non-customer receivables	13,502	19,974		
Total accounts receivable, net	$ 23,542	$ 30,390		

(1) Amounts are based on end of period balances. The principal amount 60 days or more past due relative to total receivables managed is not necessarily indicative of relative balances expected at other times during the year due to seasonal fluctuations in delinquency.

	Average Balances		Credit Charge-offs (1)	
	Three Months Ended July 31,		Three Months Ended July 31,	
	2005	2006	2005	2006
Primary portfolio:				
Installment	$ 344,728	$ 368,939		
Revolving	33,237	43,541		
Subtotal	377,965	412,480	$ 2,539	$ 4,225
Secondary portfolio:				
Installment	80,632	113,821	444	830
Total receivables managed	458,597	526,301	2,983	5,055
Less receivables sold	449,081	515,865	2,801	4,874
Receivables not sold	$ 9,516	$ 10,436	$ 182	$ 181

(1) Amounts represent total loan charge-offs, net of recoveries, on total receivables. The increased level of credit losses is primarily a result of the impact on our credit operations of Hurricane Rita that hit the Gulf Coast during September 2005.

	Average Balances		Credit Charge-offs (1)	
	Six Months Ended July 31,		Six Months Ended July 31,	
	2005	2006	2005	2006
Primary portfolio:				
Installment	$ 338,315	$ 371,493		
Revolving	32,025	42,957		
Subtotal	370,340	414,450	$ 5,110	$ 7,875
Secondary portfolio:				
Installment	77,679	109,102	851	1,858
Total receivables managed	448,019	523,552	5,961	9,733
Less receivables sold	438,533	513,144	5,532	9,399
Receivables not sold	$ 9,486	$ 10,408	$ 429	$ 334

(1) Amounts represent total loan charge-offs, net of recoveries, on total receivables. The increased level of credit losses is primarily a result of the impact on our credit operations of Hurricane Rita that hit the Gulf Coast during September 2005.

4. Fair Value of Derivatives

The Company held interest rate swaps and collars with notional amounts totaling $20.0 million, which expired on April 15, 2005, and were held for the purpose of hedging against variable interest rate risk, primarily related to cash flows from the Company's interest-only strip as well as variable rate debt.

In fiscal 2004, hedge accounting was discontinued for the $20.0 million of swaps. In accordance with SFAS No. 133, Accounting for Derivative Instruments and Hedging Activities, at the time hedge accounting was discontinued, the Company began to recognize changes in fair value of the swaps as a reduction to interest expense and to amortize the amount of accumulated other comprehensive loss related to those derivatives as interest expense over the period that the forecasted transactions affected the consolidated statements of operations. As the swaps expired on April 15, 2005, there was no financial statement impact during the three months ended July 31, 2005 and 2006. During the six months ended July 31, 2005 and 2006, the Company reclassified $246,000 and $0, respectively, of losses previously recorded in accumulated other comprehensive income into the consolidated statements of operations and recorded $177,000 and $0, respectively, of interest reductions in the consolidated statements of operations because of the change in fair value of the swaps.

5. Debt and Letters of Credit

At July 31, 2006, the Company had $48.6 million of its $50 million revolving credit facility available for borrowings. The amounts utilized under the revolving credit facility reflected $1.4 million related to letters of credit issued. Additionally, there were no amounts outstanding under a short-term revolving bank agreement that provides up to $8.0 million of availability on an unsecured basis. This unsecured facility matures in June 2007 and has a floating rate of interest, based on Prime, which equaled 7.75% at July 31, 2006.

The Company utilizes unsecured letters of credit to secure a portion of the QSPE's asset-backed securitization program, deductibles under the Company's property and casualty insurance programs and international product purchases. At both January 31, 2006 and July 31, 2006, the Company had outstanding unsecured letters of credit of $13.0 million. These letters of credit were issued under the three following facilities:

- The Company has a $5.0 million sublimit provided under its revolving line of credit for stand-by and import letters of credit. At July 31, 2006, $1.4 million of letters of credit were outstanding and callable at the option of the Company's property and casualty insurance carrier if the Company does not honor its requirement to fund deductible amounts as billed under its insurance program.

- The Company has arranged for a $10.0 million stand-by letter of credit to provide assurance to the trustee of the asset-backed securitization program that funds collected by the Company, as the servicer, would be remitted as required under the base indenture and other related documents. The letter of credit has a term of one year and expires in August 2006. The Company plans to renew this letter of credit and increase the amount to $20.0 million in September, 2006.

- The Company obtained a $3.0 million commitment for trade letters of credit to secure product purchases under an international arrangement. At July 31, 2006, there was $1.6 million outstanding under this commitment. The letter of credit commitment has a term of one year and expires in May 2007. No letter of credit issued under this commitment can have an expiration date more than 180 days after the commitment expiration date.

The maximum potential amount of future payments under these letter of credit facilities is considered to be the aggregate face amount of each letter of credit commitment, which total $18.0 million as of July 31, 2006.

6. Stock-Based Compensation

The Company originally approved an Incentive Stock Option Plan that provides for a pool of up to 3.5 million options to purchase shares of the Company's common stock. Such options are to be granted to various officers and employees at prices equal to the market value on the date of the grant. The options vest over three or five year periods (depending on the grant) and expire ten years after the date of grant. As part of the completion of the IPO, the Company amended the Incentive Stock Option Plan to provide for a total available pool of 2,559,767 options, adopted a Non-Employee Director Stock Option Plan that included 300,000 options, and adopted an Employee Stock Purchase Plan that reserved up to 1,267,085 shares of the Company's common stock to be issued. At the Company's annual meeting on May 31, 2006, amendments to the stock option plans were approved, which increased the shares available under the Incentive Stock Option Plan to 3,859,767 and increased the shares available under the Non-Employee Director Stock Option Plan to 600,000. On November 24, 2003, the Company issued six non-employee directors 240,000 total options to acquire the Company's stock at $14.00 per share. On June 3, 2004, the Company issued 40,000 options to acquire the Company's stock at $17.34 per share to a seventh non-employee director. At July 31, 2006, the Company had 320,000 options available for grant under the Non-Employee Director Stock Option Plan.

The Employee Stock Purchase Plan is available to a majority of the employees of the Company and its subsidiaries, subject to minimum employment conditions and maximum compensation limitations. At the end of each calendar quarter, employee contributions are used to acquire shares of common stock at 85% of the lower of the fair market value of the common stock on the first or last day of the calendar quarter. During the six month periods ended July 31, 2005 and 2006, the Company issued 5,820 and 4,826 shares of common stock, respectively, to employees participating in the plan, leaving 1,243,099 shares remaining reserved for future issuance under the plan as of July 31, 2006.

A summary of the status of the Company's Incentive Stock Option Plan and the activity during the six months ended July 31, 2005 and 2006 is presented below (shares in thousands):

	Six Months Ended July 31,			
	2005		2006	
	Shares	Weighted Average Exercise Price	Shares	Weighted Average Exercise Price
Outstanding, beginning of period	1,666	$ 11.50	1,626	$ 16.31
Granted	-	-	-	$ -
Exercised	(115)	$ (8.79)	(114)	$ (9.63)
Forfeited	(41)	$(14.43)	(8)	$(19.25)
Outstanding, end of period	1,510	$ 11.62	1,504	$ 16.79
Options exercisable at end of period	755		729	
Options available for grant	726		1,761	
Intrinsic value of options exercised during the period	$1.2 million		$2.5 million	

	Options Outstanding			Options Exercisable	
Range of Exercise Prices	Shares Outstanding July 31, 2006	Weighted Average Remaining Contractual Life in Years	Weighted Average Exercise Price	Shares Exercisable July 31, 2006	Weighted Average Exercise Price
$8.21-$10.83	617	4.8	$ 8.52	582	$ 8.39
$14.00 -$16.49	286	7.4	$ 14.29	100	$ 14.22
$17.73-$17.73	276	8.3	$ 17.73	47	$ 17.73
$33.88-$33.88	325	9.3	$ 33.88	-	$ -
Total	1,504	6.9	$ 16.79	729	$ 9.79
Aggregate intrinsic value of exercisable options at July 31, 2006	$11.6 million				

7. Contingencies

Legal Proceedings. The Company is involved in routine litigation incidental to its business from time to time. Currently, the Company does not expect the outcome of any of this routine litigation to have a material affect on its financial condition or results of operations. However, the results of these proceedings cannot be predicted with certainty, and changes in facts and circumstances could impact the Company's estimate of reserves for litigation.

Service Maintenance Agreement Obligations. The Company sells service maintenance agreements under which it is the obligor for payment of qualifying claims. The Company is responsible for administering the program, including setting the pricing of the agreements sold and paying the claims. The typical term for these agreements is between 12 and 36 months. The pricing is set based on historical claims experience and expectations about future claims. While the Company is unable to estimate maximum potential claim exposure, it has a history of overall profitability upon the ultimate resolution of agreements sold. The revenues related to the agreements sold are deferred at the time of sale and recorded in revenues in the statement of operations over the life of the agreements. The revenues deferred related to these agreements totaled $3.6 million and $3.7 million, respectively, as of January 31, 2006 and July 31, 2006, and are included on the face of the balance sheet in Deferred revenues and allowances.

8. Restatement of Financial Statements

The Company has restated its consolidated financial statements for the quarter and six-monhts ended July 31, 2005 to correct for errors in recording interests in securitized assets, securitization income and related income tax impacts that were incorrectly accounted for under U.S. generally accepted accounting principles, specifically covered by Statement of Financial Accounting Standards ("SFAS") No. 140, Accounting for Transfers and Servicing of Financial Assets and Extinguishment of Liabilities and Emerging Issues Task Force ("EITF") No. 99-20, Recognition of Interest Income and Impairment on Purchased and Retained Beneficial Interest in Securitized Financial Assets.

In addition to the restatement adjustments discussed above, as a result of the review, the Company also refined certain of the assumptions used in the valuation of its interests in securitized assets at fair value. While these refinements did not result in a change in total securitization income reported, it did impact the amounts reported for the components of securitization income in the footnotes to the annual financial statements. Additionally, the changes resulted in an increase in the total fair value of the interests in securitized assets reflected on the balance sheet and a related increase in accumulated other comprehensive income, net of tax.

The following table sets forth the effects of the adjustments on Net Income for the quarter and six-months ended July 31, 2005.

Increase in Net Income

(Dollars in thousands)	Quarter ended July 31, 2005	Six Months ended July 31, 2005
As Previously Reported net income	$ 9,097	$ 18,679
Securitization income	765	1,152
Provision for bad debts	--	53
Income tax provision	(269)	(423)
Total adjustment	496	782
Restated net income	$ 9,593	$ 19,461
Percent change	5.5%	4.2%

The following tables set forth the effects of the restatement adjustments on affected line items within our previously reported Consolidated Statement of Operations for the quarter and six-months ended July 31, 2005, and Consolidated Statement of Cash Flows for the six-months ended July 31, 2005.

Conn's, Inc.
CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands, except share data)

	Quarter ended		Six-Months ended	
	July 31, 2005		July 31, 2005	
	As Previously Reported	Restated	As Previously Reported	Restated
Finance charges and other	$ 20,526	$ 20,711	$ 39,755	$ 39,696
Total revenues	164,375	164,560	322,538	322,479
Provision for bad debts	443	(137)	1,595	331
Total cost and expenses	150,236	149,628	293,241	291,977
Operating income	14,139	14,932	29,297	30,502
Income before income taxes	14,080	14,845	28,849	30,054
Total provision for income taxes	4,983	5,252	10,170	10,593
Net Income	9,097	9,593	18,679	19,461
Earnings per share				
Basic	$0.39	$0.41	$0.80	$0.83
Diluted	$0.38	$0.40	$0.78	$0.81

Conn's, Inc.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands, except share data)

	Six-Months ended	
	July 31, 2005	
	As Previously Reported	Restated
Cash flows from operating activities		
Net income	$ 18,679	$ 19,460
Adjustments to reconcile net income to net cash provided by operating activities:		
Provision for bad debts	1,595	384
Accretion from interests in securitized assets	(7,120)	(9,439)
Provision for deferred income taxes	(2,936)	(2,514)
Change in operating assets and liabilities:		
Accounts receivable	33	2,358

9. Subsequent Events

Credit Facility Amendment. Effective August 28, 2006, the Company entered into an amendment of its $50 million revolving credit facility with its existing lenders. The amendment increases the Company's restricted payment capacity, which includes payments for repurchases of capital stock, from $25 million to $50 million. There were no other modifications of the Credit Agreement.

Financing Transaction Completed by QSPE. On August 31, 2006, the Company's QSPE closed and consummated an offering of $150 million in medium term asset-backed fixed-rate notes. The proceeds of the offering were used by the QSPE to pay down the balance on its revolving credit facility.

Stock Repurchase Plan. On August 25, 2006, the Company announced the adoption of a stock repurchase program, approved by the Board of Directors, authorizing the repurchase of up to $50 million of the Company's common stock.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Forward-Looking Statements

This report contains forward-looking statements. We sometimes use words such as "believe," "may," "will," "estimate," "continue," "anticipate," "intend," "expect," "project" and similar expressions, as they relate to us, our management and our industry, to identify forward-looking statements. Forward-looking statements relate to our expectations, beliefs, plans, strategies, prospects, future performance, anticipated trends and other future events. We have based our forward-looking statements largely on our current expectations and projections about future events and financial trends affecting our business. Actual results may differ materially. Some of the risks, uncertainties and assumptions about us that may cause actual results to differ from these forward-looking statements include, but are not limited to:

- the success of our growth strategy and plans regarding opening new stores and entering adjacent and new markets, including our plans to continue expanding into the Dallas/Fort Worth Metroplex, and South Texas;
- our intention to update or expand existing stores;
- our ability to obtain capital for required capital expenditures and costs related to the opening of new stores or to update or expand existing stores;
- our cash flows from operations, borrowings from our revolving line of credit and proceeds from securitizations to fund our operations, debt repayment and expansion;
- the ability of the QSPE to obtain additional funding for the purpose of purchasing our receivables;
- rising interest rates may increase our cost of borrowing or reduce securitization income;
- the potential for deterioration in the delinquency status of the sold or owned credit portfolios or higher than historical charge-offs in the portfolios could adversely impact earnings;
- the potential for greater than expected losses in the sold or owned credit portfolios due to the impact of Hurricane Rita on our credit operations;
- technological and market developments, growth trends and projected sales in the home appliance and consumer electronics industry, including with respect to digital products like DVD players, HDTV, digital audio, home networking devices and other new products, and our ability to capitalize on such growth;
- the potential for price erosion or lower unit sales points that could result in declines in revenues;
- increasing oil and gas prices could adversely affect our customers' shopping decisions and patterns, as well as the cost of our delivery and service operations and our cost of products, if vendors pass on their additional fuel costs through increased pricing for products;
- both short-term and long-term impact of adverse weather conditions (e.g. hurricanes) that could result in volatility in our revenues and increased expenses and casualty losses;
- changes in laws and regulations and/or interest, premium and commission rates allowed by regulators on our credit, credit insurance and service maintenance agreements as allowed by those laws and regulations;
- our relationships with key suppliers;

- the adequacy of our distribution and information systems and management experience to support our expansion plans;

- the accuracy of our expectations regarding competition and our competitive advantages;

- the potential for market share erosion that could result in reduced revenues;

- the accuracy of our expectations regarding the similarity or dissimilarity of our existing markets as compared to new markets we enter; and

- the outcome of litigation affecting our business.

Additional important factors that could cause our actual results to differ materially from our expectations are discussed under "Risk Factors" in our Form 10-K/A filed with the Securities Exchange Commission on September 15, 2006. In light of these risks, uncertainties and assumptions, the forward-looking events and circumstances discussed in this report might not happen.

The forward-looking statements in this report reflect our views and assumptions only as of the date of this report. We undertake no obligation to update publicly or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

All forward-looking statements attributable to us, or to persons acting on our behalf, are expressly qualified in their entirety by these cautionary statements.

General

We intend for the following discussion and analysis to provide you with a better understanding of our financial condition and performance in the indicated periods, including an analysis of those key factors that contributed to our financial condition and performance and that are, or are expected to be, the key "drivers" of our business.

On September 8, 2006, we concluded that our consolidated financial statements for the years ended January 31, 2006, 2005 and 2004 as well as the selected financial data for the years ended January 31, 2006, 2005, 2004, 2003, and July 31, 2001, the six months ended January 31, 2002 and the twelve months ended January 31, 2002, and for the quarters ended April 30, 2006 and 2005 should be restated to correct for errors in recording interests in securitized assets, securitization income and related income tax impacts that were incorrectly accounted for under U.S. generally accepted accounting principles, specifically covered by Statement of Financial Accounting Standards ("SFAS") No. 140, Accounting for transfers and Servicing of Financial Assets and Extinguishment of Liabilities and Emerging Issues Task Force ("EITF") No. 99-20, Recognition of Interest Income and Impairment on Purchased and Retained Beneficial Interest in Securitized Financial Assets. The following discussion has been updated, as appropriate, to reflect the changes to our financial statements. See Note 8 to the financial statements for discussion of the impacts on the financial statements.

On February 1, 2006, we were required to adopt Statement of Financial Accounting Standard No. 123R, Stock-Based Compensation. We elected to use the modified retrospective application transition, which results in the retrospective adjustment of all prior period financial statements using the fair-value-based method of accounting for stock-based compensation. As applicable, all amounts disclosed in the financial statements and in Management's Discussion and Analysis of Financial Condition and Results of Operations have been adjusted accordingly. See Note 1 to the financial statements for discussion of the impacts on the financial statements.

We are a specialty retailer that sells major home appliances, including refrigerators, freezers, washers, dryers and ranges, a variety of consumer electronics, including projection, plasma, DLP and LCD televisions, camcorders, VCRs, DVD players, portable audio and home theater products, lawn and garden products, mattresses and furniture. We also sell home office equipment, including computers and computer accessories and continue to introduce additional product categories for the consumer and home to help increase same store sales and to respond to our customers' product needs. We require all our sales associates to be knowledgeable of all of our products, but to specialize in certain specific product categories.

We currently operate 58 retail locations in Texas and Louisiana, and have several other stores under development.

Unlike many of our competitors, we provide flexible in-house credit options for our customers. In the last three years, we financed, on average, approximately 57% of our retail sales through our internal credit programs. We finance a large portion of our customer receivables through an asset-backed securitization facility, and we derive servicing fee income and interest income from these assets. As part of our asset-backed securitization facility, we have created a qualifying special purpose entity, which we refer to as the QSPE or the issuer, to purchase customer receivables from us and to issue asset-backed and variable funding notes to third parties. We transfer receivables, consisting of retail installment and revolving account receivables, extended to our customers, to the issuer in exchange for cash and subordinated securities. To finance its acquisition of these receivables, the issuer has issued notes to third parties.

We also derive revenues from repair services on the products we sell and from product delivery and installation services we provide to our customers. Additionally, acting as an agent for unaffiliated companies, we sell credit insurance and service maintenance agreements to protect our customers from credit losses due to death, disability, involuntary unemployment and property damage and product failure not covered by a manufacturers' warranty. We also derive revenues from the sale of extended service maintenance agreements, under which we are the primary obligor, to protect the customers after the original manufacturer's warranty or service maintenance agreement has expired.

Our business is moderately seasonal, with a greater proportionate share of our revenues, pretax and net income realized during the quarter ending January 31, due primarily to the holiday selling season.

Executive Overview

This narrative is intended to provide an executive level overview of our operations for the three and six months ended July 31, 2006. A detailed explanation of the changes in our operations for these periods as compared to the prior year is included under Results of Operations. As explained in that section, our pretax income for the quarter ended July 31, 2006 decreased approximately 11.4%, as the decrease in the gross margin percentage offset the benefit of increased revenues, lower selling, general and administrative expenses as a percentage of revenues, lower interest expense and higher other income. Our pretax income for the six months ended July 31, 2006 increased approximately 5.0%, primarily as a result of higher revenues and gross margin dollars, lower selling, general and administrative expenses as a percentage of revenues, lower interest expense and higher other income. Some of the more specific items impacting our operating and pretax income were:

- Same store sales for the quarter grew 7.2% and for the six months same store sales grew 11.7% over the same period for the prior year. The improvement in same store sales growth was due primarily to improved execution at the store level and effective sales promotions. While we do not have sufficient information to determine what long-term impact Hurricanes Rita and Katrina will have on sales in the impacted markets, excluding the Southeast Texas and Louisiana markets, the same store sales increase was 3.8% for the quarter and 7.8% for the six months ended in the other markets we serve. These other markets accounted for 78.9% of same store Product sales and Service maintenance agreement commissions during the three months ended July 31, 2006 and 78.5% of same store Product sales and Service maintenance agreement commissions during the six months ended July 31, 2006. It is our strategy to continue emphasizing our primary product categories and focusing on specialty product categories throughout the balance of fiscal 2007.

- Our entry into the Dallas/Fort Worth and the South Texas markets and the addition of stores in our existing Houston and San Antonio markets had a positive impact on our revenues. Approximately $8.7 million and $19.4 million of our product sales and service maintenance agreement commissions increase for the quarter and six months ended July 31, 2006, respectively, resulted from the opening of new stores in these markets. Our plans provide for the opening of additional stores in existing markets during fiscal 2007 as we focus on opportunities in markets in which we have existing infrastructure.

- While deferred interest and "same as cash" plans continue to be an important part of our sales promotion plans, our improved execution and effective use of a variety of sales promotions, enabled us to reduce the level of deferred interest and "same as cash" plans. For the three months and six months ended July 31, 2006, $35.7 million, or 23.7%, and $71.1 million, or 23.0%, respectively, in gross product sales were financed by deferred interest and "same as cash" plans. For the comparable periods in the prior year gross product sales financed by deferred interest and "same as cash" sales were $39.8 million, or 30.4% and $80.5 million, or 31.2%. We expect to increase the use of this type of extended term promotional credit in the future.

- Our gross margin for the quarter decreased from 36.3% to 33.5% for the three months ended July 31, 2006 when compared to the same period in the prior year, primarily as a result of the impact on securitization income of increased charge-offs in the credit portfolio (see Note 3 to the Consolidated Financial Statements), reduced front-end and retrospective Service Maintenance agreement commissions, due to a lower sales penetration during the period, and a reduction in the gross margin on product sales to 20.5% in the quarter ended July 31, 2006, from 20.9% in the prior year. Our gross margin for the six months decreased from 35.8% to 33.6% for the six months ended July 31, 2006 when compared to the same period in the prior year, primarily due to the impact on securitization income of higher charge-offs in the credit portfolio, reduced retrospective Service Maintenance agreement commissions and a reduction in the gross margin on product sales to 20.6% for the six months ended July 31, 2006, from 20.8% in the prior year.

- Finance charges and other declined 10.4% for the quarter and 1.6% for the six months ended July 31, 2006, as compared to the double-digit growth in Product sales as:

    - securitization income, which declined by 12.6% for the quarter and increased 0.1% for the six months ended July 31, 2006, was impacted by a 74.0% increase in net credit losses for the quarter and a 69.9% increase for the six months ended July 31, 2006, due to higher than expected losses primarily as a result of the disruption to our credit operations caused by Hurricane Rita. During the three months ended July 31, 2006, due to the expectation of continued higher losses over the next six months, we recorded an impairment charge of $1.5 million, reducing the value of our interest in securitized assets.

    - service maintenance agreement retrospective commissions for the quarter and the six months ended July 31, 2006 decreased $0.9 million and $1.6 million, respectively, due to a change in the commission structure resulting in higher front-end commissions, which are included in Net sales,

- During the three months ended July 31, 2006, we decreased Selling, general and administrative (SG&A) expense as a percent of revenues to 26.6% from 27.3% when compared to the prior year, primarily from decreases in payroll and payroll related expenses and net advertising expense as a percent of revenues. The trends for the six months ended July 31, 2006 are consistent with those discussed for the three months ended July 31, 2006.

- Operating margin decreased from 9.1% to 6.7% for the three months ended July 31, 2006 when compared to the same period in the prior year due to reduced gross margin and increased Provision for bad debts that was partially offset by our ability to reduce SG&A expenses as a percent of revenues. The factors above also affected the operating margin for the six months ended July 31, 2006 which decreased from 9.4% during the same period last year to 8.1%.

- We adopted SFAS No. 123R, Share-Based Payment, during the quarter ended April 30, 2006. The adoption resulted in expenses totaling $0.4 million being recorded to SG&A during the quarter ended July 31, 2006 as compared to $0.3 million being recorded in the quarter ended July 31, 2005. The adoption resulted in expenses totaling $0.8 million being recorded to SG&A during the six months ended July 31, 2006 as compared to $0.5 million being recorded in the six months ended July 31, 2005.

- During the quarter ended July 31, 2006, the Company completed the sale of a building and the related land, resulting in the recognition of a gain of $0.7 million, which is reflected in Other (income) expense.

Operational Changes and Resulting Outlook

During the quarter, we opened a new store in the West Houston market and added a clearance center in Baytown. We have several other locations in Texas that we believe are promising and, along with new stores in existing markets, are in various stages of development for opening in fiscal year 2007. We also continue to look at other markets, including neighboring states for opportunities.

In its regularly scheduled meeting on August 24, 2006, our Board of Directors authorized the repurchase of up to $50 million of our common stock, dependent on market conditions and the price of the stock.

The credit portfolio delinquency and charge-off statistics were negatively impacted by the effects of Hurricane Rita that hit the Gulf Coast during September of 2005. The hurricane impacted our customer's ability to pay on their accounts and hampered our credit collection operations, including payment processing delays caused by disruption in the mail service. The credit collection operations were negatively affected by the loss of personnel, as some employees did not return to work, and by the increase in the number of delinquent accounts, resulting in increased workloads for the personnel that returned to work. To address the staffing issues, we have intensified our recruiting efforts to attract individuals to our Beaumont, Texas collection center and have opened a second collection center in Dallas, Texas. Non-storm factors that may have negatively affected delinquencies and charge-offs include the impact of the bankruptcy law change in October 2005 and other economic factors on our customers. However, as predicted, the delinquency performance of the credit portfolio has improved since January 31, 2006, and we expect both the delinquency and loss rates to return to historical levels over the next six months. See detail information regarding the delinquency status of the credit portfolio in Note 3 to the financial statements.

On May 18, 2006, the Governor of Texas signed a tax bill that modifies the existing franchise tax, with the most significant change being the replacement of the existing base with a tax based on margin. Taxable margin is generally defined as total federal tax revenues minus the greater of (a) cost of goods sold or (b) compensation. The tax rate to be paid by retailers and wholesalers is 0.5% on taxable margin. This will result in an increase in taxes paid by us, as franchise taxes paid have totaled less than $50,000 per year for the last several years. Partially offsetting this increase is a reduction in property tax rates that will be phased in during the 2006 and 2007 property tax years. The tax changes impacted earnings beginning in this quarter. For the quarter and six months ended, we accrued, net of federal tax benefit, $118,000 in additional tax liability and recorded approximately $29,000 in net deferred tax assets as a result of the new margin tax. Going forward, we expect our effective tax rate on Income before income taxes to increase to between 36% and 37%, from average of 35.1% over the past three fiscal years.

The consumer electronics industry depends on new products to drive same store sales increases. Typically, these new products, such as digital televisions, DVD players, digital cameras and MP3 players are introduced at relatively high price points that are then gradually reduced as the product becomes more mainstream. To sustain positive same store sales growth, unit sales must increase at a rate greater than the decline in product prices. The affordability of the product helps drive the unit sales growth. However, as a result of relatively short product life cycles in the consumer electronics industry, which limit the amount of time available for sales volume to increase, combined with rapid price erosion in the industry, retailers are challenged to maintain overall gross margin levels and positive same store sales. This has historically been our experience, and we continue to adjust our marketing strategies to address this challenge through the introduction of new product categories and new products within our existing categories.

Application of Critical Accounting Policies

In applying the accounting policies that we use to prepare our consolidated financial statements, we necessarily make accounting estimates that affect our reported amounts of assets, liabilities, revenues and expenses. Some of these accounting estimates require us to make assumptions about matters that are highly uncertain at the time we make the accounting estimates. We base these assumptions and the resulting estimates on authoritative pronouncements, historical information and other factors that we believe to be reasonable under the circumstances, and we evaluate these assumptions and estimates on an ongoing basis. We could reasonably use different accounting estimates, and changes in our accounting estimates could occur from period to period, with the result in each case being a material change in the financial statement presentation of our financial condition or results of operations. We refer to accounting estimates of this type as "critical accounting estimates." We believe that the critical accounting estimates discussed below are among those most important to an understanding of our consolidated financial statements as of July 31, 2006.

Transfers of Financial Assets. We transfer customer receivables to the QSPE that issues asset-backed securities to third party lenders using these accounts as collateral, and we continue to service these accounts after the transfer. We recognize the sale of these accounts when we relinquish control of the transferred financial asset in accordance with SFAS No. 140, Accounting for Transfers and Servicing of Financial Assets and Extinguishment of Liabilities. As we transfer the accounts, we record an asset representing the interest only strip which is the difference between the interest earned on customer accounts and the cost associated with financing and servicing the transferred accounts, including a provision for bad debts associated with the transferred accounts (on a revolving pool basis) discounted to a market rate of interest. The gain or loss recognized on these transactions is based on our best estimates of key assumptions, including forecasted credit losses based on actual portfolio experience over the past twelve months, payment rates, forward yield curves, costs of servicing the accounts and appropriate discount rates. The use of different estimates or assumptions could produce different financial results. For example, if we had assumed a 10.0% reduction in net interest spread (which might be caused by rising interest rates or reductions in rates charged on the accounts transferred), our interest in securitized assets would have been reduced by $5.6 million as of July 31, 2006, which may have an adverse affect on earnings. We recognize income from our interest in these transferred accounts as gains on the transfer of the asset, interest income and servicing fees. This income is recorded as Finance charges and other in our consolidated statements of operations. If the assumption used for estimating credit losses were changed by 0.5% from 3.0% to 3.5%, the impact to recorded Finance charges and other would have been a reduction in revenues and pretax income of $2.1 million.

Deferred Taxes. We have net deferred tax liabilities of approximately $0.6 million as of July 31, 2006. If we had assumed that the future tax rate at which these deferred items would reverse was 50 basis points higher than currently anticipated, we would have increased the net deferred tax liability and decreased net income by approximately $9 thousand.

Intangible Assets. We have significant intangible assets related primarily to goodwill. The determination of related estimated useful lives and whether or not these assets are impaired involves significant judgments. Effective with the implementation of SFAS 142, we ceased amortizing goodwill and began testing potential impairment of this asset annually based on judgments regarding ongoing profitability and cash flow of the underlying assets. Changes in strategy or market conditions could significantly impact these judgments and require adjustments to recorded asset balances. For example, if we had reason to believe that our recorded goodwill had become impaired due to decreases in the fair market value of the underlying business, we would have to take a charge to income for that portion of goodwill that we believe is impaired. Our goodwill balance at July 31, 2006 was $9.6 million.

Property and Equipment. Our accounting policies regarding land, buildings, equipment and leasehold improvements include judgments regarding the estimated useful lives of such assets, the estimated residual values to which the assets are depreciated, and the determination as to what constitutes increasing the life of existing assets. These judgments and estimates may produce materially different amounts of depreciation and amortization expense that would be reported if different assumptions were used. These judgments may also impact the need to recognize an impairment charge on the carrying amount of these assets as the cash flows associated with the assets are realized. In addition, the actual life of the asset and residual value may be different from the estimates used to prepare financial statements in prior periods.

Revenue Recognition. Revenues from the sale of retail products are recognized at the time the product is delivered to the customer. Such revenues are recognized net of any adjustments for sales incentive offers such as discounts, coupons, rebates, or other free products or services and discounts of promotional credit sales that will extend beyond one year. We sell service maintenance agreements and credit insurance contracts on behalf of unrelated third parties. For contracts where the third parties are the obligors on the contract, commissions are recognized in revenues at the time of sale, and in the case of retrospective commissions, at the time that they are earned. Where we sell service maintenance renewal agreements in which we are deemed to be the obligor on the contract at the time of sale, revenue is recognized ratably, on a straight-line basis, over the term of the service maintenance agreement. These service maintenance agreements are renewal contracts that provide our customers protection against product repair costs arising after the expiration of the manufacturer's warranty and the third party obligor contracts. These agreements typically range from 12 months to 36 months. These agreements are separate units of accounting under Emerging Issues Task Force No. 00-21, Revenue Arrangements with Multiple Deliverables. The amount of service maintenance agreement revenue deferred at July 31, 2006 and January 31, 2006 was $3.7 million and $3.6 million, respectively, and is included in Deferred revenues and allowances in the accompanying balance sheets.

Vendor Allowances. We receive funds from vendors for price protection, product rebates, marketing and training and promotion programs which are recorded on the accrual basis as a reduction to the related product cost or advertising expense according to the nature of the program. We accrue rebates based on the satisfaction of terms of the program and sales of qualifying products even though funds may not be received until the end of a quarter or year. If the programs are related to product purchases, the allowances, credits or payments are recorded as a reduction of product cost; if the programs are related to promotion or marketing of the product, the allowances, credits, or payments are recorded as a reduction of advertising expense in the period in which the expense is incurred.

Accounting for Stock-Based Compensation. We adopted Statement of Financial Accounting Standards No. 123R, Share-Based Payment, effective February 1, 2006, using the modified retrospective application transition. This statement establishes standards for accounting for transactions in which an entity exchanges its equity instruments for goods or services, focusing primarily on accounting for transactions in which an entity obtains an employee's services. The statement requires a public entity to measure the cost of employee services received in exchange for an award of equity instruments, based on the grant-date fair value of the award, and record that cost over the period during which the employee is required to provide service in exchange for the award. As a result of the adoption of this pronouncement, we retrospectively adjusted prior financial statements to record compensation expense, as previously reported in the notes to our financial statements, for all awards valued using fair-value based methods. The impact of the adoption of this pronouncement is discussed in more detail in Note 1 to our financial statements.

Accounting for Leases. The accounting for leases is governed primarily by SFAS No. 13, Accounting for Leases. As required by the standard, we analyze each lease, at its inception, to determine whether it should be accounted for as an operating lease or a capital lease. Additionally, monthly lease expense for each operating lease is calculated as the average of all payments required under the minimum lease term, including rent escalations. Generally, the minimum lease term begins with the date we take possession of the property and ends on the last day of the minimum lease term, and includes all rent holidays, but excludes renewal terms that are at our option. Any tenant improvement allowances received are deferred and amortized into income as a reduction of lease expense on a straight line basis over the minimum lease term. The amortization of leasehold improvements is computed on a straight line basis over the shorter of the remaining lease term or the estimated useful life of the improvements. Effective February 1, 2006 we implemented the requirements of FASB Staff Position No. 13-1, which addresses the accounting for rental costs associated with operating leases that are incurred during a construction period. As required by that guidance, we recognize as rental expense all rental costs associated with ground or building operating leases that are incurred during a construction period. That rental expense is included in income from continuing operations and is not capitalized.

Results of Operations

The following table sets forth certain statement of operations information as a percentage of total revenues for the periods indicated:

	Three Months Ended July 31,		Six Months Ended July 31,	
	2005	2006	2005	2006
Revenues:				
Product sales	79.5 %	82.6 %	80.0 %	82.6 %
Service maintenance agreement commissions (net)	4.8	3.9	4.6	4.0
Service revenues	3.1	3.3	3.1	3.0
Total net sales	87.4	89.8	87.7	89.6
Finance charges and other	12.6	10.2	12.3	10.4
Total revenues	100.0	100.0	100.0	100.0
Costs and expenses:				
Cost of goods sold, including warehousing and occupancy cost	62.9	65.7	63.4	65.6
Cost of parts sold, including warehousing and occupancy cost	0.8	0.8	0.8	0.8
Selling, general and administrative expense	27.3	26.6	26.3	25.4
Provision for bad debts	(0.1)	0.2	0.1	0.1
Total costs and expenses	90.9	93.3	90.6	91.9
Operating income	9.1	6.7	9.4	8.1
Interest (income) expense, net	0.1	(0.1)	0.1	(0.1)
Other (income) expense, net	0.0	(0.4)	0.0	(0.2)
Income before income taxes	9.0	7.2	9.3	8.4
Provision for income taxes	3.2	2.5	3.3	2.9
Net income	5.8 %	4.7 %	6.0 %	5.5 %

The table above identifies several changes in our operations for the current quarter, including changes in revenue and expense categories expressed as a percentage of revenues. These changes are discussed in the Executive Overview, and in more detail in the discussion of operating results beginning in the analysis below.

Same store sales growth is calculated by comparing the reported sales by store for all stores that were open throughout a period to reported sales by store for all stores that were open throughout the prior year period. Sales from closed stores have been removed from each period. Sales from relocated stores have been included in each period because each store was relocated within the same general geographic market. Sales from expanded stores have been included in each period.

The presentation of gross margins may not be comparable to other retailers since we include the cost of our in-home delivery service as part of Selling, general and administrative expense. Similarly, we include the cost related to operating our purchasing function in Selling, general and administrative expense. It is our understanding that other retailers may include such costs as part of their cost of goods sold.

Three Months Ended July 31, 2006 Compared to Three Months Ended July 31, 2005

Revenues. Total revenues increased by $17.6 million, or 10.7%, from $164.6 million for the three months ended July 31, 2005 to $182.2 million for the three months ended July 31, 2006. The increase was attributable to increases in net sales of $19.8 million, or 13.8%, offset by a decrease of $2.1 million, or 10.4%, in finance charges and other revenue.

The $19.8 million increase in net sales was made up of the following:

- a $10.0 million same store sales increase of 7.2%. While we do not have sufficient information to determine what long-term impact Hurricanes Rita and Katrina will have on sales in the impacted markets, excluding the Southeast Texas and Louisiana markets, the same store sales increase was 3.8% in the other markets we serve. These other markets accounted for 78.9% of same store Product sales and Service maintenance agreement commissions during the three months ended July 31, 2006. Service maintenance agreement (SMA) sales have declined due to a lower sales penetration. This decline has been partially offset as a result of changes in the commission structure on our third-party service maintenance agreement (SMA) contracts, beginning July 2005, we began realizing the benefit of increased front-end commissions on SMA sales, which increased net sales by approximately $0.6 million, (offsetting this increase is a decrease in retrospective commissions which is reflected in Finance charges and other);

- a $8.7 million increase generated by seven retail locations that were not open for three consecutive months in each period;

- a $0.3 million increase resulted from a decrease in discounts on extended-term promotional credit sales (those with terms longer than 12 months); and

- a $0.8 million increase resulted from an increase in service revenues.

The components of the $19.8 million increase in net sales, were a $19.8 million increase in Product sales and a $0.8 million increase in service revenues offset by a net decrease in service maintenance agreement commissions of $0.8 million. The $19.8 million increase in product sales resulted from the following:

- approximately $15.6 million was attributable to increases in unit sales, due to increased appliances, consumer electronics (especially plasma and LCD televisions), and furniture sales, partially offset by a decline in track sales, and

- approximately $4.2 million was attributable to increases in unit price points. The price point impact was driven by a shift to higher-priced track items and increased delivery fees, partially offset by a slight decline in our core product categories as prices for new technology in those areas erode.

The following table presents the makeup of net sales by product category in each quarter, including service maintenance agreement commissions and service revenues, expressed both in dollar amounts and as a percent of total net sales. Classification of sales has been adjusted from previous filings to ensure comparability between the categories.

	Three Months Ended July 31,					
	2005		2006		Percent	
Category	Amount	Percent	Amount	Percent	Increase	
Major home appliances	$ 46,579	32.4 %	$ 53,429	32.7 %	14.7 %	(1)
Consumer electronics	39,728	27.6	46,414	28.4	16.8	(1)
Track	21,225	14.7	20,257	12.4	(4.6)	(2)
Delivery	2,376	1.7	2,887	1.8	21.5	(3)
Lawn and garden	5,943	4.1	6,577	4.0	10.7	(4)
Mattresses	3,095	2.1	4,908	3.0	58.6	(5)
Furniture	3,772	2.6	8,245	5.0	118.6	(6)
Other	8,149	5.7	7,930	4.8	(2.7)	(7)
Total product sales	130,867	90.9	150,647	92.1	15.1	
Service maintenance agreement commissions	7,848	5.5	7,063	4.3	(10.0)	
Service revenues	5,134	3.6	5,927	3.6	15.4	
Total net sales	$ 143,849	100.0 %	$ 163,637	100.0 %	13.8 %	

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(1) These increases are consistent with overall increase in product sales and improved unit prices.

(2) The decline in track sales (consisting largely of computers, computer peripherals, portable electronics and small appliances) is due primarily to reduced sales of computers, portable televisions and camcorders.

(3) This increase is due primarily to the increase in total product sales, as well as an increase in the fees charged for deliveries.

(4) A delayed selling season due to dry weather impacted this category.

(5) This increase is due to increased emphasis on and improved execution at our stores in the sale of this category.

(6) This increase is due to the increased emphasis on the sales of furniture, primarily sofas, recliners and entertainment centers, and new product lines added to this category.

(7) The decline in this category, which includes air conditioning, is due primarily to growing unit volume by emphasizing products with lower price points to match the competitive environment.

Revenue from Finance charges and other decreased by approximately $2.1 million, or 10.4%, from $20.7 million for the three months ended July 31, 2005 to $18.6 million for the three months ended July 31, 2006. It declined while product sales grew, due primarily to a decrease in securitization income of $1.9 million, or 12.6% and a $0.9 million decrease in service maintenance agreement retrospective commissions, partially offset by an increase in insurance commissions of $0.7 million. Securitization income was impacted primarily by a 74.0% increase in net credit losses in the quarter ended July 31, 2006 as compared to the quarter ended July 31, 2005. The increased net credit losses were due to higher than expected losses primarily as a result of the disruption to our credit operations caused by Hurricane Rita. During the three months ended July 31, 2006, due to the expectation of continued higher losses over the next six months, we recorded an impairment charge of $1.5 million, reducing the value of our interest in securitized assets. This impairment charge is based on an estimated charge-off rate of approximately 3.6% over the next six months. The charge-off rate used in the securitized asset valuation is expected to return to the level of the historical charge-off rate assumption of 3.0% at the beginning of our next fiscal year. Additionally, securitization income has been negatively impacted by increased interest cost on the borrowings of the QSPE, due to rising interest rates, and slower growth in the credit portfolio, which impacts the interest income earned by the QSPE.

Cost of Goods Sold. Cost of goods sold, including warehousing and occupancy cost, increased by $16.2 million, or 15.6%, from $103.6 million for the three months ended July 31, 2005 to $119.8 million for the three months ended July 31, 2006. This increase was slightly higher than the 15.1% increase in Product sales during the three months ended July 31, 2006. Cost of products sold increased to 79.5% of Product sales in the quarter ended July 31, 2006, as compared to 79.1% in the quarter ended July 31, 2005. The increase in Cost of goods sold as a percentage of Product sales was primarily as a result of higher warehousing costs, which grew faster than sales.

Cost of Parts Sold. Cost of parts sold, including warehousing and occupancy cost, increased approximately $153,000, or 12.4%, for the three months ended July 31, 2006 as compared to the three months ended July 31, 2005, due to increases in parts sales. While Service revenues increased by 15.4% in the quarter ended July 31, 2006 as compared to the quarter ended July 31, 2005, the cost of parts sold increased at a slower rate due to improved inventory management.

Selling, General and Administrative Expense. While Selling, general and administrative expense increased by $3.4 million, or 7.7%, from $45.0 million for the three months ended July 31, 2005 to $48.4 million for the three months ended July 31, 2006, it decreased as a percentage of total revenue from 27.3% to 26.6%. The decrease in expense as a percentage of total revenues resulted primarily from decreased payroll and payroll related expenses and net advertising expense, as a percent of revenues. We adopted SFAS No. 123R, Share-Based Payment, effective February 1, 2006. The adoption resulted in expenses totaling $0.4 million being recorded to SG&A during the quarter ended July 31, 2006 as compared to $0.3 million being recorded in the quarter ended July 31, 2005.

Provision for Bad Debts. The provision for bad debts on non-credit portfolio receivables and credit portfolio receivables retained by the Company and not transferred to the QSPE increased by $0.5 million, during the three months ended July 31, 2006, as compared to the three months ended July 31, 2005, primarily as a result of provision adjustments that reduced expense in the prior year period, and increased expense in the current year due to the impact of the hurricanes. See Note 3 to the financial statements for information regarding the performance of the credit portfolio.

Interest (Income) Expense, net. Net interest (income) expense improved by $246,000, from net interest expense of $59,000 for the three months ended July 31, 2005 to net interest income of $187,000 for the three months ended July 31, 2006. The net improvement in interest (income) expense was primarily attributable to increased interest income from invested funds of approximately $162,000. The remaining change of $84,000 resulted from lower average outstanding debt balances and capitalization of interest expense on construction in progress.

Other (Income) Expense, net. Other (income) expense, net improved by $749,000, from net expense of $28,000 for the three months ended July 31, 2005, to net income of $721,000 for the three months ended July 31, 2006. This change was primarily the result of a $0.7 million gain recognized on the sale of a building and the related land.

Provision for Income Taxes. The provision for income taxes decreased by $0.6 million, or 12.2%, from $5.3 million for the three months ended July 31, 2005 to $4.6 million for the three months ended July 31, 2006. The decrease in the Provision for income taxes is attributable to lower Income before income taxes and state tax refunds received during the period. The impact of the new Texas margin tax was partially offset by the one-time benefit of deferred tax assets recorded as a result of the new tax.

Net Income. As a result of the above factors, Net income decreased $1.1 million, or 10.9%, from $9.6 million for the three months ended July 31, 2005 to $8.5 million for the three months ended July 31, 2006.

Six Months Ended July 31, 2006 Compared to Six Months Ended July 31, 2005

Revenues. Total revenues increased by $51.9 million, or 16.1%, from $322.5 million for the six months ended July 31, 2005 to $374.4 million for the six months ended July 31, 2006. The increase was attributable to increases in net sales of $52.6 million, or 18.6%, and a decrease of $0.7 million, or 1.6%, in finance charges and other revenue.

The $52.6 million increase in net sales was made up of the following:

- a $31.9 million same store sales increase of 11.7%. While we do not have sufficient information to determine what long-term impact Hurricanes Rita and Katrina will have on sales in the impacted markets, excluding the Southeast Texas and Louisiana markets, the same store sales increase was 7.8% in the other markets we serve. These other markets accounted for 78.5% of

same store Product sales and Service maintenance agreement commissions during the six months ended July 31, 2006. Additionally, as a result of changes in the commission structure on our third-party service maintenance agreement (SMA) contracts, beginning July 2005, we began realizing the benefit of increased front-end commissions on SMA sales, which increased net sales by approximately $1.2 million, (offsetting this increase is a decrease in retrospective commissions which is reflected in Finance charges and other);

- a $19.5 million increase generated by eight retail locations that were not open for six consecutive months in each period; and

- a $1.2 million increase resulted from an increase in service revenues.

The components of the $52.6 million increase in net sales were a $51.0 million increase in product sales and a $1.6 million net increase in service maintenance agreement commissions and service revenues. The $51.0 million increase in product sales resulted from the following:

- approximately $33.8 million was attributable to increases in unit sales, due to increased appliances, consumer electronics (especially plasma and LCD televisions), and furniture sales, partially offset by a decline in track sales, and

- approximately $17.2 million was attributable to increases in unit price points. The price point impact was driven by a shift to higher-priced track items and increased delivery fees, as well as consumers selecting higher priced appliance products, including high-efficiency washers and dryers and stainless kitchen appliances, partially offset by a slight decline in electronics as prices for new technology erode.

The following table presents the makeup of net sales by product category in each quarter, including service maintenance agreement commissions and service revenues, expressed both in dollar amounts and as a percent of total net sales. Classification of sales has been adjusted from previous filings to ensure comparability between the categories.

	Six Months Ended July 31,					
	2005		2006		Percent	
Category	Amount	Percent	Amount	Percent	Increase	
Major home appliances	$ 93,181	33.0 %	$ 115,293	34.4 %	23.7 %	(1)
Consumer electronics	83,381	29.5	100,050	29.8	20.0	(1)
Track	43,965	15.5	43,462	13.0	(1.1)	(2)
Delivery	4,400	1.5	5,759	1.7	30.9	(3)
Lawn and garden	11,226	4.0	11,693	3.5	4.2	(4)
Mattresses	6,002	2.1	10,004	3.0	66.7	(5)
Furniture	6,768	2.4	13,650	4.1	101.7	(6)
Other	9,219	3.3	9,245	2.7	0.3	(7)
Total product sales	258,142	91.3	309,156	92.2	19.8	
Service maintenance agreement commissions	14,732	5.2	15,030	4.5	2.0	
Service revenues	9,909	3.5	11,156	3.3	12.6	
Total net sales	$ 282,783	100.0 %	$ 335,342	100.0 %	18.6 %	

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(1) These increases are consistent with overall increase in product sales and improved unit prices.
(2) The decline in track sales (consisting largely of computers, computer peripherals, portable electronics and small appliances) is due primarily to reduced sales of computers, portable televisions and camcorders.
(3) This increase is due primarily to the increase in total product sales, as well as an increase in the fees charged for deliveries.
(4) A delayed selling season due to dry weather impacted this category.
(5) This increase is due to increased emphasis on and improved execution at our stores in the sale of this category.

(6) This increase is due to the increased emphasis on the sales of furniture, primarily sofas, recliners and entertainment centers, and new product lines added to this category.

(7) This category, which includes air conditioning, was impacted significantly as we grew unit volume by emphasizing products with lower price points to match the competitive environment.

Revenue from Finance charges and other decreased by approximately $0.7 million, or 1.6%, from $39.7 million for the six months ended July 31, 2005, to $39.0 million for the six months ended July 31, 2006. The slight decrease was caused by a $1.6 million decrease in service maintenance agreement retrospective commissions, partially offset by an increase in securitization income of $0.2 million and a $0.7 million increase in insurance commissions and other. Securitization income was impacted primarily by a 69.9% increase in net credit losses in the six months ended July 31, 2006 as compared to the six months ended July 31, 2005. The increased net credit losses were due to higher than expected losses primarily as a result of the disruption to our credit operations caused by Hurricane Rita. During the six months ended July 31, 2006, due to the expectation of continued higher losses over the next six months, we recorded an impairment charge of $1.5 million, reducing the value of our interest in securitized assets. This impairment charge is based on an estimated charge-off rate of approximately 3.6% over the next six months. The charge-off rate used in the securitized asset valuation is expected to return to the level of the historical charge-off rate assumption of 3.0% at the beginning of our next fiscal year. Additionally, securitization income has been negatively impacted by increased interest cost on the borrowings of the QSPE, due to rising interest rates, and slower growth in the credit portfolio, which impacts the interest income earned by the QSPE.

Cost of Goods Sold. Cost of goods sold, including warehousing and occupancy cost, increased by $41.0 million, or 20.0%, from $204.5 million for the six months ended July 31, 2005 to $245.5 million for the six months ended July 31, 2006. This increase was slightly higher than the 19.8% increase in Product sales during the six months ended July 31, 2006. Cost of products sold increased to 79.4% of Product sales in the six months ended July 31, 2006, as compared to 79.2% in the six months ended July 31, 2005. The increase in Cost of goods sold as a percentage of Product sales was primarily as a result of higher warehousing costs, which grew faster than sales.

Cost of Parts Sold. Cost of parts sold, including warehousing and occupancy cost, increased approximately $0.5 million, or 20.0%, for the six months ended July 31, 2006 as compared to the six months ended July 31, 2005, due to increases in parts sales. While Service revenues increased by 12.6% in the six months ended July 31, 2006 as compared to the six months ended July 31, 2005, the cost of parts sold increased at a faster rate due to reduced margins on parts sold through our service maintenance agreement program.

Selling, General and Administrative Expense. While Selling, general and administrative expense increased by $10.4 million, or 12.3%, from $84.7 million for the six months ended July 31, 2005 to $95.1 million for the six months ended July 31, 2006, it decreased as a percentage of total revenue from 26.3% to 25.4%. The decrease in expense as a percentage of total revenues resulted primarily from decreased payroll and payroll related expenses and net advertising expense, as a percent of revenues. We adopted SFAS No. 123R, Share-Based Payment, effective February 1, 2006. The adoption resulted in expenses totaling $0.8 million being recorded to SG&A during the six months ended July 31, 2006 as compared to $0.5 million being recorded in the six months ended July 31, 2005.

Provision for Bad Debts. The provision for bad debts on non-credit portfolio receivables and credit portfolio receivables retained by the Company and not transferred to the QSPE increased by $0.1 million, during the six months ended July 31, 2006, as compared to the six months ended July 31, 2005, primarily as a result of provision adjustments that reduced expense in the prior year period, and increased expense in the current year due to the impact of the hurricanes. See Note 3 to the financial statements for information regarding the performance of the credit portfolio.

Interest (Income) Expense, net. Net interest (income) expense improved by $785,000, from net interest expense of $414,000 for the six months ended July 31, 2005 to net interest income of $371,000 for the six months ended July 31, 2006. The net improvement in interest (income) expense was primarily attributable to:

- the expiration of $20.0 million of our interest rate hedges and the discontinuation of hedge accounting resulted in a net decrease in interest expense of approximately $244,000; and

- increased interest income from invested funds of approximately $378,000.

The remaining change of $163,000 resulted from lower average outstanding debt balances and capitalization of interest expense on construction in progress.

Other (Income) Expense, net. Other (income) expense, net improved by $788,000, from net expense of $34,000 for the six months ended July 31, 2005, to net income of $754,000 for the six months ended July 31, 2006. This change was primarily the result of a $0.7 million gain recognized on the sale of a building and the related land.

Provision for Income Taxes. The provision for income taxes increased by $0.5 million, or 4.4%, from $10.6 million for the six months ended July 31, 2005 to $11.1 million for the six months ended July 31, 2006. The increase in the Provision for income taxes is attributable to higher Income before income taxes, partially offset by state tax refunds received during the period. The impact of the new Texas margin tax was partially offset by the one-time benefit of deferred tax assets recorded as a result of the new tax.

Net Income. As a result of the above factors, Net income increased $1.0 million, or 5.3%, from $19.5 million for the six months ended July 31, 2005 to $20.5 million for the six months ended July 31, 2006.

Liquidity and Capital Resources

Current Activities

Historically we have financed our operations through a combination of cash flow generated from operations, and external borrowings, including primarily bank debt, extended terms provided by our vendors for inventory purchases, acquisition of inventory under consignment arrangements and transfers of receivables to our asset-backed securitization facilities.

As of July 31, 2006, we had approximately $15.0 million in excess cash, the majority of which was generated through the operations of the Company. In addition to the excess cash, we had $48.6 million under the revolving line of credit, net of standby letters of credit issued, and $8.0 million under our unsecured bank line of credit available to us for general corporate purposes, $21.2 million under extended vendor terms for purchases of inventory and $61.0 million in commitments available to our QSPE for the transfer of receivables.

In its regularly scheduled meeting on August 24, 2006, our Board of Directors authorized the repurchase of up to $50 million of our common stock, dependent on market conditions and the price of the stock. We expect to fund these purchases with a combination of excess cash, cash flow from operations, borrowings under our revolving credit facilities and proceeds from the sale of owned properties.

Effective August 28, 2006, we entered into an amendment to our $50 million revolving credit facility with the existing lenders. The amendment increases our restricted payment capacity, which includes payments for repurchases of capital stock, from $25 million to $50 million. There were no other modifications of the Credit Agreement.

A summary of the significant financial covenants that govern our bank credit facility compared to our actual compliance status at July 31, 2006, is presented below:

	Actual	Required Minimum/ Maximum
Debt service coverage ratio must exceed required minimum	4.37 to 1.00	2.00 to 1.00
Total adjusted leverage ratio must be lower than required maximum	1.60 to 1.00	3.00 to 1.00
Consolidated net worth must exceed required minimum	$268.1 million	$162.0 million
Charge-off ratio must be lower than required maximum	0.03 to 1.00	0.06 to 1.00
Extension ratio must be lower than required maximum	0.03 to 1.00	0.05 to 1.00
Thirty-day delinquency ratio must be lower than required maximum	0.08 to 1.00	0.13 to 1.00

Note: All terms in the above table are defined by the bank credit facility and may or may not agree directly to the financial statement captions in this document.

We will continue to finance our operations and future growth through a combination of cash flow generated from operations and external borrowings, including primarily bank debt, extended vendor terms for purchases of inventory, acquisition of inventory under consignment arrangements and the QSPE's asset-backed securitization facilities. Based on our current operating plans, we believe that cash generated from operations, available borrowings under our bank credit facility and unsecured credit line, extended vendor terms for purchases of inventory, acquisition of inventory under consignment arrangements and access to the unfunded portion of the variable funding portion of the QSPE's asset-backed securitization program will be sufficient to fund our operations, store expansion and updating activities and capital programs through at least January 31, 2007. However, there are several factors that could decrease cash provided by operating activities, including:

- reduced demand for our products;
- more stringent vendor terms on our inventory purchases;
- loss of ability to acquire inventory on consignment;
- increases in product cost that we may not be able to pass on to our customers;
- reductions in product pricing due to competitor promotional activities;
- changes in inventory requirements based on longer delivery times of the manufacturers or other requirements which would negatively impact our delivery and distribution capabilities;
- increases in the retained portion of our receivables portfolio under our current QSPE's asset-backed securitization program as a result of changes in performance or types of receivables transferred (promotional versus non-promotional and primary versus secondary portfolio);
- inability to expand our capacity for financing our receivables portfolio under new or replacement QSPE asset-backed securitization programs or a requirement that we retain a higher percentage of the credit portfolio under such new programs;
- increases in program costs (interest and administrative fees relative to our receivables portfolio associated with the funding of our receivables); and
- increases in personnel costs.

During the six months ended July 31, 2006, net cash provided by operating activities decreased $45.4 million from $31.4 million provided in the 2005 period to $14.0 million used in the 2006 period. The net decrease in cash provided from operations resulted primarily from the timing of payments of accounts payable and federal income and employment tax payments. We had obtained extended payment terms from several of our vendors due to the impact of hurricanes in the prior fiscal year. Federal income and employment tax payment deadlines after Hurricane Rita were also deferred until February 28, 2006.

Those extended terms ended and deadlines were reached in the six months ended July 31, 2006 and we were required to satisfy those obligations, which negatively impacted our operating cash flows by approximately $18.9 million. Additionally, during the six months ended July 31, 2006, cash flow was used to increase inventory, as new stores have been added, and to finance growth in the credit portfolio, as we have been required to increase our retained interest in the receivables due to the increased credit losses.

As noted above, we offer promotional credit programs to certain customers that provide for "same as cash" interest free periods of varying terms, generally three, six, or 12 months; in fiscal year 2005 we increased these terms to include 18 or 24 months that are eligible to be partially funded through our asset-backed securitization program. In the second quarter of fiscal 2005, we began offering deferred interest programs with 36-month terms. In the second quarter of fiscal 2006, we began offering deferred interest programs with 24-month terms. The three, six, 12, 18, 24 and 36 month "same as cash" promotional accounts and deferred interest program accounts are eligible for securitization up to the limits provided for in our securitization agreements. This limit is currently 30.0% of eligible securitized receivables. If we exceed this 30.0% limit, we would be required to use some of our other capital resources to carry the unfunded balances of the receivables for the promotional period. The percentage of eligible securitized receivables represented by promotional receivables was 17.0% as of July 31, 2006. At July 31, 2005, this percentage, computed on a consistent basis with the July 31, 2006 calculation, would have been 22.4%. The weighted average promotional period was 12.7 months and 11.5 months for promotional receivables outstanding as of July 31, 2005 and 2006, respectively. The weighted average remaining term on those same promotional receivables was 8.2 months and 7.2 months, respectively. While overall these promotional receivables have a much shorter weighted average term than non-promotional receivables, we receive less income on these receivables, resulting in a reduction of the net interest margin used in the calculation of the gain on the sale of receivables.

Net cash used by investing activities decreased by $0.4 million, from $10.0 million for the six months ended July 31, 2005 to $9.6 million for the six months ended July 31, 2006. The decrease in cash used in investing activities resulted primarily from the sales of property and equipment, partially offset by increased purchases of property and equipment. The cash expended for property and equipment was used primarily for construction of new stores and the reformatting of existing stores to better support our current product mix. Based on current plans, we expect to increase expenditures for property and equipment in fiscal 2007 as we open additional stores, including ownership and development of shopping centers that will feature our store, as compared to fiscal 2006. Additionally, we intend to sell and lease-back certain of the properties we currently own, in order to provide cash flow for funding our growth and stock repurchase plans.

Net cash from financing activities increased by $10.8 million from $9.4 million used during the six months ended July 31, 2005 to $1.4 million provided during the six months ended July 31, 2006. The increase in cash provided by financing activities resulted primarily from decreases in payments on various debt instruments of $10.5 million. Also benefiting cash flow from financing activities was increased proceeds from stock issued under employee benefit plans.

Off-Balance Sheet Financing Arrangements

Since we extend credit in connection with a large portion of our retail, service maintenance and credit insurance sales, we have created a qualified special purpose entity, which we refer to as the QSPE or the issuer, to purchase customer receivables from us and to issue asset-backed and variable funding notes to third parties to obtain cash for these purchases. We transfer receivables, consisting of retail installment contracts and revolving accounts extended to our customers, to the issuer in exchange for cash and subordinated, unsecured promissory notes. To finance its acquisition of these receivables, the issuer has issued the notes and bonds described below to third parties. The unsecured promissory notes issued to us are subordinate to these third party notes and bonds.

At July 31, 2006, the issuer had issued two series of notes and bonds: a Series A variable funding note in the amount of $250 million purchased by Three Pillars Funding LLC and three classes of Series B bonds in the aggregate amount of $200 million, of which $8.0 million was required to be placed in a restricted cash account for the benefit of the bondholders. If the net portfolio yield, as defined by the Series B agreements, falls below 5.0%, then the issuer may be required to fund a cash reserve in addition to the $8.0 million restricted cash account. At July 31, 2006, the net portfolio yield was in compliance with this requirement. Private institutional investors, primarily insurance companies, purchased the Series B bonds at a weighted fixed rate of 5.25%.

In August 2006, the issuer entered into an amendment of the Series A note to increase the total available funding to $300 million, divided into a $100 million 364-day tranche, and a $200 million tranche that expires in August 2011. The Company's QSPE closed and consummated an offering, pursuant to Rule 144A and Regulation S under the Securities Act of 1933, of $150 million of asset-backed fixed-rate notes (Series 2006A bonds), the net proceeds of which were used primarily to provide the QSPE with additional capacity, fund the required $6.0 million cash reserve account and to reduce the amount outstanding under the existing 2002 variable funding note. The proceeds of the new issuance provide the issuer additional capacity for the purchase of our receivables and to make the $10 million monthly principal payments on the Series B bonds due beginning in October 2006. Private institutional investors, primarily insurance companies, purchased the Series 2006A bonds at a weighted fixed rate of 5.75%.

In August 2006, certain of the existing transaction documents related to the activities of the QSPE were amended. The following is a summary of the key amendments:

- increase our consolidated net worth requirement from $30 million to $150 million;
- add certain return mail procedures to the internal accounting control procedures and processing functions report delivered by independent accountants pursuant to the servicing agreement;
- change the definition of "Eligible Installment Contract Receivable" under the base indenture to allow up to 27.5% of all receivables by outstanding principal balance to consist of installment contract receivables of the secondary portfolio (formerly 25% of such receivables were permitted);
- change the definition of "Eligible Installment Contract Receivable" and "Eligible Revolving Charge Receivable" under the base indenture to allow up to 5.0% of the amount or number of installment contract and revolving charge receivables, whichever occurs first, to have a maximum repayment period and cash option period exceeding thirty-six months but no more than forty-eight months (secondary portfolio maximum term remains thirty-six months);
- change certain definitions under the series supplements for the Series A notes and the Series B bonds, including changes to the series supplements for the Series A notes that have the effect of increasing the current level of funding available to the issuer; and
- provide for the issuer's issuance of additional asset-backed notes and obtain additional commitments under the Series A notes upon the occurrence of certain events related to the expiration of any commitment under the Series A notes or the amount of the commitment used under the Series A notes.

We continue to service the transferred accounts for the QSPE, and we receive a monthly servicing fee, so long as we act as servicer, in an amount equal to ..0025% multiplied by the average aggregate principal amount of receivables serviced plus the amount of average aggregate defaulted receivables. The issuer records revenues equal to the interest charged to the customer on the receivables less losses, the cost of funds, the program administration fees paid in connection with either Three Pillars Funding LLC, the Series B or Series 2006A bond holders, the servicing fee and additional earnings to the extent they are available.

After August, 2006 amendment, the Series A variable funding note now permits the issuer to borrow funds up to $300 million to purchase receivables from us, thereby functioning as a "basket" to accumulate receivables. As issuer borrowings under the Series A variable funding note approach $300 million, the issuer is required to request an increase in the Series A amount or issue a new series of bonds and use the proceeds to pay down the then outstanding balance of the Series A variable funding note, so that the basket will once again become available to accumulate new receivables or meet other obligations required under the transaction documents. As of July 31, 2006, borrowings under the Series A variable funding note were $189.0 million.

We are not directly liable to the lenders under the asset-backed securitization facility. If the issuer is unable to repay the Series A note, Series B bonds and Series 2006A bonds due to its inability to collect the transferred customer accounts, the issuer could not pay the subordinated notes it has issued to us in partial payment for transferred customer accounts, the Series B and Series 2006A bond holders could claim the balance in its $14.0 million restricted cash account. We are also contingently liable under a $10.0 million letter of credit that secures our performance of our obligations or services under the servicing agreement as it relates to the transferred assets that are part of the asset-backed securitization facility. We plan to renew this letter of credit and increase the amount to $20.0 million in September, 2006.

The issuer is subject to certain affirmative and negative covenants contained in the transaction documents governing the Series A variable funding note and the Series B and Series 2006A bonds, including covenants that restrict, subject to specified exceptions: the incurrence of non-permitted indebtedness and other obligations and the granting of additional liens; mergers, acquisitions, investments and disposition of assets; and the use of proceeds of the program. The issuer also makes representations and warranties relating to compliance with certain laws, payment of taxes, maintenance of its separate legal entity, preservation of its existence, protection of collateral and financial reporting. In addition, the program requires the issuer to maintain a minimum net worth.

A summary of the significant financial covenants that govern the Series A variable funding note compared to actual compliance status at July 31, 2006, is presented below:

	As reported	Required Minimum/ Maximum
Issuer interest must exceed required minimum	$47.6 million	$42.3 million
Gross loss rate must be lower than required maximum	4.5%	10.0%
Net portfolio yield must exceed required minimum	7.4%	2.0%
Payment rate must exceed required minimum	6.7%	3.0%

Note: All terms in the above table are defined by the asset backed credit facility and may or may not agree] directly to the financial statement captions in this document.

Events of default under the Series A variable funding note and the Series B and Series 2006A bonds, subject to grace periods and notice provisions in some circumstances, include, among others: failure of the issuer to pay principal, interest or fees; violation by the issuer of any of its covenants or agreements; inaccuracy of any representation or warranty made by the issuer; certain servicer defaults; failure of the trustee to have a valid and perfected first priority security interest in the collateral; default under or acceleration of certain other indebtedness; bankruptcy and insolvency events; failure to maintain certain loss ratios and portfolio yield; change of control provisions and certain other events pertaining to us. The issuer's obligations under the program are secured by the receivables and proceeds.

Securitization Facilities
We finance most of our customer receivables through asset-backed securitization facilities

[FLOWCHART OMITTED]

Both the bank credit facility and the asset-backed securitization program are significant factors relative to our ongoing liquidity and our ability to meet the cash needs associated with the growth of our business. Our inability to use either of these programs because of a failure to comply with their covenants would adversely affect our continued growth. Funding of current and future receivables under the QSPE's asset-backed securitization program can be adversely affected if we exceed certain predetermined levels of re-aged receivables, size of the secondary portfolio, the amount of promotional receivables, write-offs, bankruptcies or other ineligible receivable amounts. If the funding under the QSPE's asset-backed securitization program was reduced or terminated, we would have to draw down our bank credit facility more quickly than we have estimated.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Interest rates under our bank credit facility (as executed October 31, 2005) are variable and are determined, at our option, as the base rate, which is the greater of prime rate or federal funds rate plus 0.50% plus the base rate margin, which ranges from 0.00% to 0.50%, or LIBOR plus the LIBOR margin, which ranges from 0.75% to 1.75%. Accordingly, changes in the prime rate, the federal funds rate or LIBOR, which are affected by changes in interest rates generally, will affect the interest rate on, and therefore our costs under, our bank credit facility. We are also exposed to interest rate risk associated with our interest only strip and the subordinated securities we receive from our sales of receivables to the QSPE.

We held interest rate swaps and collars with notional amounts totaling $20.0 million which expired on April, 15 2005. The swaps and collars were held for the purpose of hedging against variable interest rate risk, primarily related to cash flows from our interest-only strip as well as our variable rate debt. There have been no material changes in our interest rate risks since January 31, 2006.

Item 4. Controls and Procedures

An evaluation was performed under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, regarding the effectiveness of our disclosure controls and procedures (as defined in 15d-15(e) of the Securities Exchange Act of 1934 (the "Exchange Act") as of the end of the period covered by this quarterly report. Based on that evaluation, our management, including our Chief Executive Officer and our Chief Financial Officer, concluded that our disclosure controls and procedures are effective in timely alerting them to material information relating to our Company (including its consolidated subsidiaries) required to be included in our periodic filings with the Securities and Exchange Commission.

During the preparation of our consolidated financial statements for the quarter ended July 31, 2006, we identified an issue related to the recording of securitization income. Based on our discovery and the results of discussions with our independent accountants and the Audit Committee of the Board of Directors, it was determined that a review of our accounting under SFAS No. 140 should be completed before the statements for the quarter ended July 31, 2006 were issued. The internal review revealed that we had incorrectly reduced securitization income and the value of our interests in securitized assets by the amount of future expected loan losses recorded on the books of the qualifying special purpose entity that owns the receivables.

As a result of the error discussed above and the resulting restatement, management has concluded that a material weakness in its internal controls over financial reporting existed prior to the completion of the consolidated financial statement for quarter ended July 31, 2006. Specifically, controls were not operating effectively to ensure that the proper accounting and corresponding consolidated financial statement presentation of securitization income and the fair value of interests in securitized assets was consistent with SFAS No. 140.

As of the date of this filing, we believe we have taken the appropriate action to remediate the material weakness in our internal control over financial reporting with respect to accounting for securitization transactions, based on the following actions taken:

- improved education and enhanced accounting analysis and reviews designed to ensure that all relevant personnel involved in the securitization accounting understand and account for securitization transactions in compliance with SFAS No. 140; and

- a review of our internal financial controls with respect to accounting for securitization transactions to ensure compliance with SFAS No. 140.

While we believe we have taken the steps necessary to remediate this material weakness relating to our accounting under SFAS No. 140 and related processes, procedures, and controls, we cannot confirm the effectiveness of our enhanced internal controls with respect to our accounting under SFAS No. 140 until we and our independent auditors have conducted sufficient tests. Accordingly, we will continue to monitor the effectiveness of the processes, procedures, and controls we have implemented and will make any further changes management determines appropriate.

As described above, we made changes in internal controls over financial reporting during the quarter ended July 31, 2006, that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings

We are involved in routine litigation incidental to our business from time to time. Currently, we do not expect the outcome of any of this routine litigation to have a material affect on our financial condition or results of operation. However, the results of these proceedings cannot be predicted with certainty, and changes in facts and circumstances could impact our estimate of reserves for litigation.

Item 1A. Risk Factors

In addition to the other information set forth in this report, you should carefully consider the factors discussed in Part I, "Item 1A. Risk Factors" in our Annual Report on Form 10-K for the year ended January 31, 2006, which could materially affect our business, financial condition or future results. The risks described in our Annual Report on Form 10-K are not the only risks facing our Company. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also may materially adversely affect our business, financial condition and/or operating results.

Item 4. Submission of Matters to a Vote of Security Holders

At the Annual Meeting of Stockholders held on May 31, 2006, the following proposals were submitted to stockholders with the following results:

1. Election of nine directors

	Number of Shares	
	For	Withheld
Marvin D. Brailsford	21,681,563	521,915
Thomas J. Frank, Sr.	21,430,983	772,495
Jon E. M. Jacoby	21,468,729	734,749
Bob L. Martin	21,515,399	688,079
Douglas H. Martin	21,570,630	632,848
Dr. William C. Nylin, Jr.	21,408,662	794,816
Scott L. Thompson	21,679,181	524,297
William T. Trawick	14,907,089	7,296,389
Theodore M. Wright	21,120,181	1,083,297

2. Approval of an amendment to the Amended and Restated 2003 Incentive Stock Option Plan to increase the number of shares of common stock that may be issued under the plan from 2,559,767 to 3,859,767.

	Number of Shares
For	17,994,641
Against	1,665,663
Abstain	10,271
Broker Nonvotes	2,532,903

3. Approval of an amendment to the 2003 Non-Employee Directors Stock Option Plan to increase the number of shares of common stock that may be issued under the plan from 300,000 to 600,000.

	Number of Shares
For	17,156,306
Against	2,504,099
Abstain	10,170
Broker Nonvotes	2,532,903

Item 5. Other Information

There have been no material changes to the procedures by which security holders may recommend nominees to our board of directors since we last provided disclosure in response to the requirements of Item 7(d)(2)(ii)(G) of Schedule 14A.

The Company expects to reinstate the full salaries of three of its named officers effective September 16, 2006, who voluntarily took a temporary reduction in their base salary effective August 16, 2006. The three executives are Thomas J. Frank, Sr., Chairman of the Board of Directors and Chief Executive Officer, Dr. William C. Nylin, Jr., the Company's Chief Operating Officer and Executive Vice Chairman of the Board of Directors and Reymundo de la Fuente, Senior Vice President - Credit. The base salaries will be reinstated fully to the levels prior to the voluntary reduction.

Item 6. Exhibits

The exhibits required to be furnished pursuant to Item 6 of Form 10-Q are listed in the Exhibit Index filed herewith, which Exhibit Index is incorporated herein by reference.

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 thereunto duly authorized.

CONN'S, INC.

By: /s/ David L. Rogers

David L. Rogers
Chief Financial Officer
(Principal Financial Officer and duly authorized to sign this report on behalf of the registrant)

Date: September 15, 2006

INDEX TO EXHIBITS

Exhibit Number	Description
2	Agreement and Plan of Merger dated January 15, 2003, by and among Conn's, Inc., Conn Appliances, Inc. and Conn's Merger Sub, Inc. (incorporated herein by reference to Exhibit 2 to Conn's, Inc. registration statement on Form S-1 (file no. 333-109046) as filed with the Securities and Exchange Commission on September 23, 2003).
3.1	Certificate of Incorporation of Conn's, Inc. (incorporated herein by reference to Exhibit 3.1 to Conn's, Inc. registration statement on Form S-1 (file no. 333-109046) as filed with the Securities and Exchange Commission on September 23, 2003).
3.1.1	Certificate of Amendment to the Certificate of Incorporation of Conn's, Inc. dated June 3, 2004 (incorporated herein by reference to Exhibit 3.1.1 to Conn's, Inc. Form 10-Q for the quarterly period ended April 30, 2004 (File No. 000-50421) as filed with the Securities and Exchange Commission on June 7, 2004).
3.2	Bylaws of Conn's, Inc. (incorporated herein by reference to Exhibit 3.2 to Conn's, Inc. registration statement on Form S-1 (file no. 333-109046) as filed with the Securities and Exchange Commission on September 23, 2003).
3.2.1	Amendment to the Bylaws of Conn's, Inc. (incorporated herein by reference to Exhibit 3.2.1 to Conn's Form 10-Q for the quarterly period ended April 30, 2004 (File No. 000-50421) as filed with the Securities and Exchange Commission on June 7, 2004).
4.1	Specimen of certificate for shares of Conn's, Inc.'s common stock (incorporated herein by reference to Exhibit 4.1 to Conn's, Inc. registration statement on Form S-1 (file no. 333-109046) as filed with the Securities and Exchange Commission on October 29, 2003).
10.1	Amended and Restated 2003 Incentive Stock Option Plan (incorporated herein by reference to Exhibit 10.1 to Conn's, Inc. registration statement on Form S-1 (file no. 333-109046) as filed with the Securities and Exchange Commission on September 23, 2003).t
10.1.1	Amendment to the Conn's, Inc. Amended and Restated 2003 Incentive Stock Option Plan (incorporated herein by reference to Exhibit 10.1.1 to Conn's Form 10-Q for the quarterly period ended April 30, 2004 (File No. 000-50421) as filed with the Securities and Exchange Commission on June 7, 2004).t
10.1.2	Form of Stock Option Agreement (incorporated herein by reference to Exhibit 10.1.2 to Conn's, Inc. Form 10-K for the annual period ended January 31, 2005 (File No. 000-50421) as filed with the Securities and Exchange Commission on April 5, 2005).t
10.2	2003 Non-Employee Director Stock Option Plan (incorporated herein by reference to Exhibit 10.2 to Conn's, Inc. registration statement on Form S-1 (file no. 333-109046)as filed with the Securities and Exchange Commission on September 23, 2003).t
10.2.1	Form of Stock Option Agreement (incorporated herein by reference to Exhibit 10.2.1 to Conn's, Inc. Form 10-K for the annual period ended January 31, 2005 (File No. 000-50421) as filed with the Securities and Exchange Commission on April 5, 2005).t
10.3	Employee Stock Purchase Plan (incorporated herein by reference to Exhibit 10.3 to Conn's, Inc. registration statement on Form S-1 (file no. 333-109046) as filed with the Securities and Exchange Commission on September 23, 2003).t

10.4 Conn's 401(k) Retirement Savings Plan (incorporated herein by reference to Exhibit 10.4 to Conn's, Inc. registration statement on Form S-1 (file no. 333-109046) as filed with the Securities and Exchange Commission on September 23, 2003).t

10.5 Shopping Center Lease Agreement dated May 3, 2000, by and between Beaumont Development Group, L.P., f/k/a Fiesta Mart, Inc., as Lessor, and CAI, L.P., as Lessee, for the property located at 3295 College Street, Suite A, Beaumont, Texas (incorporated herein by reference to Exhibit 10.5 to Conn's, Inc. registration statement on Form S-1 (file no. 333-109046) as filed with the Securities and Exchange Commission on September 23, 2003).

10.5.1 First Amendment to Shopping Center Lease Agreement dated September 11, 2001, by and among Beaumont Development Group, L.P., f/k/a Fiesta Mart, Inc., as Lessor, and CAI, L.P., as Lessee, for the property located at 3295 College Street, Suite A, Beaumont, Texas (incorporated herein by reference to Exhibit 10.5.1 to Conn's, Inc. registration statement on Form S-1 (file no. 333-109046) as filed with the Securities and Exchange Commission on September 23, 2003).

10.6 Industrial Real Estate Lease dated June 16, 2000, by and between American National Insurance Company, as Lessor, and CAI, L.P., as Lessee, for the property located at 8550-A Market Street, Houston, Texas (incorporated herein by reference to Exhibit 10.6 to Conn's, Inc. registration statement on Form S-1 (file no. 333-109046) as filed with the Securities and Exchange Commission on September 23, 2003).

10.6.1 First Renewal of Lease dated November 24, 2004, by and between American National Insurance Company, as Lessor, and CAI, L.P., as Lessee, for the property located at 8550-A Market Street, Houston, Texas (incorporated herein by reference to Exhibit 10.6.1 to Conn's, Inc. Form 10-K for the annual period ended January 31, 2005 (File No. 000-50421) as filed with the Securities and Exchange Commission on April 5, 2005).

10.7 Lease Agreement dated December 5, 2000, by and between Prologis Development Services, Inc., f/k/a The Northwestern Mutual Life Insurance Company, as Lessor, and CAI, L.P., as Lessee, for the property located at 4810 Eisenhauer Road, Suite 240, San Antonio, Texas (incorporated herein by reference to Exhibit 10.7 to Conn's, Inc. registration statement on Form S-1 (file no. 333-109046) as filed with the Securities and Exchange Commission on September 23, 2003).

10.7.1 Lease Amendment No. 1 dated November 2, 2001, by and between Prologis Development Services, Inc., f/k/a The Northwestern Mutual Life Insurance Company, as Lessor, and CAI, L.P., as Lessee, for the property located at 4810 Eisenhauer Road, Suite 240, San Antonio, Texas (incorporated herein by reference to Exhibit 10.7.1 to Conn's, Inc. registration statement on Form S-1 (file no. 333-109046) as filed with the Securities and Exchange Commission on September 23, 2003).

10.8 Lease Agreement dated June 24, 2005, by and between Cabot Properties, Inc. as Lessor, and CAI, L.P., as Lessee, for the property located at 1132 Valwood Parkway, Carrollton, Texas (incorporated herein by reference to Exhibit 99.1 to Conn's, Inc. Current Report on Form 8-K (file no. 000-50421) as filed with the Securities and Exchange Commission on June 29, 2005).

10.9 Credit Agreement dated October 31, 2005, by and among Conn Appliances, Inc. and the Borrowers thereunder, the Lenders party thereto, JPMorgan Chase Bank, National Association, as Administrative Agent, Bank of America, N.A., as Syndication Agent, and SunTrust Bank, as Documentation Agent (incorporated herein by reference to Exhibit 10.9 to Conn's, Inc. Quarterly Report on Form 10-Q (file no. 000-50421) as filed with the Securities and Exchange Commission on December 1, 2005).

10.9.1 Letter of Credit Agreement dated November 12, 2004 by and between Conn Appliances, Inc. and CAI Credit Insurance Agency, Inc., the financial institutions listed on the signature pages thereto, and JPMorgan Chase Bank, as Administrative Agent (incorporated herein by reference to Exhibit 99.2 to Conn's Inc. Current Report on Form 8-K (File No. 000-50421) as filed with the Securities and Exchange Commission on November 17, 2004).

10.9.2 First Amendment to Credit Agreement dated August 28, 2006 by and between Conn Appliances, Inc. and CAI Credit Insurance Agency, Inc., the financial institutions listed on the signature pages thereto, and JPMorgan Chase Bank, as Administrative Agent (incorporated herein by reference to Exhibit 10.1 to Conn's Inc. Current Report on Form 8-K (File No. 000-50421) as filed with the Securities and Exchange Commission on August 28, 2006).

10.10 Receivables Purchase Agreement dated September 1, 2002, by and among Conn Funding II, L.P., as Purchaser, Conn Appliances, Inc. and CAI, L.P., collectively as Originator and Seller, and Conn Funding I, L.P., as Initial Seller (incorporated herein by reference to Exhibit 10.10 to Conn's, Inc. registration statement on Form S-1 (file no. 333-109046) as filed with the Securities and Exchange Commission on September 23, 2003).

10.10.1 First Amendment to Receivables Purchase Agreement dated August 1, 2006, by and among Conn Funding II, L.P., as Purchaser, Conn Appliances, Inc. and CAI, L.P., collectively as Originator and Seller (filed herewith).

10.11 Base Indenture dated September 1, 2002, by and between Conn Funding II, L.P., as Issuer, and Wells Fargo Bank Minnesota, National Association, as Trustee (incorporated herein by reference to Exhibit 10.11 to Conn's, Inc. registration statement on Form S-1 (file no. 333-109046) as filed with the Securities and Exchange Commission on September 23, 2003).

10.11. 1 First Supplemental Indenture dated October 29, 2004 by and between Conn Funding II, L.P., as Issuer, and Wells Fargo Bank, National Association, as Trustee (incorporated herein by reference to Exhibit 99.1 to Conn's, Inc. Current Report on Form 8-K (File No. 000-50421) as filed with the Securities and Exchange Commission on November 4, 2004).

10.11. 2 Second Supplemental Indenture dated August 1, 2006 by and between Conn Funding II, L.P., as Issuer, and Wells Fargo Bank, National Association, as Trustee (incorporated herein by reference to Exhibit 99.1 to Conn's, Inc. Current Report on Form 8-K (File No. 000-50421) as filed with the Securities and Exchange Commission on August 23, 2006).

10.12 Series 2002-A Supplement to Base Indenture dated September 1, 2002, by and between Conn Funding II, L.P., as Issuer, and Wells Fargo Bank Minnesota, National Association, as Trustee (incorporated herein by reference to Exhibit 10.12 to Conn's, Inc. registration statement on Form S-1 (file no. 333-109046) as filed with the Securities and Exchange Commission on September 23, 2003).

10.12.1 Amendment to Series 2002-A Supplement dated March 28, 2003, by and between Conn Funding II, L.P. as Issuer, and Wells Fargo Bank Minnesota, National Association, as Trustee (incorporated herein by reference to Exhibit 10.12.1 to Conn's, Inc. Form 10-K for the annual period ended January 31, 2005 (File No. 000-50421) as filed with the Securities and Exchange Commission on April 5, 2005).

10.12.2 Amendment No. 2 to Series 2002-A Supplement dated July 1, 2004, by and between Conn Funding II, L.P., as Issuer, and Wells Fargo Bank Minnesota, National Association, as Trustee (incorporated herein by reference to Exhibit 10.12.2 to Conn's, Inc. Form 10-K for the annual period ended January 31, 2005 (File No. 000-50421) as filed with the Securities and Exchange Commission on April 5, 2005).

10.12.3 Amendment No. 3 to Series 2002-A Supplement. dated August 1, 2006, by and between Conn Funding II, L.P., as Issuer, and Wells Fargo Bank, National Association, as Trustee (filed herewith).

10.13 Series 2002-B Supplement to Base Indenture dated September 1, 2002, by and between Conn Funding II, L.P., as Issuer, and Wells Fargo Bank Minnesota, National Association, as Trustee (incorporated herein by reference to Exhibit 10.13 to Conn's, Inc. registration statement on Form S-1 (file no. 333-109046) as filed with the Securities and Exchange Commission on September 23, 2003).

10.13.1 Amendment to Series 2002-B Supplement dated March 28, 2003, by and between Conn Funding II, L.P., as Issuer, and Wells Fargo Bank Minnesota, National Association, as Trustee (incorporated herein by reference to Exhibit 10.13.1 to Conn's, Inc. Form 10-K for the annual period ended January 31, 2005 (File No. 000-50421) as filed with the Securities and Exchange Commission on April 5, 2005).

10.14 Servicing Agreement dated September 1, 2002, by and among Conn Funding II, L.P., as Issuer, CAI, L.P., as Servicer, and Wells Fargo Bank Minnesota, National Association, as Trustee (incorporated herein by reference to Exhibit 10.14 to Conn's, Inc. registration statement on Form S-1 (file no. 333-109046) as filed with the Securities and Exchange Commission on September 23, 2003).

10.14.1 First Amendment to Servicing Agreement dated June 24, 2005, by and among Conn Funding II, L.P., as Issuer, CAI, L.P., as Servicer, and Wells Fargo Bank, National Association, as Trustee (incorporated herein by reference to Exhibit 10.14.1 to Conn's, Inc. Form 10-Q for the quarterly period ended July 31, 2005 (File No. 000-50421) as filed with the Securities and Exchange Commission on August 30, 2005).

10.14.2 Second Amendment to Servicing Agreement dated November 28, 2005, by and among Conn Funding II, L.P., as 10.14.2 Issuer, CAI, L.P., as Servicer, and Wells Fargo Bank, National Association, as Trustee (incorporated herein by reference to Exhibit 10.14.2 to Conn's, Inc. Form 10-Q for the quarterly period ended October 31, 2005 (File No. 000-50421) as filed with the Securities and Exchange Commission on December 1, 2005).

10.14.3 Third Amendment to Servicing Agreement dated May 16, 2006, by and among Conn Funding II, L.P., as Issuer, CAI, L.P., as Servicer, and Wells Fargo Bank, National Association, as Trustee (filed herewith).

10.14.4 Fourth Amendment to Servicing Agreement dated August 1, 2006, by and among Conn Funding II, L.P., as Issuer, CAI, L.P., as Servicer, and Wells Fargo Bank, National Association, as Trustee (filed herewith).

10.15 Form of Executive Employment Agreement (incorporated herein by reference to Exhibit 10.15 to Conn's, Inc. registration statement on Form S-1 (file no. 333-109046) as filed with the Securities and Exchange Commission on October 29, 2003).t

10.15.1 First Amendment to Executive Employment Agreement between Conn's, Inc. and Thomas J. Frank, Sr., Approved by the stockholders May 26, 2005 (incorporated herein by reference to Exhibit 10.15.1 to Conn's, Inc. Form 10-Q for the quarterly period ended July 31, 2005 (file No. 000-50421) as filed with the Securities and Exchange Commission on August 30, 2005).t

10.16 Form of Indemnification Agreement (incorporated herein by reference to Exhibit 10.16 to Conn's, Inc. registration statement on Form S-1 (file no. 333-109046) as filed with the Securities and Exchange Commission on September 23, 2003).t

10.17 2007 Bonus Program (incorporated herein by reference to Form 8-K (file no. 000-50421) filed with the Securities and Exchange Commission on March 30, 2006).t

10.18 Description of Compensation Payable to Non-Employee Directors (incorporated herein by reference to Form 8-K (file no. 000-50421) filed with the Securities and Exchange Commission on June 2, 2005).t

10.19 Dealer Agreement between Conn Appliances, Inc. and Voyager Service Programs, Inc. effective as of January 1, 1998 (incorporated herein by reference to Exhibit 10.19 to Conn's, Inc. Form 10-K for the annual period ended January 31, 2006 (File No. 000-50421) as filed with the Securities and Exchange Commission on March 30, 2006).

10.19.1 Amendment #1 to Dealer Agreement by and among Conn Appliances, Inc., CAI, L.P., Federal Warranty Service Corporation and Voyager Service Programs, Inc. effective as of July 1, 2005 (incorporated herein by reference to Exhibit 10.19.1 to Conn's, Inc. Form 10-K for the annual period ended January 31, 2006 (File No. 000-50421) as filed with the Securities and Exchange Commission on March 30, 2006).

10.19.2 Amendment #2 to Dealer Agreement by and among Conn Appliances, Inc., CAI, L.P., Federal Warranty Service Corporation and Voyager Service Programs, Inc. effective as of July 1, 2005 (incorporated herein by reference to Exhibit 10.19.2 to Conn's, Inc. Form 10-K for the annual period ended January 31, 2006 (File No. 000-50421) as filed with the Securities and Exchange Commission on March 30, 2006).

10.19.3 Amendment #3 to Dealer Agreement by and among Conn Appliances, Inc., CAI, L.P., Federal Warranty Service Corporation and Voyager Service Programs, Inc. effective as of July 1, 2005 (incorporated herein by reference to Exhibit 10.19.3 to Conn's, Inc. Form 10-K for the annual period ended January 31, 2006 (File No. 000-50421) as filed with the Securities and Exchange Commission on March 30, 2006).

10.19.4 Amendment #4 to Dealer Agreement by and among Conn Appliances, Inc., CAI, L.P., Federal Warranty Service Corporation and Voyager Service Programs, Inc. effective as of July 1, 2005 (incorporated herein by reference to Exhibit 10.19.4 to Conn's, Inc. Form 10-K for the annual period ended January 31, 2006 (File No. 000-50421) as filed with the Securities and Exchange Commission on March 30, 2006).

10.20 Service Expense Reimbursement Agreement between Affiliates Insurance Agency, Inc. and American Bankers Life Assurance Company of Florida, American Bankers Insurance Company Ranchers & Farmers County Mutual Insurance Company, Voyager Life Insurance Company and Voyager Property and Casualty Insurance Company effective July 1, 1998 (incorporated herein by reference to Exhibit 10.20 to Conn's, Inc. Form 10-K for the annual period ended January 31, 2006 (File No. 000-50421) as filed with the Securities and Exchange Commission on March 30, 2006).

10.20.1 First Amendment to Service Expense Reimbursement Agreement by and among CAI, L.P., Affiliates Insurance Agency, Inc., American Bankers Life Assurance Company of Florida, Voyager Property & Casualty Insurance Company, American Bankers Life Assurance Company of Florida, American Bankers Insurance Company of Florida and American Bankers General Agency, Inc. effective July 1, 2005 (incorporated herein by reference to Exhibit 10.20.1 to Conn's, Inc. Form 10-K for the annual period ended January 31, 2006 (File No. 000-50421) as filed with the Securities and Exchange Commission on March 30, 2006).

10.21 Service Expense Reimbursement Agreement between CAI Credit Insurance Agency, Inc. and American Bankers Life Assurance Company of Florida, American Bankers Insurance Company Ranchers & Farmers County Mutual Insurance Company, Voyager Life Insurance Company and Voyager Property and Casualty Insurance Company effective July 1, 1998 (incorporated herein by reference to Exhibit 10.21 to Conn's, Inc. Form 10-K for the annual period ended January 31, 2006 (File No. 000-50421) as filed with the Securities and Exchange Commission on March 30, 2006).

10.21.1 First Amendment to Service Expense Reimbursement Agreement by and among CAI Credit Insurance Agency, Inc., American Bankers Life Assurance Company of Florida, Voyager Property & Casualty Insurance Company, American Bankers Life Assurance Company of Florida, American Bankers Insurance Company of Florida, American Reliable Insurance Company, and American Bankers General Agency, Inc. effective July 1, 2005 (incorporated herein by reference to Exhibit 10.21.1 to Conn's, Inc. Form 10-K for the annual period ended January 31, 2006 (File No. 000-50421) as filed with the Securities and Exchange Commission on March 30, 2006).

10.22	Consolidated Addendum and Amendment to Service Expense Reimbursement Agreements by and among Certain Member Companies of Assurant Solutions, CAI Credit Insurance Agency, Inc. and Affiliates Insurance Agency, Inc. effective April 1, 2004 (incorporated herein by reference to Exhibit 10.22 to Conn's, Inc. Form 10-K for the annual period ended January 31, 2006 (File No. 000-50421) as filed with the Securities and Exchange Commission on March 30, 2006).
10.23	Series 2006-A Supplement to Base Indenture, dated August 1, 2006, by and between Conn Funding II, L.P., as Issuer, and Wells Fargo Bank, National Association, as Trustee (filed herewith).
11.1	Statement re: computation of earnings per share is included under Note 1 to the financial statements.
21	Subsidiaries of Conn's, Inc. (incorporated herein by reference to Exhibit 21 to Conn's, Inc. registration statement on Form S-1 (file no. 333-109046) as filed with the Securities and Exchange Commission on September 23, 2003).
31.1	Rule 13a-14(a)/15d-14(a) Certification (Chief Executive Officer) (filed herewith).
31.2	Rule 13a-14(a)/15d-14(a) Certification (Chief Financial Officer) (filed herewith).
32.1	Section 1350 Certification (Chief Executive Officer and Chief Financial Officer) (furnished herewith).
99.1	Subcertification by Chief Operating Officer in support of Rule 13a-14(a)/15d-14(a) Certification (Chief Executive Officer) (filed herewith).
99.2	Subcertification by Treasurer in support of Rule 13a-14(a)/15d-14(a) Certification (Chief Financial Officer) (filed herewith).
99.3	Subcertification by Secretary in support of Rule 13a-14(a)/15d-14(a) Certification (Chief Financial Officer) (filed herewith).
99.4	Subcertification of Chief Operating Officer, Treasurer and Secretary in support of Section 1350 Certifications (Chief Executive Officer and Chief Financial Officer) (furnished herewith).
t	Management contract or compensatory plan or arrangement.

FIRST AMENDMENT TO RECEIVABLES PURCHASE AGREEMENT

THIS FIRST AMENDMENT TO RECEIVABLES PURCHASE AGREEMENT is made effective as of August 1, 2006 (this "Amendment"), is among CONN FUNDING II, L.P., as Purchaser (the "Purchaser") and CONN APPLIANCES, INC. and CAI, L.P., as originators and sellers (collectively, the "Originator").

BACKGROUND

A. Reference is made to (i) the Receivables Purchase Agreement dated as of September 1, 2002 (the "Agreement"), among the Purchaser, the Originator and Conn Funding II, L.P., as initial seller (the "Initial Seller"), (ii) the Base Indenture dated as of September 1, 2002, between the Issuer and the Trustee (the "Base Indenture"), (iii) the Series 2002-A Supplement dated as of September 1, 2002, between the Issuer and the Trustee (the "2002-A Supplement") and (iv) the Series 2002-B Supplement dated as of September 1, 2002, between the Issuer and the Trustee (the "2002-B Supplement") (each of the Base Indenture, the 2002-A Supplement and the 2002-B Supplement, as amended, restated, supplemented or otherwise modified through the date hereof, and collectively, the "Indenture"). Capitalized terms used herein but not otherwise defined herein have the meanings assigned thereto in the Agreement or the Indenture.

B. The Initial Seller dissolved as a limited partnership under Texas law on July 28, 2006.

C. The Originator and the Purchaser desire to amend the Agreement as set forth in this Amendment (the "Amending Parties").

D. Section 7.3 of the Note Purchase Agreement, dated as of September 13, 2002, among the Purchaser, the Originator, Three Pillars Funding LLC (f/k/a Three Pillars Funding Corporation) and SunTrust Capital Markets, Inc., requires the consent of at least 66-2/3% of the aggregate Note Principal of all of the Purchaser's Series 2002-A Notes (the "Series 2002-A Required Persons") and the Notice Person for the Series 2002-A Notes for the execution of this Amendment;

E. Section 10.1 of the Agreement requires that this Amendment be executed by the Purchaser, the Notice Persons of each Series and the Trustee (together with the Series 2002-A Required Persons, the "Consenting Parties").

NOW, THEREFORE, for good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Amending Parties hereto agree as follows:

SECTION 1. Amendments to Article V.

(a) Amendment to Section 5.1. Section 5.1 is hereby amended by replacing each reference to "the Originator" in subsection (a), clauses (i) and (ii) thereof with "Consolidated Parent".

(b) Amendments to Section 5.2. Section 5.2(h) is hereby amended by replacing (i) the first use of the word "its" in such Section with "Consolidated Parent's" and (ii) the word "Originator" in such Section with "Consolidated Parent".

SECTION 2. Amendment to Section 6.8. Section 6.8 is hereby amended by replacing the reference to "Charged-off Receivables" in such Section with "Defaulted Receivables".

SECTION 3. Conditions to Effectiveness. This Amendment shall become effective as of August 1, 2006 upon (i) the execution and delivery to the Trustee of this Amendment by (a) the Amending Parties and (b) the Consenting Parties (which in the case of the Notice Persons for the Purchaser's Series 2002-B Notes shall be satisfied upon delivery of the confirmation described in clause (ii)) and (ii) delivery to the Trustee of written confirmation by the Rating Agencies that this Amendment will not cause the rating of the Notes to be downgraded or withdrawn.

SECTION 4. Representations and Warranties. Each of the Originator and the Purchaser represents and warrants upon and as of the effectiveness of this Amendment that:

(a) no event or condition has occurred and is continuing which would constitute a Purchase Termination Event or Incipient Purchase Termination Event; and

(b) after giving effect to this Amendment, its representations and warranties set forth in the Agreement and the other Transaction Documents to which it is a party are true and correct as of the date thereof, as though made on and as of such date (except to the extent such representations and warranties relate solely to an earlier date and then as of such earlier date), and such representations and warranties shall continue to be true and correct (to such extent) after giving effect to the transactions contemplated hereby.

SECTION 5. Effect of Amendment; Ratification. Except as specifically amended hereby, the Agreement is hereby ratified and confirmed in all respects, and all of its provisions shall remain in full force and effect. After this Amendment becomes effective, all references in the Agreement (or in any other Transaction Document) to "the Purchase Agreement", "this Agreement", "hereof", "herein", or words of similar effect, in each case referring to the Agreement, shall be deemed to be references to the Agreement as amended hereby. This Amendment shall not be deemed to

expressly or impliedly waive, amend, or supplement any provision of the Agreement other than as specifically set forth herein.

SECTION 6. Counterparts. This Amendment may be executed in any number of counterparts and by different parties on separate counterparts, and each counterpart shall be deemed to be an original, and all such counterparts shall together constitute but one and the same agreement.

SECTION 7. Governing Law. This Amendment shall be governed by, and construed in accordance with, the internal laws of the State of New York without regard to any otherwise applicable conflict of laws principles (other than Section 5-1401 of the New York General Obligations Law).

SECTION 8. Successors and Assigns. This Amendment shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns.

SECTION 9. Section Headings. The various headings of this Amendment are inserted for convenience only and shall not affect the meaning or interpretation of this Amendment or the Agreement or any provision hereof or thereof.

[REMAINDER OF PAGE INTENTIONALLY BLANK; SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, the parties have entered into this Amendment to be effective as of the date first written above.

CONN FUNDING II, L.P., as Purchaser

By: Conn Funding II GP, L.L.C.,
its general partner

By: /s/ David R. Atnip

Name: David R. Atnip
Title: Treasurer

CONN APPLIANCES, INC., as Originator

By: /s/ David R. Atnip

Name: David R. Atnip
Title: Treasurer

CAI, L.P., as Originator

By: Conn Appliances, Inc.,
its general partner

By: /s/ David R. Atnip

Name: David R. Atnip
Title: Treasurer

Consented to by:

WELLS FARGO BANK,
NATIONAL ASSOCIATION,
not in its individual capacity,
but solely as Trustee

By: /s/ Jason Van Vleet

Name: Jason Van Vleet
Title: Assistant Vice President

SUNTRUST CAPITAL MARKETS, INC.,
as Administrator and Notice Person for the
Series 2002-A Notes

By: /s/ James R. Bennison

Name: James R. Bennison
Title: Managing Director

THREE PILLARS FUNDING LLC, as Series 2002-A
Required Person

By: /s/ Doris J. Hearn

Name: Doris J. Hearn
Title: Vice President

AMENDMENT NO. 3 TO SERIES 2002-A SUPPLEMENT

This AMENDMENT NO. 3 TO SERIES 2002-A SUPPLEMENT, dated as of August 1, 2006 (this "*Amendment*") is made between CONN FUNDING II, L.P. (the "*Issuer*") and WELLS FARGO BANK, NATIONAL ASSOCIATION (successor by merger to Wells Fargo Bank Minnesota, National Association), as Trustee (the "*Trustee*"). Capitalized terms used and not otherwise defined in this Amendment are used as defined in that certain Base Indenture, dated as of September 1, 2002 (as amended from time to time, the "*Base Indenture*"), between the Issuer and the Trustee or, if not defined therein, in the that certain Series 2002-A Supplement, dated as of September 1, 2002 (as amended from time to time, the "*Series Supplement*"), between the Issuer and the Trustee.

Background

A. The parties hereto have entered into the Base Indenture and the Series Supplement to finance the purchase of Receivables by the Issuer from each of Conn Appliances, Inc. and CAI, L.P.

B. The parties hereto wish to amend the Series Supplement.

C. The parties hereto are willing to agree to such an amendment, all as set out in this Amendment.

Agreement

1. *Amendment of the Series Supplement*. (a) Section 1 of the Series Supplement is hereby amended as follows:

(i) The definition of "Available Funds" is hereby amended and restated in its entirety as follows:

"Available Funds" means, with respect to any Monthly Period, an amount equal to the Investor Percentage of Collections of Finance Charges, Recoveries and Investment Earnings deposited in the Finance Charge Account for such Monthly Period (or to be deposited in the Finance Charge Account on the related Series Transfer Date with respect to the preceding Monthly Period pursuant to the third paragraph of subsection 5.4(a) of the Base Indenture).

(ii) The definitions of "Enhancement Agreement," "Enhancement Provider," "Enhancement Provider Default" and "Qualifying Enhancement Agreement" are hereby deleted in their entirety.

(iii) The definition of "Finance Charge Collections" is hereby amended by removing the entire clause (iii) and inserting "and" before clause (ii).

(iv) The definition of "Investor Interest" is hereby amended by removing the reference to Enhancement Providers in last sentence of the definition.

(v) The definition of "Required Reserve Amount" is hereby amended and restated in its entirety as follows:

"Required Reserve Amount" shall mean, at any time, the greater of (a) $7,500,000 and (b) an amount equal to (i) the Note Principal at such time, multiplied by (ii)(A) the Required Reserve Percentage at such time, divided by (B) 100% minus the Required Reserve Percentage at such time; provided, however, that the Required Reserve Amount shall be fixed during the Rapid Amortization Period as of the Rapid Pay Out Commencement Date; provided, further, that the Required Reserve Amount may only increase from time to time to the extent of the Investor Percentage (determined with regard to only (and only to the extent of) those Series with respect to which the "Required Reserve Amount" is increasing at such time) of the Available Issuer Interest (after giving effect to any reductions pursuant to Section 5.16 but prior to any reductions with respect to Principal Reallocation Amounts on such day, or pursuant to any comparable provisions of any other Series Supplement for any Series on such day) at such time.

(vi) The definition of "Series 2002-A Termination Date" is hereby amended by removing the reference to Enhancement Providers in clause (a).

(b) Section 4(b) of the Series Supplement is hereby amended by removing clause (iv) and the word "plus" immediately preceding it, and renumbering clause (v) as clause (iv).

(c) Section 5.14(a) of Section 7 of the Series Supplement is hereby amended by removing clause (viii) and the word "plus" immediately preceding it.

(d) Section 5.15(a) of Section 7 of the Series Supplement is hereby amended by replacing the language in clause (iv) with "Reserved."

(e) Section 5.15(e) of Section 7 of the Series Supplement is hereby amended by replacing the language in clause (iii) with "Reserved."

(f) Section 5.15(f) of Section 7 of the Series Supplement is hereby amended and restated in its entirety as follows:

On any Redemption Date, the amounts required to be on deposit in the Payment Account pursuant to Section 4 or Section 11, shall be paid to the following Persons:

(i) to the Noteholders, the Note Principal; and

(ii) first, to the Noteholders, any other amounts (including, without limitation, accrued and unpaid interest) payable thereto pursuant to the Note Purchase Agreement and, second, to the Persons entitled thereto, any Additional Amounts payable thereto.

(g) Section 5.20 of Section 7 of the Series Supplement is hereby amended by replacing the language in such section with "Reserved."

(h) Section 8 of the Series Supplement is hereby amended by removing the reference to Enhancement Providers in the first sentence.

(i) Section 9(i) of the Series Supplement is hereby amended by removing the entire parenthetical.

(j) Section 9(s) of the Series Supplement is hereby amended by replacing the language in such clause with "Reserved."

(k) Section 11(b) of the Series Supplement is hereby amended by removing clause (iv) and the word "plus" immediately preceding it, and renumbering clause (v) as clause (iv).

(l) Section 12 of the Series Supplement is hereby amended by removing the reference to any Enhancement Agreement.

2. *Binding Effect; Ratification*. (a) This Amendment shall become effective, as of the date first set forth above, when the Administrator shall have received counterparts hereof shall have been executed and delivered by the parties hereto and the Rating Agency Condition shall have been satisfied, and thereafter shall be binding on the parties hereto and their respective successors and assigns.

(b) On and after the execution and delivery hereof, this Amendment shall be a part of the Series Supplement and each reference in the Series Supplement to "this Series Supplement" or "hereof", "hereunder" or words of like import, and each reference in any other Transaction Document to the Series Supplement shall mean and be a reference to such Series Supplement as amended hereby.

(c) Except as expressly amended hereby, the Series Supplement shall remain in full force and effect and is hereby ratified and confirmed by the parties hereto.

3. *Miscellaneous*. (a) THIS AMENDMENT SHALL BE CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, WITHOUT REFERENCE TO ITS CONFLICT OF LAW PROVISIONS, AND THE OBLIGATIONS, RIGHTS AND REMEDIES OF THE PARTIES HEREUNDER SHALL BE DETERMINED IN ACCORDANCE WITH SUCH LAWS. EACH OF THE PARTIES TO THIS AMENDMENT AGREES TO THE NON-EXCLUSIVE JURISDICTION OF THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF NEW YORK AND ANY APPELLATE COURT HAVING JURISDICTION TO REVIEW THE JUDGMENTS THEREOF. EACH OF THE PARTIES HERETO HEREBY WAIVES ANY OBJECTION BASED ON *FORUM NON CONVENIENS* AND ANY OBJECTION TO VENUE OF ANY ACTION INSTITUTED HEREUNDER IN ANY OF THE AFOREMENTIONED COURTS AND CONSENTS TO THE GRANTING OF SUCH LEGAL OR EQUITABLE RELIEF AS IS DEEMED APPROPRIATE BY SUCH COURT.

(b) Headings used herein are for convenience of reference only and shall not affect the meaning of this Amendment.

(c) This Amendment may be executed in any number of counterparts, and by the parties hereto on separate counterparts, each of which shall be an original and all of which taken together shall constitute one and the same agreement.

[*Signature Page Follows*]

IN WITNESS WHEREOF, the parties have caused this Amendment to be executed by their respective officers thereunto duly authorized, as of the date first above written.

WELLS FARGO BANK, NATIONAL ASSOCIATION,
not in its individual capacity, but solely as Trustee

By: /s/ Kristen L. Puttin

Name: Kristen L. Puttin
Title: Assistant Vice President

CONN FUNDING II, L.P., as Issuer

By: Conn Funding II GP, L.L.C., its general partner

By: /s/ David R. Atnip

Name: David R. Atnip
Title: Treasurer

CONSENTED AND AGREED TO BY:

THREE PILLARS FUNDING LLC

By: _____

Name:
Title:

SUNTRUST CAPITAL MARKETS, INC.,
as Administrator

By: _____

Name:
Title:

THIRD AMENDMENT TO SERVICING AGREEMENT

THIS THIRD AMENDMENT TO SERVICING AGREEMENT, dated as of May 16, 2006 (this "Amendment"), is among:

(i) CONN FUNDING II, L.P., as the Issuer (the "Issuer");

(ii) CAI, L.P., as the Servicer (the "Servicer"); and

(iii) WELLS FARGO BANK, NATIONAL ASSOCIATION (successor by merger to Wells Fargo Bank Minnesota, National Association), as the Trustee (the "Trustee").

BACKGROUND

A. Reference is made to (i) the Servicing Agreement, dated as of September 1, 2002, among the Issuer, the Servicer and the Trustee (as amended, restated, supplemented or otherwise modified through the date hereof, the "Agreement"), (ii) the Base Indenture, dated as of September 1, 2002, between the Issuer and the Trustee (the "Base Indenture"), (iii) the Series 2002-A Supplement, dated as of September 1, 2002, between the Issuer and the Trustee (the "2002-A Supplement") and (iv) the Series 2002-B Supplement, dated as of September 1, 2002, between the Issuer and the Trustee (the "2002-B Supplement") (each of the Base Indenture, the 2002-A Supplement and the 2002-B Supplement, as amended, restated, supplemented or otherwise modified through the date hereof, and collectively, the "Indenture"). Capitalized terms used herein but not otherwise defined herein have the meanings assigned thereto in the Agreement or the Indenture.

B. The definition of "Post Office Box" in the Servicing Agreement indicates that there is only one post office box, number 1687, to which Obligors may make payments in respect of Receivables, whereas Exhibit E to the Servicing Agreement indicates that there is a second post office box, number 3845, to which Obligors may make payments in respect of Receivables.

C. The Servicer believes that the relocation of the Post Office Box from Beaumont, Texas, a city prone to hurricanes and tropical storms that could result in prolonged disruption to mail service and thus a delay in the processing of Collections, into a region less likely to experience a hurricane or tropical storm that would result in a significant delay in receipt of mail service is consistent with its duties under Section 2.02(b) of the Servicing Agreement, which requires the Servicer to service and administer the Receivables by employing such procedures (including collection procedures) and degree of care, in each case consistent with prudent industry standards, as are customarily employed by the Servicer in servicing and administering contracts and notes owned or serviced by the Servicer comparable to the Receivables.

D. Pursuant to Section 7.01(a) of the Agreement, an amendment may be effected to the Servicing Agreement without the consent of any Noteholders to cure any ambiguity and to correct or supplement any provisions in the Servicing Agreement which may be inconsistent with any other provisions in the Servicing Agreement.

E. Whereas the definition of Post Office Box in the Servicing Agreement, which requires that the Post Office Box be number 1687 (located in Beaumont, Texas), is both ambiguous (as Exhibit E indicates that there is an additional post office box) and inconsistent with the terms of Section 2.02(b) of the Servicing Agreement (as the Servicer has determined that its duties as Servicer require it to move the Post Office Box out of a region susceptible to delayed mail service as a result of hurricanes and tropical storms).

NOW, THEREFORE, for good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereto agree as follows:

SECTION 1. Amendment to the Agreement. The defined term "Post Office Box" is hereby amended and restated as follows:

"Post Office Box" means, collectively, post office box 77704-1687 and post office box 77704-3845, and, upon notice to Trustee, each other post office box opened and maintained by the Issuer or the Servicer for the receipt of Collections from Obligors and governed by a Post Office Box Agreement reflecting that such post office box is in the name of the Issuer, as any such post office boxes may be closed from time to time by the Servicer with prior written notice to the Trustee (provided that (i) there shall at all times be at least one post office box open to receive Collections, (ii) the Servicer takes customary and prudent procedures to notify Obligors to make payments to such post office box and (iii) the closing or opening of any post office box is consistent with the servicing standard set forth in Section 2.02(b)(ii)).

SECTION 2. Conditions to Effectiveness. This Amendment shall become effective as of the date hereof upon the execution and delivery to the Trustee of this Amendment by each of the parties hereto.

SECTION 3. Representations and Warranties. Each of the Issuer and Servicer represents and warrants upon and as of the effectiveness of this Amendment that:

(a) no event or condition has occurred and is continuing which would constitute a Servicer Default or would constitute a Servicer Default but for the

requirement that notice be given or time elapsed or both;

(b) after giving effect to this Amendment, its representations and warranties set forth in the Agreement and the other Transaction Documents to which it is a party are true and correct as of the date hereof, as though made on and as of such date (except to the extent such representations and warranties relate solely to an earlier date and then as of such earlier date), and such representations and warranties shall continue to be true and correct (to such extent) after giving effect to the transactions contemplated hereby; and

(c) this Amendment will not adversely affect in any material respect the interests of any Noteholder or any Enhancement Provider.

SECTION 4. Effect of Amendment; Ratification. Except as specifically amended hereby, the Agreement is hereby ratified and confirmed in all respects, and all of its provisions shall remain in full force and effect. After this Amendment becomes effective, all references in the Agreement (or in any other Transaction Document) to "the Servicing Agreement", "this Agreement", "hereof", "herein", or words of similar effect, in each case referring to the Agreement, shall be deemed to be references to the Agreement as amended hereby. This Amendment shall not be deemed to expressly or impliedly waive, amend, or supplement any provision of the Agreement other than as specifically set forth herein.

SECTION 5. Counterparts. This Amendment may be executed in any number of counterparts and by different parties on separate counterparts, and each counterpart shall be deemed to be an original, and all such counterparts shall together constitute but one and the same agreement.

SECTION 6. Governing Law. This Amendment shall be governed by, and construed in accordance with, the internal laws of the State of New York without regard to any otherwise applicable conflict of laws principles (other than Section 5-1401 of the New York General Obligations Law).

SECTION 7. Successors and Assigns. This Amendment shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns.

SECTION 8. Section Headings. The various headings of this Amendment are inserted for convenience only and shall not affect the meaning or interpretation of this Amendment or the Agreement or any provision hereof or thereof.

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IN WITNESS WHEREOF, the parties have executed this Amendment as of the date first written above.

CONN FUNDING II, L.P., as Issuer

By: Conn Funding II GP, L.L.C.,
its general partner

By: /s/ David R. Atnip

Name: David R. Atnip
Title: Treasurer

CAI, L.P., as Servicer

By: Conn Appliances, Inc.,
its general partner

By: /s/ David R. Atnip

Name: David R. Atnip
Title: Treasurer

WELLS FARGO BANK, NATIONAL ASSOCIATION, not in its individual capacity, but solely as Trustee

By: /s/ Kristen L. Puttin

Name: Kristen L Puttin
Title: Corporate Trust Officer

The undersigned, as the sole holder of the Series 2002-A Variable Funding Asset Backed Floating Rate Notes of Conn Funding II, L.P., does hereby consent to the Third Amendment to Servicing Agreement dated May 16, 2006, among Conn Funding II, L.P., CAI, LP and Wells Fargo Bank, National Association.

THREE PILLARS FUNDING CORPORATION

By: /s/ Doris J. Hearn

Name: Doris J. Hearn

Title: Vice President

FOURTH AMENDMENT TO SERVICING AGREEMENT

THIS FOURTH AMENDMENT TO SERVICING AGREEMENT, made effective as of August 1, 2006 (this "Amendment"), is among:

(i) CONN FUNDING II, L.P., as the Issuer (the "Issuer");

(ii) CAI, L.P., as the Servicer (the "Servicer"); and

(iii) WELLS FARGO BANK, NATIONAL ASSOCIATION (successor by merger to Wells Fargo Bank Minnesota, National Association), as the Trustee (the "Trustee").

BACKGROUND

A. Reference is made to (i) the Servicing Agreement, dated as of September 1, 2002, among the Issuer, the Servicer and the Trustee (as amended, restated, supplemented or otherwise modified through the date hereof, the "Agreement"), (ii) the Base Indenture, dated as of September 1, 2002, between the Issuer and the Trustee (the "Base Indenture"), (iii) the Series 2002-A Supplement, dated as of September 1, 2002, between the Issuer and the Trustee (the "2002-A Supplement") and (iv) the Series 2002-B Supplement, dated as of September 1, 2002, between the Issuer and the Trustee (the "2002-B Supplement") (each of the Base Indenture, the 2002-A Supplement and the 2002-B Supplement, as amended, restated, supplemented or otherwise modified through the date hereof, and collectively, the "Indenture"). Capitalized terms used herein but not otherwise defined herein have the meanings assigned thereto in the Agreement or the Indenture.

B. The parties hereto (the "Amending Parties") desire to further amend the Agreement as reflected in this Amendment.

C. Pursuant to Section 7.01(b) of the Agreement, this amendment requires the consent of the Required Persons of each outstanding Series.

D. Section 7.3 of the Note Purchase Agreement dated as of September 13, 2002, among the Issuer, Conn Appliances, Inc., CAI, L.P., Three Pillars Funding LLC (f/k/a Three Pillars Funding Corporation) and SunTrust Capital Markets, Inc., in addition to the consent of the Required Persons of the Series 2002-A Notes, requires that the Rating Agency Condition be satisfied as a condition precedent to this Amendment.

NOW, THEREFORE, for good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereto agree as follows:

SECTION 1. Amendments to Section 2.04(e) of the Agreement. The Agreement is hereby amended by amending and restating Section 2.04(e) of the Agreement as follows:

(e) for so long as CAI is the Servicer, the failure of Consolidated Parent to maintain Consolidated Net Worth of at least $150,000,000.

SECTION 2. Amendment to Exhibit D of the Agreement. Exhibit D of the Agreement is hereby amended by amendment and restatement of Exhibit D in its entirety as attached hereto.

SECTION 3. Conditions to Effectiveness. This Amendment shall become effective as of August 1, 2006, upon (i) the execution and delivery to the Trustee of this Amendment by each of the parties hereto, (ii) the receipt of the consent of the Required Persons of each Series and (iii) the satisfaction of the Rating Agency Condition.

SECTION 4. Representations and Warranties. Each of the Issuer and Servicer represents and warrants upon and as of the effectiveness of this Amendment that:

(a) no event or condition has occurred and is continuing which would constitute a Servicer Default or would constitute a Servicer Default but for the requirement that notice be given or time elapsed or both; and

(b) after giving effect to this Amendment, its representations and warranties set forth in the Agreement and the other Transaction Documents to which it is a party are true and correct as of the date thereof, as though made on and as of such date (except to the extent such representations and warranties relate solely to an earlier date and then as of such earlier date), and such representations and warranties shall continue to be true and correct (to such extent) after giving effect to the transactions contemplated hereby.

SECTION 5. Effect of Amendment; Ratification. Except as specifically amended hereby, the Agreement is hereby ratified and confirmed in all respects, and all of its provisions shall remain in full force and effect. After this Amendment becomes effective, all references in the Agreement (or in any other Transaction Document) to "the Servicing Agreement", "this Agreement", "hereof", "herein", or words of similar effect, in each case referring to the Agreement, shall be deemed to be references to the Agreement as amended hereby. This Amendment shall not be deemed to expressly or impliedly waive, amend, or supplement any provision of the Agreement other than as specifically set forth herein.

SECTION 6. Counterparts. This Amendment may be executed in any number of counterparts and by different parties on separate counterparts, and each counterpart shall be deemed to be an original, and all such counterparts shall together constitute but one and the same agreement.

SECTION 7. Governing Law. This Amendment shall be governed by, and construed in accordance with, the internal laws of the State of New York without regard to any otherwise applicable conflict of laws principles (other than Section 5-1401 of the New York General Obligations Law).

SECTION 8. Successors and Assigns. This Amendment shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns.

SECTION 9. Section Headings. The various headings of this Amendment are inserted for convenience only and shall not affect the meaning or interpretation of this Amendment or the Agreement or any provision hereof or thereof.

IN WITNESS WHEREOF, the parties have entered into this Amendment to be effective as of the date first written above.

CONN FUNDING II, L.P., as Issuer

By: Conn Funding II GP, L.L.C.,
its general partner

By: /s/ David R. Atnip

Name: David R. Atnip
Title: Treasurer

CAI, L.P., as Servicer

By: Conn Appliances, Inc.,
its general partner

By: /s/ David R. Atnip

Name: David R. Atnip
Title: Treasurer

WELLS FARGO BANK, NATIONAL ASSOCIATION, not in its individual capacity, but solely as Trustee

By: /s/ Jason Van Vleet

Name: Jason Van Vleet
Title: Assistant Vice President

The undersigned, as the sole holder of the Series 2002-A Variable Funding Asset Backed Floating Rate Notes of Conn Funding II, L.P., does hereby consent to the Fourth Amendment to Servicing Agreement made effective as of August 1, 2006, among Conn Funding II, L.P., CAI, LP and Wells Fargo Bank, National Association.

THREE PILLARS FUNDING CORPORATION

By: /s/ Doris J. Hearn

Name: Doris J. Hearn

Title: Vice President

EXHIBIT D

Report of Independent Accountants on
Applying Agreed-Upon Procedures

Management
CAI, L.P., as Originator, Servicer, and Custodian
Conn Funding II, L.P., as Issuer
And
Wells Fargo Bank Minnesota,
National Association, as Trustee
And
SunTrust Capital Markets, Inc.
as Administrator for
Three Pillars Funding Corporation, as Conduit Purchaser

We have performed the procedures enumerated on Exhibit A below, which were agreed to by the management of CAI, L.P. (the Servicer), Wells Fargo Bank Minnesota, National Association (the Trustee), and SunTrust Capital Markets, Inc. (the Administrator), solely to assist the specified users, including the Servicer, the Administrator, Conn Funding II, L.P. (the Issuer), and Three Pillars Funding Corporation (the Conduit Purchaser), in their evaluation of the Servicer's obligations during the period from ( ) to ( ), inclusive, under Section 2.02(e) of the Servicing Agreement among Conn Funding II, L.P., CAI, L.P., and Wells Fargo Bank Minnesota, National Association, dated as of September 1, 2002, and in accordance with the Credit Agreement by and among Conn Appliances, Inc., and the other Borrowers Hereunder, the Lenders Party Hereto, and JP Morgan Chase Bank, Bank of America, N.A., and SunTrust Bank (the Credit Agreement) and the Receivables Purchase Agreement dated as of September 1, 2002, between Conn Funding II, L.P., Conn Appliances, Inc., CAI, L.P., and Conn Funding I, L.P. (the Purchase Agreement), as amended through ( ) (the Servicing Agreement). The Servicer is responsible for the accuracy and completeness of the accompanying Monthly Report. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

EXHIBIT A
Scope of Services, Limitations, Specific Additional Understandings

For the purposes of our report:

- "Material Exception" is defined by the Administrator as any difference between actual and reported data in excess of three percent (3%) and not resulting from the fact that the interest rate per the data file provided by the Servicer truncates the interest rate to two decimal places.

- "Monthly Report" represents the Monthly Servicer Report (including the Monthly Fees and Expenses section) and Monthly Report to Noteholders and related calculations, represented by "Attachment I" to this Agreed-Upon Procedures Report.

- "FiServ" represents the Servicer's loan servicing system provided by Fiserv Solutions, Inc., an independent provider of data processing outsourcing capabilities and related products and services for financial institutions.

The procedures will be as follows:

Procedure # 1

Using a random number generator select one Monthly Report from the period of August 2, 2005 through February 1, 2006, inclusive, and perform the following:

1. Recompute the mathematical accuracy of the calculations in the Monthly Report.

2. Agree data from the Monthly Report to client-prepared analyses and third-party documents as provided by the Servicer and used in the compilation of the Monthly Report.

Procedure # 2

Using a random number generator, select a sample of 100 receivable accounts from the population of receivable accounts in the data file provided by the Servicer, which the Servicer has represented to us includes all receivable accounts entered into from August 2, 2005 through February 1, 2006. For each selected receivable account, obtain the customer account detail per FiServ and the applicable retail installment contract or revolving charge account application from the Servicer and perform the following:

1. Compare the total of payments, principal balance, interest rate, financing fees, term of loan, and social security number from the data file to FiServ and the applicable retail installment contract or revolving charge account application.. For any accounts where the original terms being reviewed on the original contract are different than terms in FiServ, review related documented evidence of the written authority of the change and the applicable Section of the Company's Credit and Collection Policy, as identified by the Servicer, or such other document as provided by the Servicer authorizing the change;

2. Observe that the applicable retail installment contract or revolving charge account application included in the receivable files had been stamped as required by Section 5.1. (n) of the Purchase Agreement; and

3. Observe that the customer contract had been segregated and stored as required by the Servicing Agreement.

Procedure # 3

Inquire of the Servicer whether the Post Office Box Agreement, as required by the Servicing Agreement, remains in place and is in effect.

Procedure # 4

1. Using a random number generator, select 15 business days during the period from August 2, 2005 through February 1, 2006, and compare the Daily Transfer Schedule of Transfers To/ (From) the Concentration Account to the applicable funds transfer authorization to determine if the Servicer had transferred all collections to the Conn's Collection Account within two business days of receipt, in accordance with Section 2.02(c) (iii) of the Servicing Agreement.

2. Review the applicable bank statements noting that they correspond to the depository accounts contemplated in Article 5 of the Base Indenture and the Series A and B Supplements. Obtain evidence that the Servicer has determined the depository institution has a certificate of deposit rating of at least P-1 or better by Moody's.

Procedure # 5

Haphazardly select two Transfer Days as defined by Section 5.15(a) of the Series A Supplement and 5.15(a) of the Series B Supplement and 5.4 (a) and 5.4 (b) of the Base Indenture. For each of these days, obtain copies of the instructions given to the Trustee for the allocation of collections to the Finance Charge Account and compare them to the allocations as detailed in the Monthly Servicer Report.

Procedure # 6

On one day during the semi-annual period, on an unannounced basis, physically observe the gathering and processing of payments at the Servicer's Payment Processing Center and select an unbiased sample of 50 collections received on that day.

1. Observe that the 50 collections selected for our sample are all Mail Payments or In-Store Payments as defined by Section 2.02(c) of the Servicing Agreement.

2. Observe that the payments are all addressed either to the Post Office Box as defined in the Servicing Agreement or to one of the Conn's Appliances, Inc.'s business locations.

Procedure # 7

Using a random number generator, select a sample of 25 receivable accounts from the population of receivable accounts which have been Re-aged as of February 1, 2006 included in the data file provided by the Servicer, which the Servicer has represented to us includes all receivable accounts entered into since inception of the Purchase Agreement and Servicing Agreement (both September 1, 2002) through December 31, 2005, and which had been Re-aged as of the date of the Monthly Report selected for testing in Procedure # 1. Have the Servicer identify the program under which the accounts were most recently Re-aged. For each of the 25 receivable accounts selected:

1. Based on the program under which the accounts selected for testing were most recently Re-aged, compare evidence of management's approval for the Re-aging to the corresponding program required management approval.

2. Compare the total calculated by the Servicer for receivables extended beyond 12 months to the amount on Line 32, "Receivables extended beyond 12 months," of the Monthly Report selected in Procedure 1 above. Compare the total calculated by the Servicer for receivables extended by 7 to 12 months to the amount on Line 33, "Receivables extended by 7 to 12 months," of the Monthly Report, and found such amount to be in agreement. Compare the total calculated by the Servicer for receivables extended by up to 6 months to the amount on Line 34, "Receivables extended by up to 6 months," of the Monthly Report.

3. For each installment account selected, compare the original maturity date per the original retail installment contract to the current maturity date (as of the date) per the FiServ account detail and recompute the number of months Re-aged by subtracting the original term from the revised term included in the data file provided by the Servicer. For each revolving account selected, divided the December 31, 2005, account balance per the FiServ account detail by the current monthly payment amount (December 31, 2005) per the FiServ account detail, then subtracted 30, to recompute the number of months Re-aged.

4. Based on the number of months Re-aged, as recomputed in 2. above, note that the Servicer included the installment or revolving account in the proper aging bucket.

Procedure #8

Using a random number generator, select a sample of 25 receivable accounts from the population of receivable accounts in the data file provided to us by the Servicer, which the Servicer has represented to us includes all receivable accounts entered into since inception of the Purchase Agreement and Servicing Agreement (both September 1, 2002) through February 1, 2006, and which were charged-off during the period from August 2, 2005 through February 1, 2006. For each of the 25 receivable accounts:

1. Identify the reason for the charge-off as indicated in the account detail per FiServ.

2. Recompute the number of days the contract was contractually past due at the time of the charge-off by subtracting the payment due date per the FiServ records from the charge-off date per FiServ records. Recalculate the number of days the contract was past due and compare that calculation to FiServ.

3. Recompute the number of days between the last payment on the account and the date of the charge-off using the customer account details per FiServ.

Procedure # 9

Using a random number generator, select a sample of 25 receivable accounts from the population of receivable accounts in the data file provided by the Servicer, which the Servicer has represented to us includes all receivable accounts entered into since inception of the Purchase Agreement and Servicing Agreement (both September 1, 2002) through February 1, 2006, and which are part of a promotional credit program during the period from August 2, 2005 through February 1, 2006. For each of the 25 receivable accounts, compare the FICO Score for such obligor as contained in the credit application as provided by the Servicer, to the score required by guideline of the promotional credit program established by the Servicer.

Procedure # 10

Through review of an independent third party's website, Moodys.com, note that the issuing bank of any Servicer Letters of Credit, as contemplated in Section 5.10 of the Base Indenture, is rated, as of the date of the verification, at least P-1, or equivalent thereof, by Moody's.

Procedure # 11

On one day during the semi-annual period, on an unannounced basis, physically observe the gathering and processing of returned mail at the Servicer's Payment Processing Center and select an unbiased sample of 50 pieces of returned mail received on that day.

1. Observe that the 50 pieces of returned mail selected for our sample were addressed to the Obligor of a Receivable as defined in Section 1.1 of the Base Indenture dated September 1, 2002, as it may have been amended.

2. Identify the purpose of the mailing to the Obligor, identify the procedures performed and the results of the Servicer in locating and changing the address on the Servicer's electronic records.

Procedure # 12

After January 31, 2007 confirm the occurrence of the Servicer's use of an independent address verification service for a Retail Installment Contract Receivables with a balance greater than zero, as of the file date selected by the Servicer and sample the results of the verification by performing the following procedures:

1. Obtain the statistics of the data file provided by Servicer, which the Servicer represents was all Retail Installment Contract Receivables with a balance greater than zero as of the date submitted, to the independent verification service and note the number of accounts submitted.

2. Review the billing provided by the independent verification service noting the number of accounts processed and data responses received from the Servicer.

3. Obtain the data file of responses received from the independent verification service and compare the record count to count obtained from the billing data above, and which the Servicer has represented to us includes all responses received.

4. Using a random number generator, select a sample of 25 responses from the population of responses in the data file provided by the Servicer. For each of the 25 responses determine the nature of the response from documentation provided by the independent verification service to the Servicer, and the action taken by the Servicer on each by a review of the electronic records of the Servicer.

CONN FUNDING II, L.P.,
as Issuer
and

WELLS FARGO BANK, NATIONAL ASSOCIATION,

as Trustee

SERIES 2006-A SUPPLEMENT

Dated as of August 1, 2006

to

BASE INDENTURE

Dated as of September 1, 2002

CONN FUNDING II, L.P.

SERIES 2006-A

5.507% Asset Backed Fixed Rate Notes, Class A
5.854% Asset Backed Fixed Rate Notes, Class B
6.814% Asset Backed Fixed Rate Notes, Class C

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(continued)

SERIES 2006-A SUPPLEMENT, dated as of August 1, 2006 (as amended, modified, restated or supplemented from time to time in accordance with the terms hereof, this "Series Supplement"), by and among CONN FUNDING II, L.P., a special purpose limited partnership established under the laws of Texas, as issuer ("Issuer"), and WELLS FARGO BANK, NATIONAL ASSOCIATION, a banking association organized and existing under the laws of the United States of America, as trustee (together with its successors in trust under the Base Indenture referred to below, the "Trustee") to the Base Indenture, dated as of September 1, 2002, between the Issuer and the Trustee (as amended, modified, restated or supplemented from time to time, exclusive of Series Supplements, the "Base Indenture").

Pursuant to this Series Supplement, the Issuer shall create a new Series of Notes and shall specify the Principal Terms thereof.

PRELIMINARY STATEMENT

WHEREAS, Section 2.2 of the Base Indenture provides, among other things, that Issuer and the Trustee may at any time and from time to time enter into a series supplement to the Base Indenture for the purpose of authorizing the issuance of one or more Series of Notes.

NOW, THEREFORE, the parties hereto agree as follows:

DESIGNATION

(a) There is hereby created a Series of notes to be issued pursuant to the Base Indenture and this Series Supplement and such Series of notes shall be substantially in the form of Exhibits A, B and C hereto, executed by or on behalf of the Issuer and authenticated by the Trustee and designated generally 5.507% Asset Backed Fixed Rate Notes, Class A, Series 2006-A (the "Class A Notes"), 5.854% Asset Backed Fixed Rate Notes, Class B, Series 2006-A (the "Class B Notes"), 6.814% Asset Backed Fixed Rate Notes, Class C, Series 2006-A (the "Class C Notes", and together with the Class A Notes and the Class B Notes, the "Notes"). The Notes shall be issued in minimum denominations of $500,000.

(b) Series 2006-A (as defined below) shall not be subordinated to any other Series.

SECTION 1. Definitions. In the event that any term or provision contained herein shall conflict with or be inconsistent with any provision contained in the Base Indenture, the terms and provisions of this Series Supplement shall govern. All Article, Section or subsection references herein mean Articles, Sections or subsections of this Series Supplement, except as otherwise provided herein. All capitalized terms not otherwise defined herein are defined in the Base Indenture. Each capitalized term defined herein shall relate only to the Notes and no other Series of Notes issued by the Issuer.

"Additional Cash Reserve Amount" means, on any date, if the Net Portfolio Yield averaged over the three preceding Monthly Periods (i) exceeds 5.0%, $0, (ii) exceeds 4.0% but does not exceed 5.0%, 2.0% of the outstanding principal amount of the Notes on such date, (iii) exceeds 3.0% but does not exceed 4.0%, 3.0% of the outstanding principal amount of the Notes on such date, (iv) is 3.0% or less, 4.0% of the outstanding principal amount of the Notes on such date.

"Additional Interest" has the meaning specified in Section 5.12.

"Aggregate Investor Default Amount" means, with respect to any Monthly Period, an amount equal to the product of (a) the aggregate Outstanding Principal Balance of all Receivables that became Defaulted Receivables during such Monthly Period (each respective Outstanding Principal Balance being measured as of the date the relevant Receivable became a Defaulted Receivable) minus any Deemed Collections deposited into the Collection Account during such Monthly Period in respect of Receivables that have become Defaulted Receivables before or during such Monthly Period and (b) the Floating Investor Percentage with respect to such Monthly Period.

"Aggregate Net Investor Charge-Offs" means, on any date of determination, the sum of the "Net Investor Charge-Offs" or similar amount for each Series.

"Available Funds" means, with respect to any Monthly Period, an amount equal to the Investor Percentage of Collections of Finance Charges, Recoveries and Investment Earnings deposited in the Finance Charge Account for such Monthly Period (or to be deposited in the Finance Charge Account on the related Series Transfer Date with respect to the preceding Monthly Period pursuant to the third paragraph of subsection 5.4(a) of the Base Indenture).

"Available Investor Principal Collections" means (A) with respect to the Notes and any Monthly Period, an amount equal to (i) the Investor Principal Collections for such Monthly Period, plus (ii) the amount of Shared Principal Collections that are allocated to Series 2006-A in accordance with Section 5.19, and (B) when used with respect to any other Series, has the meaning specified in the applicable Series Supplement.

"Available Issuer Interest" has the meaning specified in the definition of Coverage Test.

"CAI" means CAI, L.P.

"Cash Option" means a provision in any Contract which provides for the application of interest payments theretofore made by the related Obligor against the Outstanding Principal Balance of the related Receivable if such Obligor shall pay the Outstanding Principal Balance (less the interest to be so credited) on or prior to the end of the related Cash Option Period.

"Cash Option Amount" means, as of any Determination Date, with respect to the outstanding Cash Option Receivables, the product of (i) the highest Portfolio Yield during the past twelve months divided by twelve, times (ii) the aggregate Outstanding Principal Balance of such Cash Option Receivables, times (iii) the weighted average Cash Option Period for such Cash Option Receivables (expressed in months).

"Cash Option Period" means, with respect to any Cash Option Receivable, the period, not to exceed forty-eight months, from and including the Initiation Date for such Cash Option Receivable and ending on the last day, as set forth in the related Contract, that the related Obligor may exercise the Cash Option.

"Cash Reserve Account" has the meaning specified in subsection 5.20(a).

"Cash Reserve Account Required Amount" means, as of any date, the lesser of (a) $6,000,000 plus the Additional Cash Reserve Amount for such date and (b) 10% of the outstanding principal amount of the Notes on such date.

"Cash Option Receivable" means any Purchased Receivable which includes a Cash Option.

"Change in Control" shall mean any of the following:

(a) the acquisition of ownership by any Person or group (other than one or more shareholders of Conn (determined as of the Closing Date)) of shares representing more than 50% of the aggregate ordinary voting power represented by the issued and outstanding capital stock of Conn's Inc., a Delaware corporation ("Conn's Inc."); or

(b) the failure of Conn's Inc. to own 100% of the equity interest of Conn; or

(c) the failure by Conn to be the sole general partner of CAI or, directly or indirectly, to be the sole equity holder of CAI; or

(d) the failure of CAI to be the sole equity holder of Conn Funding II GP, L.L.C.; or

(e) the failure by CAI to be the sole limited partner of Issuer, or the failure of Conn Funding II GP, L.L.C. to be the sole general partner of the Issuer, or the creation or imposition of any Lien on any equity interests of the Issuer.

"Class A Carryover Amount" means, (i) with respect to the first Payment Date occurring after the Controlled Amortization Period begins, $0 and (ii) with respect to any other Payment Date during the Controlled Amortization Period, the excess, if any, of (a) the Class A Controlled Distribution Amount for the preceding Payment Date over (b) the actual amount distributed to the Class A Noteholders with respect to principal of the Class A Notes on such preceding Payment Date.

"Class A Controlled Distribution Amount" means, for any Payment Date, an amount equal to the sum of $4,500,000 plus any Class A Carryover Amount.

"Class A Noteholder" means a Holder of a Class A Note.

"Class A Note Principal" means the outstanding principal amount of Class A Notes.

"Class A Notes" is defined in the Designation.

"Class B Carryover Amount" means, (i) with respect to the first Payment Date occurring after the Controlled Amortization Period begins, $0 and (ii) with respect to any other Payment Date during the Controlled Amortization Period, the excess, if any, of (a) the Class B Controlled Distribution Amount for the preceding Payment Date over (b) the actual amount distributed to the Class B Noteholders with respect to principal of the Class B Notes on such preceding Payment Date.

"Class B Controlled Distribution Amount" means, for any Payment Date, an amount equal to the sum of $2,166,650 plus any Class B Carryover Amount.

"Class B Noteholder" means a Holder of a Class B Note.

"Class B Note Principal" means the outstanding principal amount of Class B Notes.

"Class B Notes" is defined in the Designation.

"Class C Carryover Amount" means, (i) with respect to the first Payment Date occurring after the Controlled Amortization Period begins, $0 and (ii) with respect to any other Payment Date during the Controlled Amortization Period, the excess, if any, of (a) the Class C Controlled Distribution Amount for the preceding Payment Date over (b) the actual amount distributed to the Class C Noteholders with respect to principal of the Class C Notes on such preceding Payment Date.

"Class C Controlled Distribution Amount" means, for any Payment Date, an amount equal to the sum of $833,350 plus any Class C Carryover Amount.

"Class C Noteholder" means a Holder of a Class C Note.

"Class C Note Principal" means the outstanding principal amount of Class C Notes.

"Class C Notes" is defined in the Designation.

"Closing Date" means August 31, 2006.

"Code" means the Internal Revenue Code of 1986, as amended.

"Contingent Liability" means any agreement, undertaking or arrangement by which any Person guarantees, endorses or otherwise becomes or is contingently liable upon (by direct or indirect agreement, contingent or otherwise, to provide funds for payment, to supply funds to, or otherwise to invest in, a debtor, or otherwise to assure a creditor against loss) the indebtedness, obligation or any other liability of any other Person (other than by endorsements of instruments in the course of collection), or guarantees the payment of dividends or other distributions upon the shares of any other Person. The amount of any Person's obligation under any Contingent Liability shall (subject to any limitation set forth therein) be deemed to be the outstanding principal amount (or maximum outstanding principal amount, if larger) of the debt, obligation or other liability guaranteed thereby.

"Controlled Amortization Period" means the period commencing on the Scheduled Pay Out Commencement Date and ending on the Rapid Pay Out Commencement Date.

"Controlled Amortization Termination Date" means April 20, 2012.

"Controlled Distribution Amount" means, for any Payment Date, an amount equal to the sum of (i) the Class A Controlled Distribution Amount, plus (ii) the Class B Controlled Distribution Amount, plus (iii) the Class C Controlled Distribution Amount.

"Coverage Test" means, on any date of determination, that (i) the Issuer Interest as of such date exceeds the largest required "Minimum Issuer Interest" of any outstanding Series (such excess being herein called the "Available Issuer Interest") as of such date (determined by the Servicer taking into account any increases, decreases and status changes of the Receivables and any increases or decreases in the outstanding notes including those scheduled to occur on such date) and (ii) the Aggregate Net Investor Charge-Offs is zero as of such date.

"Cumulative Series Principal Shortfall" means the sum of the Series Principal Shortfalls (as such term is defined in each of the related Series Supplements) for each Series.

"Deficiency Amount" has the meaning specified in Section 5.12.

"DWAC" means the DTC Deposit/Withdrawal at Custodian system.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended.

"Excess Funding Account" has the meaning specified in subsection 5.21(a).

"Excess Spread" means, with respect to any Series Transfer Date, the amounts with respect to such Series Transfer Date, if any, specified pursuant to paragraph 5.15(a)(vii).

"Exchange Date" has the meaning specified in paragraph 6(c)(ii).

"Finance Charge Collections" means (i) all Collections allocable to Finance Charges, (ii) all Recoveries allocable to Finance Charges and (iii) any net amounts payable to the Issuer under any Enhancement Agreement.

"Fixed Investor Percentage" means, with respect to any Monthly Period, the percentage equivalent of a fraction, the numerator of which is the Investor Interest as of the close of business on the last day of the Revolving Period and the denominator of which is the sum of the numerators used to calculate the respective investor percentages used for allocations with respect to Principal Receivables for all outstanding Series on such date of determination.

"Floating Investor Percentage" means, with respect to any Monthly Period, the percentage equivalent of a fraction, the numerator of which is the Modified Investor Interest for such Monthly Period and the denominator of which is the sum of the numerators used to calculate the respective investor percentages used for allocations with respect to Finance Charges, Recoveries, Investment Earnings, Aggregate Investor Default Amounts, Principal Receivables, Available Issuer Interest, Servicing Fee or Trustee and Back-up Servicer Fees and Expenses, as applicable, for all outstanding Series on such date of determination.

"Global Note" has the meaning specified in subsection 6(a).

"Gross Loss Rate" means, with respect to any Monthly Period, the ratio (expressed as a percentage) computed as of the last day of such Monthly Period, by dividing (i) the Outstanding Principal Balance of Defaulted Receivables which were deemed to be Defaulted Receivables during such Monthly Period by (ii) (A) the aggregate Outstanding Principal Balance of all Receivables as of the last day of the previous Monthly Period plus (B) the aggregate Outstanding Principal Balance of all Receivables as of such last day of such Monthly Period divided by (C) two and multiplying the result by (iii) twelve.

"Initial Note Principal" means the aggregate initial principal amount of the Notes, which is $150,000,000.

"Initiation Date" means, with respect to any Receivable, the date of the transaction that gave rise to the original Outstanding Principal Balance of such Receivable.

"Interest Period" means, with respect to any Payment Date, the period from and including the Payment Date immediately preceding such Payment Date (or, in the case of the first Payment Date, from and including the Closing Date) to but excluding such Payment Date.

"Investor Charge-Offs" has the meaning specified in subsection 5.16(a).

"Investor Interest" means, on any date of determination, an amount equal to (a) the Initial Note Principal, minus (b) the aggregate amount of principal payments made to Noteholders prior to such date, minus (c) the aggregate amount of Investor Charge-Offs pursuant to subsection 5.16(a), plus (d) the aggregate amount of Excess Spread and funds on deposit in the Excess Funding Account applied on all prior Series Transfer Dates pursuant to subsection 5.17(b) for the purpose of reimbursing amounts deducted pursuant to the foregoing clause (c), plus (e) the Required Reserve Amount. Once all principal and interest on the Notes and any other amounts payable to the Noteholders pursuant to the Transaction Documents have been paid in full, the Investor Interest shall be zero.

"Investor Percentage" means, for any Monthly Period, (a) with respect to Finance Charges, Recoveries, Investment Earnings, Aggregate Investor Default Amounts, Available Issuer Interest, Servicing Fee and Trustee and Back-Up Servicer Fees and Expenses at any time and Principal Receivables during the Revolving Period, the Floating Investor Percentage and (b) with respect to Principal Receivables during the Controlled Amortization Period or the Rapid Amortization Period, the Fixed Investor Percentage.

"Investor Principal Collections" means, with respect to any Monthly Period, the sum of (a) the Investor Percentage of the aggregate amount deposited into the Principal Account (less any Issuer Distributions) for such Monthly Period pursuant to paragraph 5.11(a)(i), (b) the aggregate amount to be treated as Investor Principal Collections for such Monthly Period pursuant to paragraph 5.15(a)(iii) and Section 5.17, and (c) in connection with the purchase or redemption of Notes, the aggregate amount deposited in the Payment Account pursuant to Section 4 hereof.

"Issuer" is defined in the preamble of this Series Supplement.

"Legal Final Payment Date" means April 20, 2017.

"Minimum Issuer Interest" means for any date of determination an amount equal to (a) the Cash Option Amount as of such date plus (b) the Outstanding Principal Balance of all Receivables that are not Eligible Receivables as of such date.

"Modified Investor Interest" means for any Monthly Period, the average daily Investor Interest for such Monthly Period (or, in the case of the first Monthly Period, from and including the Closing Date to, and including the last day of such first Monthly Period).

"Monthly Interest" has the meaning specified in Section 5.12.

"Monthly Period" has the meaning specified in the Base Indenture.

"Monthly Principal" has the meaning specified in Section 5.13.

"Net Investor Charge-Offs" means, on any date of determination, the excess of (a) the amount described in clause (c) of the definition of Investor Interest on such date over (b) the amount described in clause (d) of such definition on such date.

"Net Portfolio Yield" for any Monthly Period (as determined as of the last day of each Monthly Period) shall mean the annualized percentage equivalent of a fraction, (a) the numerator of which is equal to the Net Yield Amount for such Monthly Period and (b) the denominator of which is equal to the aggregate Outstanding Principal Balance of all Receivables on such day. For purposes of this definition, "Net Yield Amount" means for any Monthly Period an amount equal to the excess of the sum of Collections of Finance Charges plus Recoveries allocable to Finance Charges over the sum of (a) interest and fees accrued for the current Monthly Period and overdue interest and fees with respect to the Notes and "Enhancement" of all Series (together with, if applicable, interest on such overdue interest and fees at the rate specified in the accompanying series supplements), (b) accrued and unpaid Servicing Fees and Trustee and Back-Up Servicer Fees and Expenses for such Monthly Period, (c) the aggregate Outstanding Principal Balance of all Receivables that became Defaulted Receivables during such Monthly Period (each respective Outstanding Principal Balance being measured as of the date the relevant Receivable became a Defaulted Receivable), and (d) any other costs, expenses, or liability of the Issuer of any nature whatsoever incurred during such Monthly Period (except for the obligations of the Issuer to pay any principal on the Notes outstanding at such time or any Business Taxes and except for fee and indemnity expenses for which cash other than such Monthly Period's Collections are available to the Issuer).

"Note Principal" means on any date of determination the then outstanding principal amount of the Notes.

"Note Purchase Agreement" means any agreement by and among the initial Class A Noteholder, Class B Noteholder or Class C Noteholder, CAI, Conn and the Issuer, pursuant to which a purchaser agrees to purchase an interest in a Class A Note, a Class B Note or a Class C Note, respectively from the Issuer, subject to the terms and conditions set forth therein, or any successor agreement to such effect among the Issuer and such Noteholder or its successors, as amended, supplemented or otherwise modified from time to time.

"Note Rate" means, with respect to each Interest Period, a fixed rate equal to 5.507% per annum with respect to the Class A Notes, 5.854% with respect to the Class B Notes, and 6.814% with respect to the Class C Notes.

"Noteholder" means with respect to any Note, the holder of record of such Note.

"Notes" has the meaning specified in paragraph (a) of the Designation.

"Notice Persons" means the Rating Agency; provided that with respect to any provision requiring the consent or approval of the Notice Persons, such consent or approval shall be deemed to have been obtained if the Rating Agency Condition is satisfied.

"Original Contracted Term" means with respect to any Revolving Charge Receivable, the initial Outstanding Principal Balance divided by the originally contracted minimum monthly payment.

"Payment Account" means the account established as such for the benefit of the Secured Parties of this Series 2006-A pursuant to subsection 5.3(c) of the Base Indenture.

"Payment Date" means September 20, 2006 and the twentieth day of each calendar month thereafter, or if such twentieth day is not a Business Day, the next succeeding Business Day.

"Payoff Date" means the date on which all principal and interest on the Notes and any other amounts directly related to Series 2006-A payable to any Noteholder under the Transaction Documents have been indefeasibly paid in full.

"Permanent Regulation S Global Note" has the meaning specified in paragraph 6(a)(ii).

"Permissible Uses" means the amount of funds to be used by the Issuer to pay (i) the Servicer Letter of Credit Bank any amounts payable thereto by the Issuer under the reimbursement agreement for the Servicer Letter of Credit, (ii) the Sellers for Subsequently Purchased Receivables (directly or through repayment of any subordinated notes issued to the Sellers), (iii) its equity owners, as a dividend distribution (so long as the Issuer has a net worth (in accordance with GAAP) of at least 1% of the outstanding principal amount of the Notes after giving effect thereto) and (iv) other expenses of the Issuer not prohibited by the Transaction Documents.

"Portfolio Yield" means, with respect to Eligible Receivables for any Monthly Period, the ratio (expressed as a percentage) computed as of the last day of such Monthly Period by dividing (i) the amount of all Finance Charge Collections (other than amounts described in clause (iii) of the definition thereof) received during such Monthly Period, by (ii) (A) the aggregate Outstanding Principal Balance of all Receivables as of the last day of the previous Monthly Period plus (B) the aggregate Outstanding Principal Balance of all Receivables as of such last day of such Monthly Period divided by (C) two and multiplying the result by (iii) twelve.

"Preference Amount" means any amount previously distributed to a Noteholder on the Notes that is recoverable and sought to be recovered as a voidable preference by a trustee in bankruptcy pursuant to the Bankruptcy Code, in accordance with a final nonappealable order of a court having competent jurisdiction.

"Principal Reallocation Amount" means the Investor Percentage (determined with regard to only (and only to the extent of) those Series with respect to which principal is being reallocated pursuant to a corresponding provision at such time) of the Available Issuer Interest (after giving effect to any reduction pursuant to Section 5.16 or the definition of Required Reserve Amount on such day or pursuant to any comparable provisions of any other Series Supplement of any other Series on such day) at such time.

"QIB" has the meaning specified in paragraph 6(a)(i).

"Rapid Amortization Period" means the Amortization Period commencing on the Rapid Pay Out Commencement Date and ending on the Series 2006-A Termination Date.

"Rapid Pay Out Commencement Date" means the earliest of (i) the Controlled Amortization Termination Date, (ii) the date on which an Issuer Pay Out Event is deemed to occur pursuant to Section 9.1 of the Base Indenture or (iii) the date on which a Series 2006-A Pay Out Event is deemed to occur pursuant to Section 9 of this Series Supplement.

"Rating Agency" means Moody's.

"Redemption Date" means the date on which the Notes are redeemed in full pursuant to Section 4 hereof.

"Reference Banks" means four major banks in the London interbank market selected by the Trustee.

"Regulation S" has the meaning specified in specified in paragraph 6(a)(ii).

"Required Amount" has the meaning specified in subsection 5.14(a).

"Required Class A Principal Distribution" has the meaning specified in paragraph 5.15(e)(i).

"Required Class B Principal Distribution" has the meaning specified in paragraph 5.15(e)(ii).

"Required Class C Principal Distribution" has the meaning specified in paragraph 5.15(e)(iii).

"Required Interest Distribution" has the meaning specified in paragraph 5.15(a)(i).

"Required Persons" means Holders of Notes voting together without regard to class representing at least 66-2/3% of the aggregate Note Principal of all Notes.

"Required Reserve Amount" shall mean, at any time, the sum of (a) an amount equal to (i) the Note Principal at such time, multiplied by (ii)(A) the Required Reserve Percentage, divided by (B) 100% minus the Required Reserve Percentage plus (b) the Series 2006-A Concentration Amount, if any, at such time; provided, however, that the Required Reserve Amount shall be fixed during the Controlled Amortization Period and the Rapid Amortization Period as of the earlier of (i) the Scheduled Pay Out Commencement Date and (ii) the Rapid Pay Out Commencement Date; provided, further, that the Required Reserve Amount may only increase from time to time to the extent of the Investor Percentage (determined with regard to only (and only to the extent of) those Series with respect to which the "Required Reserve Amount" is increasing at such time) of the Available Issuer Interest (after giving effect to any reductions pursuant to Section 5.16, but prior to any reductions with respect to Principal Reallocation Amounts on such day, or pursuant to any comparable provisions of any other Series Supplement for any Series on such day) at such time.

"Required Reserve Percentage" means 10%.

"Restricted Global Note" has the meaning specified in paragraph 6(a)(i).

"Restricted Period" has the meaning specified in paragraph 6(c)(ii).

"Revolving Period" means the period from and including the Closing Date to, but not including, the earlier of (i) the Scheduled Pay Out Commencement Date and (ii) the Rapid Pay Out Commencement Date.

"Rule 144A" has the meaning specified in paragraph 6(a)(i).

"Scheduled Pay Out Commencement Date" means the Payment Date on September 20, 2010.

"Series 2006-A" means the Series of the Asset Backed Fixed Rate Notes represented by the Notes.

"Series 2006-A Concentration Amount" means, at any time, the Investor Percentage at such time of the sum of (a) the excess, if any, of (i) the aggregate Outstanding Principal Balance of all Eligible Installment Contract Receivables the final maturity date of which has been extended over (ii) 15% of the Outstanding Principal Balance of all Eligible Receivables, plus (b) the excess, if any, of (i) the aggregate Outstanding Principal Balance of all Eligible Revolving Charge Receivables that provide for a minimum monthly payment of less than 1/(the Original Contracted Term) of the highest outstanding balance since the last date on which such outstanding balance was zero or the final maturity date of which has been otherwise extended over (ii) the excess, if any, of (A) 15% of the Outstanding Principal Balance of all Eligible Receivables over (B) the aggregate Outstanding Principal Balance of all Eligible Installment Contract Receivables the final maturity date of which has been extended, in each case as of the end of the preceding Monthly Period.

"Series 2006-A Pay Out Event" has the meaning specified in Section 9.

"Series 2006-A Termination Date" means the earliest to occur of (a) the Payment Date on which the Notes, plus all other amounts due and owing to the Noteholders, are paid in full, (b) the Legal Final Payment Date and (c) the Indenture Termination Date.

"Series Principal Shortfall" means with respect to the Notes and any Series Transfer Date that falls during the Rapid Amortization Period, the excess, if any, of (a) the Investor Interest (but not less than the Note Principal) over (b) the Investor Principal Collections for such Series Transfer Date.

"Shared Principal Collections" means, with respect to any Series Transfer Date, either (a) the amount allocated to the Notes which may be applied to the "Series Principal Shortfall" with respect to other outstanding Series or (b) the amounts allocated to the notes of other Series which the applicable Series Supplements for such Series specify are to be treated as "Shared Principal Collections" and which may be applied to cover the Series Principal Shortfall with respect to the Notes.

"Solvent" means with respect to any Person that as of the date of determination both (A)(i) the then fair saleable value of the property of such Person is (y) greater than the total amount of liabilities (including Contingent Liabilities) of such Person and (z) not less than the amount that will be required to pay the probable liabilities on such Person's then existing debts as they become absolute and matured considering all financing alternatives and potential asset sales reasonably available to such Person; (ii) such Person's capital is not unreasonably small in relation to its business or any contemplated or undertaken transaction; and (iii) such Person does not intend to incur, or believe (nor should it reasonably believe) that it will incur, debts beyond its ability to pay such debts as they become due; and (B) such Person is "solvent" within the meaning given that term and similar terms under applicable laws relating to fraudulent transfers and conveyances. For purposes of this definition, the amount of any contingent liability at any time shall be computed as the amount that, in light of all of the facts and circumstances existing at such time, represents the amount that can reasonably be expected to become an actual or matured liability.

"Temporary Regulation S Global Note" has the meaning specified in paragraph 6(a)(ii).

"U.S. Person" has the meaning specified in Regulation S.

SECTION 2. Article 3 of the Base Indenture. Article 3 shall be read in its entirety as follows and shall be applicable only to the Notes:

ARTICLE 3

INITIAL ISSUANCE OF NOTES

SECTION 3.1. Initial Issuance.

(a) Subject to satisfaction of the conditions precedent set forth in subsection (b) of this Section 3.1, on the Closing Date, the Issuer will issue the Notes in accordance with Section 2.2 of the Base Indenture and Section 6 hereof in the aggregate initial principal amount equal to the Initial Note Principal.

(b) The Notes will be issued on the Closing Date pursuant to subsection (a) above, only upon satisfaction of each of the following conditions with respect to such initial issuance:

(i) The amount of each Note shall be equal to or greater than $500,000;

(ii) The Coverage Test is satisfied;

(iii) Such issuance and the application of the proceeds thereof shall not result in the occurrence of (1) a Pay Out Event for any Series, Servicer Default or an Event of Default, or (2) an event or occurrence, which, with the passing of time or the giving of notice thereof, or both, would become a Pay Out Event for any Series, Servicer Default or an Event of Default; and

(iv) All required consents have been obtained and all other conditions precedent to the purchase of the Notes under the Note Purchase Agreement shall have been satisfied.

(c) Upon receipt of the proceeds of such issuance by or on behalf of the Issuer, the Trustee shall, or shall cause the Transfer Agent and Registrar to, indicate in the Note Register the amount thereof.

(d) The Issuer shall not issue additional Notes of this Series.

SECTION 3. Servicing Compensation. The share of the Servicing Fee allocable to Series 2006-A with respect to any Series Transfer Date shall be equal to the Investor Percentage of the Servicing Fee for the relevant Monthly Period. The Servicing Fee shall be paid by the cash flows from the Trust Estate allocated to the Noteholders or the noteholders of other Series (as provided in the related series supplements) and in no event shall the Issuer, the Trustee or the Noteholders be liable therefor. The Servicing Fee allocable to Series 2006-A shall be payable to the Servicer solely to the extent amounts are available for distribution in respect thereof pursuant to paragraph 5.15(a)(ii) and subsection 5.17(a).

SECTION 4. Cleanup Call.

(a) The Notes shall be subject to purchase by the initial Servicer, at its option, in accordance with the terms specified in subsection 12.4(a) of the Base Indenture, on any Payment Date on or after the Payment Date on which the Investor Interest is reduced to an amount less than or equal to 10% of the Initial Note Principal.

(b) The deposit to the Payment Account required in connection with any such purchase will be equal to the sum of (a) the Note Principal, plus (b) accrued and unpaid interest on the Notes through the day preceding the Payment Date on which the purchase occurs, plus (c) any other amounts payable to the Noteholders pursuant to the Note Purchase Agreement, minus (d) the amounts, if any, on deposit at such Payment Date in the Payment Account for the payment of the foregoing amounts.

SECTION 5. Delivery and Payment for the Notes. The Trustee shall execute, authenticate and deliver the Notes in accordance with Section 2.4 of the Base Indenture and Section 6 below.

SECTION 6. Form of Delivery of the Notes; Depository; Denominations; Transfer Provisions.

(a) The Notes shall be delivered as Registered Notes representing Book-Entry Notes as provided in this subsection (a). For purposes of this Series Supplement, the term "Global Notes" refers to the Restricted Global Notes, the Temporary Regulation S Global Notes and the Permanent Regulation S Global Notes, all as defined below.

(i) Restricted Global Note. The Notes to be sold in the United States will be issued in book-entry form and represented by one permanent global Note for each Class in fully registered form without interest coupons (the "Restricted Global Notes"), substantially in the form set forth as Exhibit A-1, B-1 or C-1 hereto, as applicable, and will be sold, only in the United States (1) by the Issuer to an institutional "accredited investor" within the meaning of Regulation D under the Securities Act in reliance on an exemption from the registration requirements of the Securities Act and (2) thereafter offered and sold only (a) to a Person that is a qualified institutional buyer ("QIB") in a transaction meeting the requirements of Rule 144A under the Securities Act ("Rule 144A"), (b) outside the United States to a non-U.S. Person in a transaction in compliance with Regulation S, (c) pursuant to a registration statement that has been declared effective under the Securities Act (and which continues to be effective at the time of such transfer under the Securities Act), (d) under the exemption from the registration requirements of the Securities Act provided by Rule 144 under the Securities Act, if available or (e) in a transaction otherwise exempt from the registration requirements of the Securities Act and applicable securities laws of any state of the United States and any other jurisdiction and based on an opinion of counsel, in form and substance approved by the Issuer or Transfer Agent, if the Issuer or the Transfer Agent and Registrar so requests, in each such case, in compliance with the Indenture and all applicable securities laws of any State of the United States or any other applicable jurisdiction, subject in each of the above cases to any requirement of law that the disposition of the seller's property or the property of an investment account or accounts be at all times within the seller's or account's control, and shall be deposited with a custodian for, and registered in the name of a nominee of DTC, duly executed by the Issuer and authenticated by the Trustee as provided in the Base Indenture for credit to the accounts of the subscribers at DTC. The initial principal amount of the Restricted Global Notes may from time to time be increased or decreased by adjustments made on the records of the custodian for DTC, DTC or its nominee, as the case may be, as hereinafter provided. Interests in the Restricted Global Notes will be exchangeable for Definitive Notes only in accordance with the provisions of Section 2.18 of the Base Indenture.

(ii) Temporary Regulation S Global Note; Permanent Regulation S Global Note. The Notes to be offered and sold to non-U.S. Persons outside of the United States and in reliance on Regulation S under the Securities Act ("Regulation S"), shall initially be issued in the form of one temporary global Note for each Class in fully registered form without interest coupons (the "Temporary Regulation S Global Notes") substantially in the form attached hereto as Exhibit A-2, B-2 or C-2, as applicable, which shall be deposited with a custodian for, and registered in the name of a nominee of DTC, duly executed by the Issuer and authenticated by the Trustee as provided in the Base Indenture, for the credit to the subscribers' accounts at Clearstream and Euroclear. Interests in a Temporary Regulation S Global Note will be exchangeable, in whole or in part, for interests in a corresponding permanent global Note in fully registered form without interest coupons (the "Permanent Regulation S Global Notes"), representing the Notes, substantially in the form attached hereto as Exhibit A-3, B-3 or C-3, as applicable, in accordance with the provisions of the applicable Temporary Regulation S Global Note and this Series Supplement. Until the Exchange Date, interests in the Temporary Regulation S Global Notes may only be held through Euroclear or Clearstream (as indirect participants in DTC). The initial principal amount of the Temporary Regulation S Global Notes and the Permanent Regulation S Global Notes may from time to time be increased or decreased by adjustments made on the records of the custodian for DTC, DTC or its nominee, as the case may be, as hereinafter provided. Interests in the Permanent Regulation S Global Notes will be exchangeable for Definitive Notes only in accordance with the provisions of Section 2.18 of the Base Indenture.

(b) The Notes will be issuable in minimum denominations of $500,000.

(c) The Global Notes may be transferred, in whole and not in part, only to another nominee of DTC or to a successor of DTC or its nominee. Beneficial interests in the Global Notes may not be exchanged for Definitive Notes except in the limited circumstances described in Section 2.18 of the Base Indenture; provided, however, that notwithstanding anything in the Indenture to the contrary, Definitive Notes shall not be issued in respect of any Temporary Regulation S Global Note unless the Restricted Period has expired and then only with respect to beneficial interests therein as to which the Trustee has received from Euroclear or Clearstream, as applicable, a certificate substantially in the form of Exhibit E-2 hereto. Beneficial interests in the Global Notes may be transferred only (i) to a Person that is a QIB in a transaction meeting the requirements of Rule 144A and whom the transferor has notified that it may be relying on the exemption from the registration requirements of the Securities Act provided by Rule 144A, (ii) outside the United States to non-U.S. Persons in a transaction in compliance with Regulation S, (iii) pursuant to a registration statement that has been declared effective under the Securities Act (and which continues to be effective at the time of such transfer under the Securities Act), (iv) under the exemption from the registration requirements of the Securities Act provided by Rule 144 under the Securities Act, if available, or (v) in a transaction otherwise exempt from the registration requirements of the Securities Act and applicable securities laws of any state of the United States and any other jurisdiction and based on an opinion of counsel, in form and substance approved by the Issuer or Transfer Agent, if the Issuer or the Transfer Agent and Registrar so requests, in each such case, in compliance with the Indenture and all applicable securities laws of any State of the United States or any other applicable jurisdiction, subject in each of the above cases to any requirement of law that the disposition of the seller's property or the property of an investment account or accounts be at all times within the seller's or account's control. Each transferee of a beneficial interest in a Global Note shall be deemed to have made the acknowledgments, representations and agreements set forth in subsection (d) hereof. Any such transfer shall also be made in accordance with the following provisions:

(i) Transfer of Interests Within a Global Note. Beneficial interests in a Global Note may be transferred to Persons who take delivery thereof in the form of a beneficial interest in the same Global Note in accordance with the transfer restrictions set forth in the foregoing paragraph of this subsection 6(c) and the transferee shall be deemed to have made the representations contained in subsection 6(d). Notwithstanding the foregoing, if such transferor is relying on an exemption from the registration requirements of the Securities Act other than Rule 144A or Regulation S, such transferor shall provide the Issuer and the Transfer Agent and Registrar with a certificate substantially in the form of Exhibit E-1 and, if requested by the Issuer or the Trustee, an opinion of counsel in form and substance acceptable to the Issuer and to the Transfer Agent and Registrar to the effect that such transfer is in compliance with the Securities Act.

(ii) Temporary Regulation S Global Note to Permanent Regulation S Global Note. Interests in a Temporary Regulation S Global Note will be exchanged for interests in the corresponding Permanent Regulation S Global Note, on and after the first day following the 40-day period (the "Restricted Period") beginning on the later of the commencement of the offering of the Notes or the Closing Date on which the Trustee has received a certificate substantially in the form of Exhibit E-2 (the "Exchange Date"). To effect such exchange the Issuer shall execute and the Trustee shall authenticate one Permanent Regulation S Global Note for each Class, representing the principal amount of interests in the Temporary Regulation S Global Notes initially exchanged for interests in the Permanent Regulation S Global Notes. Such Permanent Regulation S Global Notes shall be deposited with a custodian for, and registered in the name of, a nominee of DTC. Upon any exchange of interests in any Temporary Regulation S Global Note for interests in the corresponding Permanent Regulation S Global Note, the Transfer Agent and Registrar shall endorse such Temporary Regulation S Global Note to reflect the reduction in the principal amount represented thereby by the amount so exchanged and shall endorse the corresponding Permanent Regulation S Global Note to reflect the corresponding increase in the amount represented thereby. The Temporary Regulation S Global Notes or the Permanent Regulation S Global Notes shall also be endorsed upon any cancellation of principal amounts upon surrender of interests in such Notes purchased by the Issuer or upon any repayment of the principal amount represented thereby in respect of such Notes.

(iii) Restricted Global Note to Temporary Regulation S Global Note During the Restricted Period. If, prior to the Exchange Date, a holder of a beneficial interest in a Restricted Global Note wishes at any time to exchange its interest in such Restricted Global Note for an interest in the corresponding Temporary Regulation S Global Note, or to transfer its interest in such Restricted Global Note to a non-U.S. Person, in a transaction in compliance with Regulation S who wishes to take delivery thereof in the form of an interest in the corresponding Temporary Regulation S Global Note, such holder may, subject to this subsection 6(c) and the rules and procedures of DTC, exchange or cause the exchange or transfer of such interest for an equivalent beneficial interest in the corresponding Temporary Regulation S Global Note. Upon receipt by the Transfer Agent and Registrar of (1) instructions given in accordance with DTC's procedures from an agent member directing the Transfer Agent and Registrar to credit or cause to be credited a beneficial interest in the applicable Temporary Regulation S Global Note in an amount equal to the beneficial interest in the corresponding Restricted Global Note to be exchanged or transferred, (2) a written order given in accordance with DTC's procedures containing information regarding the Euroclear or Clearstream account to be credited with such increase and the name of such account, and (3) a certificate in the form of Exhibit E-3 attached hereto given by the holder of such beneficial interest stating that the exchange or transfer of such interest has been made in compliance with the transfer restrictions applicable to the Notes and pursuant to and in accordance with Regulation S, the Transfer Agent and Registrar shall instruct DTC to reduce the applicable Restricted Global Note by the aggregate principal amount of the beneficial interest in such Restricted Global Note to be so exchanged or transferred and the Transfer Agent and Registrar shall instruct DTC, concurrently with such reduction, to increase the principal amount of the corresponding Temporary Regulation S Global Note by the aggregate principal amount of the beneficial interest in such Restricted Global Note to be so exchanged or transferred, and to credit or cause to be credited to the account of the Person specified in such instructions (who shall be the agent member of Euroclear or Clearstream, or both, as the case may be) a beneficial interest in such Temporary Regulation S Global Note equal to the reduction in the principal amount of such Restricted Global Note.

(iv) Restricted Global Note to Permanent Regulation S Global Note After the Exchange Date. If, after the Exchange Date, a holder of a beneficial interest in a Restricted Global Note registered in the name of DTC or its nominee wishes at any time to exchange its interest in such Restricted Global Note for an interest in the corresponding Permanent Regulation S Global Note, or to transfer its interest in such Restricted Global Note to a non-U.S. Person, in a transaction in compliance with Regulation S, who wishes to take delivery thereof in the form of an interest in the corresponding Permanent Regulation S Global Note, such holder may, subject to this subsection 6(c) and the rules and procedures of DTC, exchange or cause the exchange or transfer of such interest for an equivalent beneficial interest in the corresponding Permanent Regulation S Global Note. Upon receipt by the Transfer Agent and Registrar of (1) instructions given in accordance with DTC's procedures from an agent member directing the Transfer Agent and Registrar to credit or cause to be credited a beneficial interest in the applicable Permanent Regulation S Global Note in an amount equal to the beneficial interest in the corresponding Restricted Global Note to be exchanged or transferred, (2) a written order given in accordance with DTC's procedures containing information regarding the account to be credited with such increase and (3) a certificate in the form of Exhibit E-4 attached hereto given by the holder of such beneficial interest stating that the exchange or transfer of such interest has been made in compliance with the transfer restrictions applicable to the Notes and pursuant to and in accordance with Regulation S, the Transfer Agent and Registrar shall instruct DTC to reduce the applicable Restricted Global Note by the aggregate principal amount of the beneficial interest in such Restricted Global Note to be so exchanged or transferred and the Transfer Agent and Registrar shall instruct DTC, concurrently with such reduction, to increase the principal amount of the corresponding Permanent Regulation S Global Note by the aggregate principal amount of the beneficial interest in such Restricted Global Note to be so exchanged or transferred, and to credit or cause to be credited to the account of the Person specified in such instructions a beneficial interest in such Permanent Regulation S Global Note equal to the reduction in the principal amount of such Restricted Global Note.

(v) Temporary Regulation S Global Note to Restricted Global Note. If a holder of a beneficial interest in a Temporary Regulation S Global Note registered in the name of DTC or its nominee wishes at any time to exchange its interest in such Temporary Regulation S Global Note for an interest in the corresponding Restricted Global Note, or to transfer its interest in such Temporary Regulation S Global Note to a Person who wishes to take delivery thereof in the form of an interest in the corresponding Restricted Global Note, such holder may, subject to this subsection 6(c) and the rules and procedures of Euroclear or Clearstream and DTC, as the case may be, exchange or cause the exchange or transfer of such interest for an equivalent beneficial interest in the corresponding Restricted Global Note. Upon receipt by the Transfer Agent and Registrar of (1) instructions from Euroclear or Clearstream or DTC, as the case maybe, directing the Transfer Agent and Registrar to credit or cause to be credited a beneficial interest in the applicable Restricted Global Note equal to the beneficial interest in the corresponding Temporary Regulation S Global Note to be exchanged or transferred, such instructions to contain information regarding the agent member's account with DTC to be credited with such increase, and, with respect to an exchange or transfer of an interest in a Temporary Regulation S Global Note after the Exchange Date, information regarding the agent member's account with DTC to be debited with such decrease, and (2) with respect to an exchange or transfer of an interest in a Temporary Regulation S Global Note for an interest in the corresponding Restricted Global Note prior to the Exchange Date, a certificate in the form of Exhibit E-5 attached hereto given by the holder of such beneficial interest and stating that the Person transferring such interest in such Temporary Regulation S Global Note believes that the Person acquiring such interest in the corresponding Restricted Global Note is a QIB and is obtaining such beneficial interest in a transaction meeting the requirements of Rule 144A, Euroclear or Clearstream or the Transfer Agent and Registrar, as the case may be, shall instruct DTC to reduce the applicable Temporary Regulation S Global Note by the aggregate principal amount of the beneficial interest in such Temporary Regulation S Global Note to be exchanged or transferred, and the Transfer Agent and Registrar shall instruct DTC, concurrently with such reduction, to increase the principal amount of the corresponding Restricted Global Note by the aggregate principal amount of the beneficial interest in such Temporary Regulation S Global Note to be so exchanged or transferred, and to credit or cause to be credited to the account of the Person specified in such instructions a beneficial interest in such Restricted Global Note equal to the reduction in the principal amount of such Temporary Regulation S Global Note.

(vi) Transfers of Interests in Permanent Regulation S Global Note. The Transfer Agent and Registrar shall register any transfer of interests in a Permanent Regulation S Global Note in accordance with Section 2.6 of the Base Indenture to U.S. Persons without requiring any additional certification; provided, however, that all other transfer restrictions set forth in this Section 6 shall remain in full force and effect and each such transferee shall be deemed to have made the representations and warranties set forth in subsection (d) below (but excluding the certification and opinion of counsel provisions of paragraph (1) thereof).

(d) Each transferee of a beneficial interest in a Global Note shall be deemed to have represented and agreed that:

(1) it either (A) (i) is a QIB, (ii) is aware that the sale to it is being made in reliance on Rule 144A and (iii) is acquiring the Notes for its own account or for the account of a QIB or (B) is a non-U.S. Person and is not acquiring the Notes for the account or benefit of a U.S. Person and is purchasing the Notes in an offshore transaction within the meaning of Regulation S or (C) is acquiring the Notes pursuant to another exemption from the registration requirements of the Securities Act and has furnished the Issuer and the Transfer Agent and Registrar any required certification and/or opinion of counsel as to such exemption in form and substance satisfactory to the Transfer Agent and Registrar;

(2) it understands and agrees that the Notes have not been and will not be registered under the Securities Act, and that, if in the future it decides to offer, resell, pledge or otherwise transfer such Notes, such Notes may be offered, sold, pledged or otherwise transferred only (a) to a Person that is a QIB in a transaction meeting the requirements of Rule 144A and whom the transferor has notified that it may be relying on the exemption form the registration requirements of the Securities Act provided by Rule 144A, (b) outside the United States to a non-U.S. Person in a transaction in compliance with Regulation S, (c) pursuant to a registration statement that has been declared effective under the Securities Act (and which continues to be effective at the time of such transfer under the Securities Act), (d) under the exemption from the registration requirements of the Securities Act provided by Rule 144 under the Securities Act, if available or (e) in a transaction otherwise exempt from the registration requirements of the Securities Act and applicable securities laws of any state of the United States and any other jurisdiction and based on an opinion of counsel, in form and substance approved by the Issuer or Transfer Agent, if the Issuer or the Transfer Agent and Registrar so requests, in each such case, in compliance with the Indenture and all applicable securities laws of any State of the United States or any other applicable jurisdiction, subject in each of the above cases to any requirement of law that the disposition of the seller's property or the property of an investment account or accounts be at all times within the seller's or account's control;

(3) if such transferee is acquiring any Notes as a fiduciary or agent for one or more investor accounts, it has sole investment discretion with respect to each such account, and it has full power to make the foregoing representations and agreements with respect to each such account;

(4) it understands that the following legend will be placed on the Notes unless the Issuer determines otherwise in compliance with applicable law:

THIS NOTE HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR THE SECURITIES LAWS OF ANY OTHER JURISDICTION. THIS NOTE MAY BE RESOLD, PLEDGED OR TRANSFERRED ONLY (1) TO A PERSON THAT IS A QUALIFIED INSTITUTIONAL BUYER (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT ("RULE 144A")) IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A, (2) OUTSIDE THE UNITED STATES TO A NON U.S. PERSON (AS SUCH TERM IS DEFINED IN REGULATION S UNDER THE SECURITIES ACT) IN A TRANSACTION IN COMPLIANCE WITH REGULATION S UNDER THE SECURITIES ACT, (3) PURSUANT TO A REGISTRATION STATEMENT THAT HAS BEEN DECLARED EFFECTIVE UNDER THE SECURITIES ACT (AND WHICH CONTINUES TO BE EFFECTIVE AT THE TIME OF SUCH TRANSFER UNDER THE SECURITIES ACT), (4) UNDER THE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT PROVIDED BY RULE 144 UNDER THE SECURITIES ACT, IF AVAILABLE OR (5) IN A TRANSACTION OTHERWISE EXEMPT FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES AND ANY OTHER JURISDICTION AND BASED ON AN OPINION OF COUNSEL, IN FORM AND SUBSTANCE APPROVED BY THE ISSUER OR TRANSFER AGENT, IF THE ISSUER OR TRANSFER AGENT AND REGISTRAR SO REQUEST, IN EACH SUCH CASE, IN COMPLIANCE WITH THE INDENTURE AND ALL APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR ANY OTHER APPLICABLE JURISDICTION, SUBJECT IN EACH OF THE ABOVE CASES TO ANY REQUIREMENT OF LAW THAT THE DISPOSITION OF THE SELLER'S PROPERTY OR THE PROPERTY OF AN INVESTMENT ACCOUNT OR ACCOUNTS BE AT ALL TIMES WITHIN THE SELLER'S OR ACCOUNT'S CONTROL. THE HOLDER WILL, AND EACH SUBSEQUENT HOLDER IS REQUIRED TO, NOTIFY ANY TRANSFEREE FROM IT OF THE RESALE RESTRICTIONS SET FORTH ABOVE.

BY ACQUIRING THIS NOTE (OR ANY INTEREST HEREIN), EACH PURCHASER OR TRANSFEREE SHALL BE DEEMED TO REPRESENT AND WARRANT THAT EITHER (I) IT IS NOT ACQUIRING THE NOTE WITH THE PLAN ASSETS OF AN "EMPLOYEE BENEFIT PLAN" AS DEFINED IN SECTION 3(3) OF THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("ERISA"), WHICH IS SUBJECT TO TITLE I OF ERISA, A "PLAN" AS DESCRIBED IN SECTION 4975(e)(1) OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "CODE"), AN ENTITY DEEMED TO HOLD PLAN ASSETS OF ANY OF THE FOREGOING, OR A GOVERNMENTAL PLAN SUBJECT TO APPLICABLE LAW THAT IS SUBSTANTIALLY SIMILAR TO SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE OR (II) ITS PURCHASE AND HOLDING OF THIS NOTE (OR ANY INTEREST HEREIN) WILL NOT RESULT IN A NON-EXEMPT PROHIBITED TRANSACTION UNDER SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE (OR, IN THE CASE OF A GOVERNMENTAL PLAN, ANY SUBSTANTIALLY SIMILAR APPLICABLE LAW).

(5) it acknowledges that the Notes will be evidenced by Global Notes and that the foregoing restrictions apply to holders of beneficial interests in the Notes as well as to Holders of the Notes;

(6) it acknowledges that the Trustee, the Issuer, the initial purchasers or placement agents for the Notes and their Affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgments, representations and agreements and agrees that if any of the acknowledgments, representations or agreements deemed to have been made by its purchase of such Notes is no longer accurate, it will promptly notify the Issuer and the initial purchasers or placement agents for the Notes in writing. If it is acquiring any Notes for one or more investor accounts, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgments, representations and agreements on behalf of each such account; and

(7) it acknowledges that either (i) it is not acquiring the Notes (or any interest therein) with the plan assets of an "employee benefit plan" as defined in Section 3(3) of ERISA, which is subject to Title I of ERISA, a "plan" as described in Section 4975(e)(1) of the Code, an entity deemed to hold plan assets of any of the foregoing, or a governmental plan subject to applicable law that is substantially similar to Section 406 of ERISA or Section 4975 of the Code or (ii) its purchase and holding of the Notes (or any interest therein) will not result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code (or, in the case of a governmental plan, any substantially similar applicable law).

In addition, such transferee shall be responsible for providing additional information or certification, as shall be reasonably requested by the Trustee or Issuer, to support the truth and accuracy of the foregoing acknowledgments, representations and agreements, it being understood that such additional information is not intended to create additional restrictions on the transfer of the Notes.

(e) Other Transfers or Exchanges. In the event that a Global Note is exchanged for Notes in definitive registered form without interest coupons, pursuant to Section 2.18 of the Base Indenture, such Definitive Notes may be exchanged or transferred for one another only in accordance with such procedures as are substantially consistent with Section 2.18 of the Base Indenture and the provisions of Section 6 of this Series Supplement above (including the certification requirements intended to insure that such exchanges or transfers comply with Rule 144A or Regulation S, as the case may be) and as may be from time to time adopted by the Issuer and the Trustee, and such holder shall provide the Issuer and the Transfer Agent and Registrar with a certification to that effect (in substantially the form of Exhibit E-1 hereto) and, if requested by the Issuer or the Trustee, an opinion of counsel in form and substance acceptable to the Issuer and to the Transfer Agent and Registrar to the effect that such transfer is in compliance with the Securities Act, and the transferee of any such Note shall be deemed to have made the representations set forth in subsection (d) above other than the representation contained in paragraph (5) thereof.

SECTION 7. Article 5 of Base Indenture. Sections 5.1, 5.2, 5.3, 5.4, 5.5, 5.6, 5.7, 5.8, 5.9 and 5.10 of the Base Indenture shall be read in their entirety as provided in the Base Indenture. The following provisions, however, shall constitute part of Article 5 of the Indenture solely for purposes of Series 2006-A and shall be applicable only to the Notes (except as otherwise provided in the following provisions or in another Series Supplement):

ARTICLE 5

ALLOCATION AND APPLICATION OF COLLECTIONS

SECTION 5.11. Allocations.

(a) Allocations of Collections. On each day any Collections are deposited in the Collection Account, the Servicer shall, prior to the close of business on such day, make the following deposits from the Collection Account:

(i) Deposit into the Principal Account all Collections received in respect of Principal Receivables then on deposit in the Collection Account (such deposit to be applied in accordance with the Indenture and subsection 5.15(b)); and

(ii) Deposit into the Finance Charge Account all Collections received in respect of Finance Charges, Recoveries, Investment Earnings or otherwise (but not in respect of Principal Receivables) then on deposit in the Collection Account (such deposit to be applied in accordance with the Indenture and subsection 5.15(a)).

(b) Excess Funding Collections. Any Collections deposited into the Excess Funding Account pursuant to Section 5.15 or 5.20(e) shall be held in the Excess Funding Account and, prior to the commencement of the Rapid Amortization Period, shall be first applied in accordance with Section 5.17 and then paid, *first*, to the Servicer Letter of Credit Bank to the extent of any amounts payable thereto by the Issuer under the reimbursement agreement for the Servicer Letter of Credit and, *second*, to the Issuer, in each case, on any date (so long as the Coverage Test remains satisfied (or will be satisfied on such date through the use of such Collections to pay for Subsequently Purchased Receivables from one or more Sellers) and such payment and the application thereof shall not result in the occurrence of (1) a Pay Out Event for any Series, a Servicer Default or an Event of Default, or (2) in the case of Permissible Uses of the type described in clauses (ii) and (iii) of the definition thereof, an event or occurrence, which, with the passing of time or the giving of notice thereof, or both, would become a Pay Out Event for any Series, Servicer Default or an Event of Default) to the extent of (and to be used solely for) Permissible Uses on such date as determined by the Servicer; provided, however, that if an Accumulation Period or an Amortization Period commences with respect to any Series, any funds on deposit in the Excess Funding Account shall be first applied in accordance with Section 5.17 and then released from the Excess Funding Account, deposited in the Principal Account and treated as Shared Principal Collections to the extent needed to cover principal payments due to such Series; provided, however, that $10,000 shall remain on deposit in the Excess Funding Account for use to pay expenses of the Issuer not prohibited by the Transaction Documents, as determined by the Servicer.

SECTION 5.12. Determination of Monthly Interest. The amount of monthly interest payable on the Notes shall be determined as of each Determination Date and shall be an amount equal to the product of (i)(A) a fraction, the numerator of which is the actual number of days in the related Interest Period and the denominator of which is 360, times (B) the weighted average Note Rate in effect with respect to the related Interest Period, and (ii) the average daily outstanding principal balance of the Notes during such Interest Period (the "Monthly Interest"); provided, however, that in addition to Monthly Interest, an amount equal to the sum of (i) the amount of any unpaid Deficiency Amount, as defined below and (ii) an amount equal to the product (such product being herein called the "Additional Interest") of (A) a fraction, the numerator of which is the actual number of days in the related Interest Period and the denominator of which is 360, times (B) a rate equal to 2% per annum over the Note Rate in effect with respect to the related Interest Period, times (C) any Deficiency Amount, as defined below (or the portion thereof which has not theretofore been paid to Noteholders) shall also be payable to the Noteholders. The "Deficiency Amount" for any Determination Date shall be equal to the excess, if any, of (x) the sum of the Monthly Interest, the Additional Interest and the Deficiency Amount as determined pursuant to the preceding sentence for the Interest Period ended immediately prior to the preceding Payment Date, over (y) the amount actually paid in respect thereof on the preceding Payment Date; provided, that the Deficiency Amount on the initial Determination Date shall be zero.

SECTION 5.13. Determination of Monthly Principal. The amount on deposit in the Principal Account allocable to the repayment of principal of the Notes shall be determined as of each Series Transfer Date ("Monthly Principal"), beginning with the first Series Transfer Date occurring after the Controlled Amortization Period or the Rapid Amortization Period begins, and shall be equal to the lesser of (i) the Available Investor Principal Collections on deposit in the Principal Account on such Series Transfer Date, (ii) the Investor Interest (after taking into account any adjustments to be made on such Series Transfer Date pursuant to Section 5.16) on such Series Transfer Date and (iii) during the Controlled Amortization Period, the Controlled Distribution Amount.

SECTION 5.14. Coverage of Required Amount.

(a) On or before each Series Transfer Date, the Servicer shall determine the amount (the "Required Amount"), if any, by which an amount equal to the sum of (i) the Monthly Interest for such Series Transfer Date, plus (ii) the Deficiency Amount, if any, for such Series Transfer Date, plus (iii) the Additional Interest, if any, for such Series Transfer Date, plus (iv) the Investor Percentage of the Trustee and Back-Up Servicer Fees and Expenses for such Series Transfer Date, plus (v) the Investor Percentage of the Servicing Fee for the prior Monthly Period, plus (vi) any amounts described in clauses (iv) and (v) above that were due but not paid on any prior Series Transfer Date, plus (vii) the Aggregate Investor Default Amount, if any, for the prior Monthly Period exceeds the Available Funds for the related Monthly Period.

(b) In the event that the Required Amount for such Series Transfer Date is greater than zero, (i) the Servicer shall give written notice to the Trustee of such positive Required Amount on or before such Series Transfer Date, and (ii) to the extent available in each case, the Required Amount shall be paid first from the Finance Charge Account, and second from the Excess Funding Account on such Series Transfer Date pursuant to subsection 5.17(a).

SECTION 5.15. Monthly Payments. On or before each Series Transfer Date, the Servicer shall instruct the Trustee in writing (which writing shall be substantially in the form of the Monthly Servicer Report attached as Exhibit A to the Servicing Agreement) to withdraw, and the Trustee, acting in accordance with such instructions, shall withdraw on such Series Transfer Date or the related Payment Date, as applicable, to the extent of the funds credited to the relevant accounts, the amounts in respect of the Notes required to be withdrawn from the Finance Charge Account, the Principal Account, the Payment Account and the Cash Reserve Account as follows:

(a) An amount equal to the Available Funds deposited into the Finance Charge Account for the related Monthly Period shall be distributed on each Series Transfer Date in the following priority:

(i) first, an amount equal to the Investor Percentage of the Trustee and Back-Up Servicer Fees and Expenses for such Series Transfer Date (plus the Investor Percentage of any Trustee and Back-Up Servicer Fees and Expenses due but not paid to the Trustee on any prior Series Transfer Date) shall be paid to the Trustee and, second, an amount equal to Monthly Interest for such Series Transfer Date, plus the amount of any Deficiency Amount for such Series Transfer Date, plus the amount of any Additional Interest for such Series Transfer Date shall be deposited by the Trustee into the Payment Account for distribution to the Class A Noteholders, Class B Noteholders and Class C Noteholders (based on the amounts payable thereto determined in accordance with the respective Note Rates and distributed on a *pari passu* basis) on the related Payment Date (the "Required Interest Distribution");

(ii) an amount equal to the Investor Percentage of the Servicing Fee for such Series Transfer Date (plus the Investor Percentage of any Servicing Fee due but not paid to the Servicer on any prior Series Transfer Date) shall be paid to the Servicer;

(iii) an amount equal to the Aggregate Investor Default Amount, if any, for the preceding Monthly Period shall be treated as a portion of Investor Principal Collections and deposited into the Principal Account on such Series Transfer Date;

(iv) an amount equal to the excess, if any, of the Cash Reserve Account Required Amount over the amount already on deposit in the Cash Reserve Account shall be deposited into the Cash Reserve Account;

(v) to the extent the Available Issuer Interest is greater than zero (after giving effect to all other reductions thereof on such date and the payment pursuant to this clause (v) and the corresponding provision of each other Series Supplement), an amount equal to the Investor Percentage of any amounts payable to the Servicer Letter of Credit Bank by the Issuer under the reimbursement agreement for the Servicer Letter of Credit shall be paid to the Servicer Letter of Credit Bank;

(vi) to the extent the Available Issuer Interest is greater than zero (after giving effect to all other reductions thereof on such date and the payment pursuant to this clause (vi) and the corresponding provision of each other Series Supplement), an amount equal to the Investor Percentage of any unreimbursed expenses of the Trustee shall be paid to the Trustee; and

(vii) the balance, if any, shall constitute Excess Spread and shall be allocated and distributed as set forth in Section 5.17.

(b) During the Revolving Period (unless the next Business Day after such Series Transfer Date is the Scheduled Pay Out Commencement Date), an amount equal to the Available Investor Principal Collections deposited into the Principal Account for the related Monthly Period shall be distributed on each Series Transfer Date in the following priority:

(i) an amount, not in excess of the Principal Reallocation Amount, to pay or deposit any amounts described in clauses (a)(i), (ii), (iv), (v) and (vi) above (in such order) that remain unpaid or undeposited after giving effect to the application of funds, pursuant to clause (a) above;

(ii) an amount equal to the lesser of (A) the product of (1) a fraction, the numerator of which is equal to the Available Investor Principal Collections remaining after the application specified in paragraph 5.15(b)(i) above and the denominator of which is equal to the sum of the portion of the "Available Investor Principal Collections" for each Series that are available for sharing as specified in the related Series Supplement and (2) the Cumulative Series Principal Shortfall, if any, and (B) Available Investor Principal Collections remaining after the application specified in paragraph 5.15(b)(i) above, shall remain in the Principal Account to be treated as Shared Principal Collections and applied to Series other than this Series 2006-A; and

(iii) the balance, if any, shall be deposited into the Excess Funding Account.

(c) (A) During the Controlled Amortization Period (or if the next Business Day after such Series Transfer Date is the Scheduled Pay Out Commencement Date), an amount equal to the Available Investor Principal Collections deposited into the Principal Account for the related Monthly Period shall be distributed on each Series Transfer Date in the following priority:

(i) an amount equal to the Monthly Principal for such Series Transfer Date shall be deposited into the Payment Account;

(ii) an amount, not in excess of the Principal Reallocation Amount, to pay or deposit any amounts described in clauses(a)(i), (ii), (iv) and (v) above (in such order) that remain unpaid or undeposited after giving effect to the application of funds, pursuant to clause (a) above;

(iii) an amount equal to the lesser of (A) the product of (1) a fraction, the numerator of which is equal to the Available Investor Principal Collections remaining after the application specified in paragraphs 5.15(c)(A)(i) and (ii) above and the denominator of which is equal to the sum of the "Available Investor Principal Collections" for each Series that are available for sharing as specified in the related Series Supplement and (2) the Cumulative Series Principal Shortfall, if any, and (B) the Available Investor Principal Collections remaining after the application specified in paragraphs 5.15(c)(A)(i) and (ii) above, shall remain in the Principal Account to be treated as Shared Principal Collections and applied to Series other than this Series 2006-A; and

(iv) the balance, if any, shall be deposited into the Excess Funding Account.

(B) During the Rapid Amortization Period, an amount equal to the Available Investor Principal Collections deposited into the Principal Account for the related Monthly Period shall be distributed on each Series Transfer Date in the following priority:

(i) an amount equal to the Monthly Principal for such Series Transfer Date shall be deposited into the Payment Account;

(ii) an amount, not in excess of the Principal Reallocation Amount, to pay or deposit any amounts described in clauses(a)(i), (ii), (iv) and (v) above (in such order) that remain unpaid or undeposited after giving effect to the application of funds, pursuant to clause (a) above;

(iii) an amount equal to the lesser of (A) the product of (1) a fraction, the numerator of which is equal to the Available Investor Principal Collections remaining after the application specified in paragraphs 5.15(c)(B)(i) and (ii) above and the denominator of which is equal to the sum of the "Available Investor Principal Collections" for each Series that are available for sharing as specified in the related Series Supplement and (2) the Cumulative Series Principal Shortfall, if any, and (B) the Available Investor Principal Collections remaining after the application specified in paragraphs 5.15(c)(B)(i) and (ii) above, shall remain in the Principal Account to be treated as Shared Principal Collections and applied to Series other than this Series 2006-A; and

(iv) the balance, if any, shall be deposited into the Excess Funding Account.

(d) On each Payment Date, the Trustee, acting in accordance with instructions from the Servicer, shall pay to the Noteholders (based on the amounts payable thereto determined in accordance with the respective Note Rates and distributed on a *pari passu* basis) the amount deposited into the Payment Account pursuant to paragraph 5.15(a)(i) (including, without limitation, indirectly pursuant to paragraphs 5.15(b)(i) and (c)(ii) above) on the immediately preceding Series Transfer Date.

(e) On the first Payment Date occurring after the Controlled Amortization Period or the Rapid Amortization Period begins, and on each Payment Date thereafter, the Trustee, acting in accordance with instructions from the Servicer, shall pay the amount deposited into the Payment Account pursuant to paragraph 5.15(c) on the immediately preceding Series Transfer Date to the following Persons or accounts (as the case may be) in the following priority:

(i) to the Class A Noteholders, an amount equal to the least of (A) the Monthly Principal, (B) the Class A Note Principal and (C) during the Controlled Amortization Period, the Class A Controlled Distribution Amount (the "Required Class A Principal Distribution");

(ii) to the Class B Noteholders, an amount equal to the least of (A) the Monthly Principal minus the amount distributed pursuant to clause (i) above, (B) the Class B Note Principal and (C) during the Controlled Amortization Period, the Class B Controlled Distribution Amount (the "Required Class B Principal Distribution");

(iii) to the Class C Noteholders, an amount equal to the least of (A) the Monthly Principal minus the amount distributed pursuant to clauses (i) and (ii) above, (B) the Class C Note Principal and (C) during the Controlled Amortization Period, the Class C Controlled Distribution Amount (the "Required Class C Principal Distribution");

(iv) to the Noteholders, any other amounts (including, without limitation, accrued and unpaid interest) payable thereto pursuant to any Transaction Document;

(v) to the extent the Available Issuer Interest is greater than zero (after giving effect to all other reductions thereof on such date and the payment pursuant to this clause (v) and the corresponding provision of each other Series Supplement), to the Trustee to pay unreimbursed expenses of the Trustee; and

(vi) the balance, if any, shall be deposited into the Excess Funding Account.

(f) On any Redemption Date, the amounts required to be on deposit in the Payment Account pursuant to Section 4, shall be paid to the following Persons:

(i) to the Class A Noteholders, the Class A Note Principal;

(ii) to the Class B Noteholders, the Class B Note Principal;

(iii) to the Class C Noteholders, the Class C Note Principal; and

(iv) to the Noteholders, any other amounts (including, without limitation, accrued and unpaid interest) payable thereto pursuant to the Note Purchase Agreement.

(g) On each Payment Date, the Trustee, acting in accordance with instructions from the Servicer, shall pay the amount on deposit in the Cash Reserve Account to the following Persons in the following priority:

(i) to the Noteholders (based on the amounts payable thereto determined in accordance with the respective Note Rates and distributed on a *pari passu* basis), an amount equal to the excess, if any, of (A) the Required Interest Distributions over (B) the amount distributed thereto pursuant to subsection 5.15(d) ;

(ii) if such Payment Date is the Legal Final Payment Date, to the Class A Noteholders, an amount equal to the excess, if any, of (A) the Class A Note Principal over (B) the amount distributed thereto pursuant to paragraph 5.15(e)(i);

(iii) if such Payment Date is the Legal Final Payment Date, to the Class B Noteholders, an amount equal to the excess, if any, of (A) the Class B Note Principal over (B) the amount distributed thereto pursuant to paragraph 5.15(e)(ii); and

(iv) if such Payment Date is the Legal Final Payment Date, to the Class C Noteholders, am amount equal to the excess, if any, of (A) the Class C Note Principal over (B) the amount distributed thereto pursuant to paragraph 5.15(e)(iii).

SECTION 5.16. Investor Charge-Offs.

(a) On or before each Series Transfer Date, the Servicer shall calculate the Aggregate Investor Default Amount. If, on any Series Transfer Date, the Aggregate Investor Default Amount exceeds the aggregate amount to be distributed with respect thereto for the relevant Monthly Period pursuant to subsection 5.15(a)(iii) and Section 5.17(a), the Investor Interest shall be reduced by the amount of such excess, but only to the extent such excess exceeds the Investor Percentage (determined with regard to only (and only to the extent of) those Series with respect to which the "Investor Interest" is being so reduced with respect to Defaulted Receivables during such Monthly Period) of the Available Issuer Interest (such reduction, an "Investor Charge-Off"). The Investor Interest shall thereafter be reimbursed on any Series Transfer Date by the amount of Excess Spread and funds on deposit in the Excess Funding Account allocated and available for such purpose pursuant to subsection 5.17(b).

(b) Except as otherwise expressly provided herein, if losses and investment expenses attributable to the investment of amounts on deposit in any Trust Account or any Series Account exceed interest and investment earnings in respect of such amounts during any Monthly Period, the net losses and expenses shall be allocated first to the Issuer Interest and second between the "Investor Interests" of all outstanding Series, in the same proportion that losses in respect of Principal Receivables are so allocated for such Monthly Period.

SECTION 5.17. Allocation of Excess Amounts. On or before each Series Transfer Date, the Trustee, acting pursuant to the Servicer's instructions, shall apply Excess Spread in the Finance Charge Account and to the extent necessary (to cover amounts described in clauses (a) and (b) below) transfer funds from the Excess Funding Account (after giving effect to the deposits to be made therein on such date) to the Finance Charge Account in order to make the following distributions on each Series Transfer Date (in the following order of priority) for the related Monthly Period:

(a) an amount equal to the Required Amount, if any, with respect to such Series Transfer Date will be used to fund such Required Amount and be applied in accordance with, and in the priority set forth in, subsection 5.15(a);

(b) an amount equal to the aggregate amount by which the Investor Interest has been reduced on previous Series Transfer Dates (but has not been reimbursed) for reasons other than a reduction of the Required Reserve Amount and/or the payment of principal to the Noteholders will be treated as a portion of Investor Principal Collections and deposited into the Principal Account on such Series Transfer Date; and

(c) any remaining Excess Spread shall be treated as a portion of Investor Principal Collections and deposited into the Principal Account on such Series Transfer Date.

To the extent that there are insufficient funds in the Excess Funding Account to make all payments required under subsections 5.17(a) and (b) above and under the corresponding provisions for each other Series, the amount on deposit in the Excess Funding Account shall be allocated to each Series on a pro rata basis (based on the "Investor Interest" of each such Series).

SECTION 5.18. Servicer's Failure to Make a Deposit or Payment. If the Servicer fails to make, or give instructions to make, any payment, deposit or withdrawal (other than as required by subsection 12.4(a) and Section 12.1) required to be made or given by the Servicer at the time specified in the Base Indenture or this Series Supplement (including applicable grace periods), the Trustee shall make such payment, deposit or withdrawal from the applicable account without instruction from the Servicer. The Trustee shall be required to make any such payment, deposit or withdrawal hereunder only to the extent that the Trustee has sufficient information to allow it to determine the amount thereof. The Servicer shall, upon request of the Trustee, promptly provide the Trustee with all information necessary to allow the Trustee to make such payment, deposit or withdrawal. Such funds or the proceeds of such withdrawal shall be applied by the Trustee in the manner in which such payment or deposit should have been made by the Servicer.

SECTION 5.19. Shared Principal Collections.

(a) The portion of Shared Principal Collections allocable to Series 2006-A on deposit in the Principal Account on any Series Transfer Date shall be treated and applied as an Available Investor Principal Collection pursuant to Section 5.15.

(b) "Shared Principal Collections allocable to Series 2006-A" on any Series Transfer Date means an amount equal to the Series Principal Shortfall, if any, with respect to Series 2006-A on such Series Transfer Date; provided, however, that if the aggregate amount of Shared Principal Collections for all Series for such Series Transfer Date is less than the Cumulative Series Principal Shortfall for such Series Transfer Date, then "Shared Principal Collections allocable to Series 2006-A" on such Series Transfer Date shall equal the product of (i) Shared Principal Collections for all Series for such Series Transfer Date and (ii) a fraction, the numerator of which is the Series Principal Shortfall with respect to Series 2006-A and the denominator of which shall be the aggregate amount of "Cumulative Series Principal Shortfall" for all Series for such Series Transfer Date.

(c) Solely for the purpose of determining the amount of Available Investor Principal Collections to be treated as Shared Principal Collections on any Series Transfer Date allocable to other Series, on each Determination Date, the Servicer shall determine the Required Amount and Excess Spread as of such Determination Date for the following Series Transfer Date.

SECTION 5.20. Cash Reserve Account.

(a) The Servicer has established and maintained and shall continue to maintain, with a Qualified Institution, in the name of the Trustee, on behalf of the Issuer, for the benefit of the Secured Parties in Series 2006-A, a segregated trust account (the "Cash Reserve Account"), bearing a designation clearly indicating that the funds deposited therein are held for the benefit of such Secured Parties. The Trustee shall possess all right, title and interest in all funds on deposit from time to time in the Cash Reserve Account and in all proceeds thereof. The Cash Reserve Account shall be under the sole dominion and control of the Trustee for the benefit of the Secured Parties in Series 2006-A, and the Trustee shall be the entitlement holder of the Cash Reserve Account. If at any time the institution holding the Cash Reserve Account ceases to be a Qualified Institution, the Trustee shall notify the Rating Agency and within 10 Business Days establish a new Cash Reserve Account meeting the conditions specified above with a Qualified Institution, and shall transfer any cash or any investments to such new Cash Reserve Account. The Trustee, at the direction of the Servicer, shall (i) make withdrawals from the Cash Reserve Account from time to time in accordance with subsection 5.15(g) and (ii) make deposits into the Cash Reserve Account as specified in paragraph 5.15(a)(iv).

(b) Funds on deposit in the Cash Reserve Account shall be invested by the Trustee (at the Servicer's written direction) in Permitted Investments. Funds on deposit in the Cash Reserve Account on any Payment Date, after giving effect to any withdrawals that day, shall be invested in Permitted Investments that will mature so that such funds will be available for withdrawal on or before the next Payment Date. The Trustee shall:

(i) hold each Permitted Investment (other than such as are described in clause (c) of the definition thereof) that constitutes investment property through a securities intermediary, which securities intermediary shall (I) agree that such investment property shall at all times be credited to a securities account of which the Trustee is the entitlement holder, (II) comply with entitlement orders originated by the Trustee without the further consent of any other person or entity, (III) agree that all property credited to such securities account shall be treated as a financial asset, (IV) waive any lien on, security interest in, or right of set-off with respect to any property credited to such securities account, and (V) agree that its jurisdiction for purposes of Section 8-110 and Section 9-305(a)(3) of the UCC shall be New York, and that such agreement shall be governed by the laws of the State of New York; and

(ii) maintain for the benefit of the Secured Parties relating to Series 2006-A, possession or control of each other Permitted Investment (including any negotiable instruments, if any, evidencing such Permitted Investments) not described in clause (i) above (other than such as are described in clause (c) of the definition thereof); provided, however, that no Permitted Investment shall be disposed of prior to its maturity date if such disposition would result in a loss. Terms used in clause (i) above that are defined in the New York UCC and not otherwise defined herein shall have the meaning set forth in the New York UCC.

(c) All interest and earnings (net of losses and investment expenses) accrued on funds on deposit in the Cash Reserve Account shall be treated as Investment Earnings.

(d) On the Closing Date, the Trustee, on behalf of the Issuer, shall deposit $8,000,000 into the Cash Reserve Account from the net proceeds of the sale of the Notes.

(e) Amounts on deposit in the Cash Reserve Account on any Payment Date (after giving effect to distributions therefrom pursuant to Section 5.15(g)) in excess of the Cash Reserve Account Required Amount shall be deposited by the Trustee, at the direction of the Servicer, into the Excess Funding Account.

SECTION 5.21. Excess Funding Account.

(a) The Servicer has established and maintained and shall continue to maintain, with a Qualified Institution, in the name of the Trustee, on behalf of the Issuer, for the benefit of the Secured Parties, a segregated trust account (the "Excess Funding Account"), bearing a designation clearly indicating that the funds deposited therein are held for the benefit of such Secured Parties. The Trustee shall possess all right, title and interest in all funds on deposit from time to time in the Excess Funding Account and in all proceeds thereof. The Excess Funding Account shall be under the sole dominion and control of the Trustee for the benefit of the Secured Parties, and the Trustee shall be the entitlement holder of the Excess Funding Account. If at any time the institution holding the Excess Funding Account ceases to be a Qualified Institution, the Trustee shall notify the Rating Agency and within ten (10) Business Days establish a new Excess Funding Account meeting the conditions specified above with a Qualified Institution, and shall transfer any cash or any investments to such new Excess Funding Account. The Trustee, at the direction of the Servicer, shall (i) make withdrawals from the Excess Funding Account from time to time for the purposes set forth in subsection 5.11(b) and any comparable provision of any other Series Supplement and (ii) make deposits into the Excess Funding Account as specified in subsections 5.11(b) and 5.20(e) and any comparable provision of any other Series Supplement.

(b) Funds on deposit in the Excess Funding Account shall be invested by the Trustee (at the Servicer's written discretion) in Permitted Investments. Funds on deposit in the Excess Funding Account on any Series Transfer Date, after giving effect to any withdrawals that day, shall be invested in Permitted Investments that will mature so that such funds will be available for withdrawal on or before the next Series Transfer Date. The Trustee shall:

(i) hold each Permitted Investment (other than such as are described in clause (c) of the definition thereof) that constitutes investment property through a securities intermediary, which securities intermediary shall (I) agree that such investment property shall at all times be credited to a securities account of which the Trustee is the entitlement holder, (II) comply with entitlement orders originated by the Trustee without the further consent of any other person or entity, (III) agree that all property credited to such securities account shall be treated as a financial asset, (IV) waive any lien on, security interest in, or right of set-off with respect to any property credited to such securities account, and (V) agree that its jurisdiction for purposes of Sections 8-110 and Section 9-305(a)(3) of the UCC shall be New York, and that such agreement shall be governed by the laws of the State of New York; and

(ii) maintain for the benefit of the Secured Parties, possession or control of each other Permitted Investment (including any negotiable instruments, if any, evidencing such Permitted Investments) not described in clause (i) above (other than such as are described in clause (c) of the definition thereof); provided that no Permitted Investment shall be disposed of prior to its maturity date if such disposition would result in a loss. Terms used in clause (i) above that are defined in the New York UCC and not otherwise defined herein shall have the meaning set forth in the New York UCC.

(c) All interest and earnings (net of losses and investment expenses) accrued on funds on deposit in the Excess Funding Account to the extent allocable to this Series shall be treated as Collections, deposited into the Finance Charge Account and applied in accordance with the Indenture.

SECTION 8. Article 6 of the Base Indenture. Article 6 of the Base Indenture shall read in its entirety as follows and shall be applicable only to the Noteholders:

ARTICLE 6

DISTRIBUTIONS AND REPORTS

SECTION 6.1. Distributions.

(a) On each Payment Date, the Trustee shall distribute (in accordance with the Monthly Servicer Report delivered by the Servicer on or before the related Series Transfer Date pursuant to subsection 2.09(a) of the Servicing Agreement) to each Noteholder of record on the immediately preceding Record Date (other than as provided in Section 12.5 respecting a final distribution), such Noteholder's pro rata share (based on the aggregate Investor Interests represented by the Notes held by such Noteholder) of the amounts on deposit in the Payment Account that are payable to the Noteholders pursuant to Section 5.15 by wire transfer to an account designated by such Noteholders, except that, with respect to Notes registered in the name of the nominee of a Clearing Agency, such distribution shall be made in immediately available funds.

(b) Notwithstanding anything to the contrary contained in the Base Indenture or this Series Supplement, if the amount distributable in respect of principal on the Notes on any Payment Date is less than one dollar, then no such distribution of principal need be made on such Payment Date.

SECTION 6.2. Monthly Noteholders' Statement.

(a) On or before each Payment Date, the Trustee shall forward to each Noteholder, with respect to each Noteholder's interest and to the Rating Agency and each Notice Person a statement substantially in the form of Exhibit D hereto prepared by the Servicer and delivered to the Trustee on the preceding Determination Date and setting forth, among other things, the following information:

(i) the total amount distributed to Class A Noteholders, Class B Noteholders and Class C Noteholders;

(ii) the amount of such distribution allocable to Monthly Principal;

(iii) the amount of such distribution allocable to Trustee and Back-Up Servicer Fees and Expenses, Monthly Interest, Deficiency Amounts and Additional Interest, respectively;

(iv) the amount of Collections of Principal Receivables received during the related Monthly Period and allocated in respect of the Notes;

(v) the amount of Recoveries, premium refunds and Collections of Finance Charges received during the related Monthly Period and allocated in respect of the Notes;

(vi) the aggregate Outstanding Principal Balance of the Receivables, the Issuer Interest, the Investor Interest, the Floating Investor Percentage and the Fixed Investor Percentage as of the end of the preceding Monthly Period;

(vii) the aggregate Outstanding Principal Balance of Receivables, including earned and unearned Finance Charges, but excluding bankrupt accounts and accounts in repossession, which were 1-30 days, 31-60 days, 61-90 days, 91-120 days, 121-180 days and more than 180 days delinquent, respectively, as of the end of the preceding Monthly Period;

(viii) the Net Portfolio Yield, Gross Loss Rate and the Aggregate Investor Default Amount as of the end of the preceding Monthly Period;

(ix) the aggregate amount of Investor Charge-Offs and other reductions in the absence of principal distributions on the Investor Interests for such Series Transfer Date;

(x) the aggregate amount of Investor Charge-Offs and other reductions in the absence of principal distributions on the Investor Interests deemed to have been reimbursed on such Series Transfer Date;

(xi) the Class A Note Principal, the Class B Note Principal and the Class C Note Principal, as of the end of the day on the Payment Date;

(xii) the average daily balance of the Class A Notes, Class B Notes and Class C Notes for the related Interest Period;

(xiii) the amount of the Servicing Fee and the Investor Percentage of the Servicing Fee for such Series Transfer Date;

(xiv) the Note Rate for each of the Class A Notes, the Class B Notes and the Class C Notes for the Interest Period ending on the day before such Payment Date;

(xv) the amount of Available Funds on deposit in the Finance Charge Account on the related Series Transfer Date;

(xvi) the date on which the Rapid Amortization Period commenced, if applicable;

(xvii) the Cash Option Amount, if any;

(xviii) the Minimum Issuer Interest, Available Issuer Interest and Aggregate Net Investor Charge-Offs, if any, as of the end of the preceding Monthly Period;

(xix) the aggregate Outstanding Principal Balance of all Receivables the final maturity date of which has been extended by up to six months, more than six months to twelve months and more than twelve months, respectively, as of the end of the preceding Monthly Period;

(xx) the aggregate amount of reductions of the Outstanding Principal Balance of the Receivables as a result of cancellations of service maintenance contracts and credit insurance during the related Monthly Period; and

(xxi) the aggregate Outstanding Principal Balance of all Receivables any Obligor of which is an Opportunity Customer as of the end of the preceding Monthly Period.

(b) Annual Noteholders' Tax Statement. To the extent required by the Code, on or before January 31 of each calendar year, beginning with the calendar year 2003, the Trustee shall distribute to each Person who at any time during the preceding calendar year was a Noteholder, a statement prepared by the Trustee containing the information required to be contained in the regular monthly report to Noteholders, as set forth in subclauses (i), (ii) and (iii) above, aggregated for such calendar year or the applicable portion thereof during which such Person was a Noteholder, together with such other customary information (consistent with the treatment of the Notes as debt). Such obligations of the Trustee shall be deemed to have been satisfied to the extent that substantially comparable information shall be provided by the Trustee pursuant to any requirements of the Code as from time to time in effect.

SECTION 9. Series 2006-A Pay Out Events. If any one of the following events (a "Series 2006-A Pay Out Event") shall occur with respect to the Notes:

(a) failure on the part of the Issuer (i) to pay any amount described in clauses (i)-(vi) of the definition of Required Amount or to make any payment or deposit required by the terms of this Series Supplement, the Note Purchase Agreement or any other Transaction Document, on or before the date two (2) Business Days after the date on which such payment or deposit is required to be made herein or therein (or, in the case of a deposit to be made with respect to any Monthly Period, by the related Payment Date), or (ii) duly to observe or perform in any respect any other covenants or agreements of the Issuer set forth in this Series Supplement, the Note Purchase Agreement or any other Transaction Document which failure, solely in the case of this clause (ii), continues unremedied for a period of thirty (30) Business Days after the Issuer has knowledge thereof, or after the date on which written notice of such failure, requiring the same to be remedied, shall have been given to the Issuer by the Servicer or any Noteholder; provided, however, that a Series 2006-A Pay Out Event pursuant to this Section 9(a) shall not be deemed to have occurred hereunder if such Series 2006-A Pay Out Event is the result of a breach of a representation, warranty, statement or certificate with respect to any Receivable, and the Servicer has received a Deemed Collection in connection therewith, in an amount equal to the Outstanding Principal Balance of such Receivable and all accrued and unpaid interest thereon for application in accordance with Article 5 of the Base Indenture as modified by this Series Supplement;

(b) any representation or warranty made by the Issuer in this Series Supplement, the Note Purchase Agreement or any other Transaction Document or any information delivered by the Issuer pursuant thereto shall prove to have been incorrect in any respect when made or when delivered which, solely to the extent such incorrect representation or warranty may be cured without any actual or potential detriment to any Secured Party, continues unremedied for a period of thirty (30) Business Days after the date on which the Issuer has knowledge thereof or on which written notice thereof, requiring the same to be remedied, shall have been given to the Issuer by the Servicer or any Noteholder; provided, however, that a Series 2006-A Pay Out Event pursuant to this Section 9(b) shall not be deemed to have occurred hereunder if such Series 2006-A Pay Out Event is the result of a breach of a representation, warranty, statement or certificate with respect to any Receivable, and the Servicer has received a Deemed Collection in connection therewith, in an amount equal to the Outstanding Principal Balance of such Receivable and all accrued and unpaid interest thereon for application in accordance with Article 5 of the Base Indenture as modified by this Series Supplement;

(c) the Issuer, any Seller or CAI shall become the subject of any Event of Bankruptcy or voluntarily suspend payment of its obligations; or the Issuer shall become unable for any reason (other than by reason of a determination by one or more Sellers not to sell receivables to the Issuer pursuant to the Purchase Agreement) to pledge Receivables to the Trustee in accordance with the provisions of the Indenture;

(d) the Issuer, any Seller or CAI shall become an "investment company" within the meaning of the Investment Company Act of 1940, as amended;

(e) any Servicer Default (other than a Servicer Default specified in clause (e), (h), (i) or (j) of Section 2.04 of the Servicing Agreement) shall occur, or a Servicer Default specified in clause (e), (h), (i) or (j) of Section 2.04 of the Servicing Agreement shall occur and not be cured within ten (10) days after the earlier of discovery by the Servicer or the date on which written notice of such Servicer Default, requiring the same to be remedied, shall have been given to the Servicer by the Issuer or any Noteholder;

(f) on the close of the Issuer's business on the last day of any Monthly Period, the Net Portfolio Yield averaged over any three consecutive Monthly Periods is less than 2.00%;

(g) an Event of Default;

(h) on any date of determination, the Gross Loss Rate shall be equal to or exceed 10.0% on a rolling three-month average basis;

(i) a "Pay Out Event" occurs under any other Series (unless such Pay Out Event is solely as a result of an "Enhancement Provider Default" under such other Series or the downgrade of the rating of the "Enhancement Provider" of such other Series) resulting in the commencement of a "Rapid Amortization Period" for such other Series;

(j) at any time CAI is the Servicer, any event of default (not cured or waived within ten (10) Business Days) under (A) the Retailer Credit Agreement, (B) any inventory financing agreement between any lender and the Servicer, the Parent or any Seller, or (C) any indenture, credit or loan agreement or other agreement or instrument of any kind pursuant to which Indebtedness of the Servicer, the Parent or any Seller in an aggregate principal amount in excess of $1,000,000 is outstanding or by which the same is evidenced, shall have occurred and be continuing;

(k) the Trustee shall, for any reason, fail or cease to have a valid and perfected first priority security interest in the Receivables and Related Security, and any other Issuer assets in the Trust Estate free and clear of any Adverse Claims (and, solely with respect to the Collections and proceeds with respect to the foregoing or other proceeds of any item of collateral described above, to the extent provided in Section 9-315 of the UCC);

(l) the Coverage Test is not satisfied or the Required Reserve Amount cannot increase as a result of the limitation in the second proviso in the definition thereof and in either case such condition continues unremedied for three (3) Business Days;

(m) the imposition of (i) non de-minimis tax liens against the Issuer, (ii) tax liens against any Seller unless such lien would not have a Material Adverse Effect and has been released within thirty (30) days of the earlier of (a) the date such Seller has knowledge of the imposition of such tax lien or (b) the date on which such Seller receives notice of the imposition of such tax lien, and (iii) ERISA liens against the Issuer or any Seller;

(n) there shall have occurred a Change in Control;

(o) the Servicer shall become unable for any reason to transfer the Collections on, or other proceeds of, Receivables to the Issuer in accordance with the provisions of this Series Supplement;

(p) the occurrence and continuation of a Purchase Termination Event under and as defined in the Purchase Agreement; or

(q) the failure of the Issuer to pay when due any amount due with respect to any Indebtedness to which it is a party (other than Issuer Obligations);

then, (i) in the case of any event described in subparagraph (a), (b), (e), (h), (j), (k), (l), (m), (n), (p) or (q) after the applicable grace period, if any, set forth in such subparagraphs, Holders of Notes (voting together without regard to class) representing at least 51% of the aggregate Note Principal of all Notes by written notice to the Trustee, the Issuer and the Servicer may declare that the Rapid Pay Out Commencement Date has occurred as of the date of such notice and (ii) in the case of an event described in subparagraphs (c), (d), (f), (g), (i) or (o) or, three (3) Business Days following the occurrence and continuation of an event described in subparagraph (l), the Rapid Pay Out Commencement Date shall occur without any notice or other action on the part of any party hereto immediately upon the occurrence of such event.

Notwithstanding anything to the contrary in the Base Indenture, no Series 2006-A Pay Out Event may be amended, waived or deleted, and no new Series 2006-A Series Pay Out Event may be added, without the prior consent of the Required Persons for Series 2006-A.

SECTION 10. Article 7 of the Base Indenture. Article 7 of the Base Indenture shall read in its entirety as follows:

ARTICLE 7

REPRESENTATIONS AND WARRANTIES OF THE ISSUER

SECTION 7.1. Representations and Warranties of the Issuer. The Issuer hereby represents and warrants to the Trustee and each of the Secured Parties that:

(a) Organization and Good Standing, etc. The Issuer has been duly organized and is validly existing and in good standing under the laws of the state of Texas, with power and authority to own its properties and to conduct its respective businesses as such properties are presently owned and such business is presently conducted. The Issuer is not organized under the laws of any other jurisdiction or governmental authority. The Issuer is duly licensed or qualified to do business as a foreign entity in good standing in the jurisdiction where its principal place of business and chief executive office is located and in each other jurisdiction in which the failure to be so licensed or qualified would be reasonably likely to have a Material Adverse Effect.

(b) Power and Authority; Due Authorization. The Issuer has (a) all necessary power, authority and legal right to (i) execute, deliver and perform its obligations under this Indenture and each of the other Transaction Documents to which it is a party and (b) duly authorized, by all necessary action, the execution, delivery and performance of this Indenture and the other Transaction Documents to which it is a party and the borrowing, and the granting of security therefor, on the terms and conditions provided herein.

(c) No Violation. The consummation of the transactions contemplated by this Indenture and the other Transaction Documents and the fulfillment of the terms hereof will not (a) conflict with, result in any breach of any of the terms and provisions of, or constitute (with or without notice or lapse of time or both) a default under, (i) the organizational documents of the Issuer or (ii) any indenture, loan agreement, pooling and servicing agreement, receivables purchase agreement, mortgage, deed of trust, or other agreement or instrument to which the Issuer is a party or by which it or its properties is bound, (b) result in or require the creation or imposition of any Adverse Claim upon its properties pursuant to the terms of any such indenture, loan agreement, pooling and servicing agreement, receivables purchase agreement, mortgage, deed of trust, or other agreement or instrument, other than pursuant to the terms of the Transaction Documents, or (c) violate any law or any order, rule, or regulation applicable to the Issuer or of any court or of any federal, state or foreign regulatory body, administrative agency, or other governmental instrumentality having jurisdiction over the Issuer or any of its respective properties.

(d) Validity and Binding Nature. This Indenture is, and the other Transaction Documents to which it is a party when duly executed and delivered by the Issuer and the other parties thereto will be, the legal, valid and binding obligation of the Issuer enforceable in accordance with their respective terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar law affecting creditors' rights generally and by general principles of equity.

(e) Government Approvals. No authorization or approval or other action by, and no notice to or filing with, any governmental authority or regulatory body required for the due execution, delivery or performance by the Issuer of any Transaction Document to which it is a party remains unobtained or unfiled, except for the filing of the UCC financing statements referred to in Section 15.4.

(f) [Reserved].

(g) Margin Regulations. The Issuer is not engaged in the business of extending credit for the purpose of purchasing or carrying margin stock, and no proceeds with respect to the sale of the Notes, directly or indirectly, will be used for a purpose that violates, or would be inconsistent with, Regulations T, U and X promulgated by the Federal Reserve Board from time to time.

(h) Perfection. (i) Immediately preceding the Closing Date and the date of each recomputation of the Investor Interest, the Issuer shall be the owner of all of the Receivables and Related Security and Collections and proceeds with respect thereto, free and clear of all Adverse Claims. On or prior to the Initial Closing Date and the date of each recomputation of the Investor Interest, all financing statements and other documents required to be recorded or filed in order to perfect and protect the assets of the Trust Estate against all creditors (other than Secured Parties) of, and purchasers (other than Secured Parties) from, the Issuer, each Seller and the Initial Seller will have been duly filed in each filing office necessary for such purpose, and all filing fees and taxes, if any, payable in connection with such filings shall have been paid in full;

(ii) the Indenture constitutes a valid grant of a security interest to the Trustee for the benefit of the Purchasers and the other Secured Parties in all right, title and interest of the Issuer in the Receivables, the Related Security and Collections and proceeds with respect thereto and all other assets of the Trust Estate, now existing or hereafter created or acquired. Accordingly, to the extent the UCC applies with respect to the perfection of such security interest, upon the filing of any financing statements described in Article 8 of the Indenture, and, solely with respect to the Related Security, to the extent required for perfection under the relevant UCC, the delivery of possession of all instruments, if any, included in such Related Security to the Servicer), the Trustee shall have a first priority perfected security interest in such property and the proceeds thereof (to the extent provided in Section 9-315), subject to Permitted Encumbrances and, to the extent the UCC does not apply to the perfection of such security interest, all notices, filings and other actions required by all applicable law have been taken to perfect and protect such security interest or lien against and prior to all Adverse Claims with respect to the relevant Receivables, Related Security and Collections and proceeds with respect thereto and all other assets of the Trust Estate. Except as otherwise specifically provided in the Transaction Documents, neither the Issuer nor any Person claiming through or under the Issuer has any claim to or interest in the Collection Account; and

(iii) immediately prior to, and after giving effect to, the initial purchase of the Notes, the Issuer will be Solvent.

(i) Offices. The principal place of business and chief executive office of the Issuer is located at the address referred to in Section 15.4 (or at such other locations, notified to the Trustee in jurisdictions where all action required thereby has been taken and completed).

(j) Tax Status. The Issuer has filed all tax returns (Federal, State and local) required to be filed by it and has paid or made adequate provision for the payment of all taxes, assessments and other governmental charges then due and payable (including for such purposes, the setting aside of appropriate reserves for taxes, assessments and other governmental charges being contested in good faith).

(k) Use of Proceeds. No proceeds of any Notes will be used by the Issuer to acquire any security in any transaction which is subject to Section 13 or 14 of the Securities Exchange Act of 1934, as amended.

(l) Compliance with Applicable Laws; Licenses, etc.

(i) The Issuer is in compliance with the requirements of all applicable laws, rules, regulations, and orders of all governmental authorities, a breach of any of which, individually or in the aggregate, would be reasonably likely to have a Material Adverse Effect.

(ii) The Issuer has not failed to obtain any licenses, permits, franchises or other governmental authorizations necessary to the ownership of its properties or to the conduct of its business, which violation or failure to obtain would be reasonably likely to have a Material Adverse Effect.

(m) No Proceedings. Except as described in Schedule 1,

(i) there is no order, judgment, decree, injunction, stipulation or consent order of or with any court or other government authority to which the Issuer is subject, and there is no action, suit, arbitration, regulatory proceeding or investigation pending, or, to the knowledge of the Issuer, threatened, before or by any court, regulatory body, administrative agency or other tribunal or governmental instrumentality, against the Issuer that, individually or in the aggregate, is reasonably likely to have a Material Adverse Effect; and

(ii) there is no action, suit, proceeding, arbitration, regulatory or governmental investigation, pending or, to the knowledge of the Issuer, threatened, before or by any court, regulatory body, administrative agency, or other tribunal or governmental instrumentality (A) asserting the invalidity of this Indenture, the Notes or any other Transaction Document, (B) seeking to prevent the issuance of the Notes pursuant hereto or the consummation of any of the other transactions contemplated by this Indenture or any other Transaction Document or (C) seeking to adversely affect the federal income tax attributes of the Issuer.

(n) Investment Company Act, Etc. The Issuer is not an "investment company" within the meaning of the Investment Company Act of 1940, as amended, or a "holding company", or a "subsidiary company", of a "holding company", or an "affiliate" of a "holding company", or of a "subsidiary company" of a "holding company", within the meaning of the Public Utility Holding Company Act of 1935, as amended.

(o) Eligible Receivables. Each Receivable included as an Eligible Receivable in any Monthly Servicer Report shall be an Eligible Receivable as of the date so included. Each Receivable, including Subsequently Purchased Receivables, purchased by the Issuer on any Purchase Date shall be an Eligible Receivable as of such Purchase Date unless otherwise specified to the Trustee in writing prior to such Purchase Date.

(p) Receivables Schedule. The most recently delivered Receivables Schedule reflects, in all material respects, a true and correct schedule of the Receivables included in the Trust Estate as of the date of delivery.

(q) ERISA. (i) Each of the Issuer and its ERISA Affiliates is in compliance in all material respects with ERISA unless any failure to so comply could not reasonably be expected to have a Material Adverse Effect and (ii) no Lien exists in favor of the Pension Benefit Guaranty Corporation on any of the Receivables. No ERISA Event has occurred with respect to Title IV Plans of the Issuer. No ERISA Event has occurred with respect to Title IV plans of the Issuer's ERISA Affiliates that have an aggregate Unfunded Pension Liability equal to or greater than $1,000,000.

(r) Accuracy of Information. All information heretofore furnished by, or on behalf of, the Issuer to the Trustee or any of the Noteholders in connection with any Transaction Document, or any transaction contemplated thereby, is true and accurate in every material respect (without omission of any information necessary to prevent such information from being materially misleading).

(s) No Material Adverse Change. Since January 31, 2006, other than as disclosed in the Offering Memorandum related to the Notes, there has been no material adverse change in the collectibility of the Receivables or the Issuer's (i) financial condition, business, operations or prospects or (ii) ability to perform its obligations under any Transaction Document.

(t) Trade Names and Subsidiaries. Set forth on Schedule 2 hereto is a complete list of trade names of the Issuer for the six year period preceding the Closing Date. The Issuer has no Subsidiaries and does not own or hold, directly or indirectly, any equity interest in any Person.

(u) Notes. The Notes have been duly and validly authorized, and, when executed and authenticated in accordance with the terms of the Indenture, and delivered to and paid for in accordance with each of the Note Purchase Agreements, will be duly and validly issued and outstanding and will be entitled to the benefits of the Indenture.

(v) Sales by Sellers or the Initial Seller. Each sale of Receivables by any Seller or the Initial Seller to the Issuer shall have been effected under, and in accordance with the terms of, the Purchase Agreement, including the payment by the Issuer to such Seller or the Initial Seller of an amount equal to the purchase price therefor as described in the Purchase Agreement, and each such sale shall have been made for "reasonably equivalent value" (as such term is used under Section 548 of the Federal Bankruptcy Code) and not for or on account of "antecedent debt" (as such term is used under Section 547 of the Federal Bankruptcy Code) owed by the Issuer to such Seller or the Initial Seller.

SECTION 7.2. Reaffirmation of Representations and Warranties by the Issuer. On the Closing Date and on each Business Day, the Issuer shall be deemed to have certified that all representations and warranties described in Section 7.1 hereof are true and correct on and as of such day as though made on and as of such day (except to the extent they relate to an earlier date or later time, and then as of such earlier date or later time).

SECTION 11. [Reserved].

SECTION 12. [Reserved].

SECTION 13. Counterparts. This Series Supplement may be executed in any number of counterparts, and by different parties in separate counterparts, each of which so executed shall be deemed to be an original, but all of such counterparts shall together constitute but one and the same instrument.

SECTION 14. Governing Law. THIS SERIES SUPPLEMENT SHALL BE CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, WITHOUT REFERENCE TO ITS CONFLICT OF LAW PROVISIONS, AND THE OBLIGATIONS, RIGHTS AND REMEDIES OF THE PARTIES HEREUNDER SHALL BE DETERMINED IN ACCORDANCE WITH SUCH LAWS. EACH OF THE PARTIES TO THIS SERIES SUPPLEMENT AND EACH NOTEHOLDER HEREBY AGREES TO THE NON-EXCLUSIVE JURISDICTION OF THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF NEW YORK AND ANY APPELLATE COURT HAVING JURISDICTION TO REVIEW THE JUDGMENTS THEREOF. EACH OF THE PARTIES HERETO AND EACH NOTEHOLDER HEREBY WAIVES ANY OBJECTION BASED ON FORUM NON CONVENIENS AND ANY OBJECTION TO VENUE OF ANY ACTION INSTITUTED HEREUNDER IN ANY OF THE AFOREMENTIONED COURTS AND CONSENTS TO THE GRANTING OF SUCH LEGAL OR EQUITABLE RELIEF AS IS DEEMED APPROPRIATE BY SUCH COURT.

SECTION 15. Waiver of Trial by Jury. To the extent permitted by applicable law, each of the parties hereto and each of the Noteholders irrevocably waives all right of trial by jury in any action, proceeding or counterclaim arising out of or in connection with this Series Supplement or the Transaction Documents or any matter arising hereunder or thereunder.

SECTION 16. No Petition. The Trustee, by entering into this Series Supplement and each Noteholder, by accepting a Note hereby covenant and agree that they will not prior to the date which is one year and one day after payment in full of the last maturing Note of any Series and termination of the Indenture institute against the Issuer, or join in any institution against the Issuer of, any bankruptcy proceedings under any United States federal or state bankruptcy or similar law in connection with any obligations relating to the Noteholders, the Servicing Agreement, the Base Indenture or this Series Supplement.

SECTION 17. Rights of the Trustee. The rights, privileges and immunities afforded to the Trustee under the Base Indenture shall apply hereunder as if fully set forth herein.

[signature page follows]

IN WITNESS WHEREOF, the parties hereto have caused this Series Supplement to be duly executed by their respective officers as of the day and year first above written.

CONN FUNDING II, L.P., as Issuer

By: Conn Funding II GP, L.L.C.,
its general partner

By: /s/ David R. Atnip

Name: David R. Atnip
Title: Treasurer

WELLS FARGO BANK, NATIONAL ASSOCIATION, not in its individual capacity, but solely as Trustee

By: /s/ Marianna C. Stershic

Name: Marianna C. Stershic
Title: Vice President

EXHIBIT A-1

FORM OF

RESTRICTED GLOBAL NOTE

UNLESS THIS NOTE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION ("DTC"), TO THE ISSUER OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY NOTE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

THIS NOTE HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR THE SECURITIES LAWS OF ANY OTHER JURISDICTION. THIS NOTE MAY BE RESOLD, PLEDGED OR TRANSFERRED ONLY (1) TO A PERSON THAT IS A QUALIFIED INSTITUTIONAL BUYER (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT ("RULE 144A")) IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A, (2) OUTSIDE THE UNITED STATES TO A NON U.S. PERSON (AS SUCH TERM IS DEFINED IN REGULATION S UNDER THE SECURITIES ACT) IN A TRANSACTION IN COMPLIANCE WITH REGULATION S UNDER THE SECURITIES ACT, (3) PURSUANT TO A REGISTRATION STATEMENT THAT HAS BEEN DECLARED EFFECTIVE UNDER THE SECURITIES ACT (AND WHICH CONTINUES TO BE EFFECTIVE AT THE TIME OF SUCH TRANSFER UNDER THE SECURITIES ACT), (4) UNDER THE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT PROVIDED BY RULE 144 UNDER THE SECURITIES ACT, IF AVAILABLE OR (5) IN A TRANSACTION OTHERWISE EXEMPT FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES AND ANY OTHER JURISDICTION AND BASED ON AN OPINION OF COUNSEL, IN FORM AND SUBSTANCE APPROVED BY THE ISSUER OR TRANSFER AGENT, IF THE ISSUER OR TRANSFER AGENT AND REGISTRAR SO REQUEST, IN EACH SUCH CASE, IN COMPLIANCE WITH THE INDENTURE AND ALL APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR ANY OTHER APPLICABLE JURISDICTION, SUBJECT IN EACH OF THE ABOVE CASES TO ANY REQUIREMENT OF LAW THAT THE DISPOSITION OF THE SELLER'S PROPERTY OR THE PROPERTY OF AN INVESTMENT ACCOUNT OR ACCOUNTS BE AT ALL TIMES WITHIN THE SELLER'S OR ACCOUNT'S CONTROL. THE HOLDER WILL, AND EACH SUBSEQUENT HOLDER IS REQUIRED TO, NOTIFY ANY TRANSFEREE FROM IT OF THE RESALE RESTRICTIONS SET FORTH ABOVE.

BY ACQUIRING THIS NOTE (OR ANY INTEREST HEREIN), EACH PURCHASER OR TRANSFEREE SHALL BE DEEMED TO REPRESENT AND WARRANT THAT EITHER (I) IT IS NOT ACQUIRING THE NOTE WITH THE PLAN ASSETS OF AN "EMPLOYEE BENEFIT PLAN" AS DEFINED IN SECTION 3(3) OF THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("ERISA"), WHICH IS SUBJECT TO TITLE I OF ERISA, A "PLAN" AS DESCRIBED IN SECTION 4975(e)(1) OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "CODE"), AN ENTITY DEEMED TO HOLD PLAN ASSETS OF ANY OF THE FOREGOING, OR A GOVERNMENTAL PLAN SUBJECT TO APPLICABLE LAW THAT IS SUBSTANTIALLY SIMILAR TO SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE OR (II) ITS PURCHASE AND HOLDING OF THIS NOTE (OR ANY INTEREST HEREIN) WILL NOT RESULT IN A NON-EXEMPT PROHIBITED TRANSACTION UNDER SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE (OR, IN THE CASE OF A GOVERNMENTAL PLAN, ANY SUBSTANTIALLY SIMILAR APPLICABLE LAW).

THE INDENTURE (AS DEFINED BELOW) CONTAINS FURTHER RESTRICTIONS ON THE TRANSFER AND RESALE OF THIS NOTE. EACH TRANSFEREE OF THIS NOTE, BY ACCEPTANCE HEREOF, IS DEEMED TO HAVE ACCEPTED THIS NOTE, SUBJECT TO THE FOREGOING RESTRICTIONS ON TRANSFERABILITY. IN ADDITION, EACH TRANSFEREE OF THIS NOTE, BY ACCEPTANCE HEREOF, IS DEEMED TO HAVE MADE THE REPRESENTATIONS AND AGREEMENTS SET FORTH IN THE INDENTURE.

BY ACCEPTANCE HEREOF, THE HOLDER OF THIS NOTE AGREES TO THE TERMS AND CONDITIONS SET FORTH IN THE INDENTURE AND HEREIN.

EACH PURCHASER OF THIS NOTE IS HEREBY NOTIFIED THAT THE SELLER OF THIS NOTE MAY BE RELYING ON THE EXEMPTION FROM THE PROVISIONS OF SECTION 5 OF THE SECURITIES ACT PROVIDED BY RULE 144A THEREUNDER.

No. R144A-1

$90,000,000
CUSIP No. 207415 AD 2
ISIN US207415AD21

SEE REVERSE FOR CERTAIN DEFINITIONS

THE PRINCIPAL OF THIS CLASS A NOTE MAY BE PAYABLE IN INSTALLMENTS AS SET FORTH IN THE INDENTURE DEFINED HEREIN. ACCORDINGLY, THE OUTSTANDING PRINCIPAL AMOUNT OF THIS CLASS A NOTE AT ANY TIME MAY BE LESS THAN THE AMOUNT SHOWN ON THE FACE HEREOF.

CONN FUNDING II, L.P.

5.507% ASSET BACKED FIXED RATE NOTES, CLASS A, SERIES 2006-A

Conn Funding II, L.P., a limited partnership organized and existing under the laws of the State of Texas (herein referred to as the "Issuer"), for value received, hereby promises to pay Cede & Co., or registered assigns, the principal sum set forth above or such other principal sum set forth on Schedule A attached hereto (which sum shall not exceed $90,000,000), payable on each Payment Date after the end of the Revolving Period (as defined in the Series 2006-A Supplement) in an amount equal to the Monthly Principal, as defined in Section 5.13 of the Series 2006-A Supplement, dated as of August 1, 2006 (as amended, supplemented or otherwise modified from time to time, the "Series 2006-A Supplement"), between the Issuer and the Trustee to the Base Indenture (described below); provided, however, that the entire unpaid principal amount of this Note shall be due and payable on April 20, 2017 (the "Legal Final Payment Date"). The Issuer will pay interest on this Class A Note at the Note Rate (as defined in the Series 2006-A Supplement) on each Payment Date until the principal of this Class A Note is paid or made available for payment, on the average daily outstanding principal balance of this Class A Note during the related Interest Period (as defined in the Series 2006-A Supplement). Interest will be computed on the basis set forth in the Indenture. Such principal of and interest on this Class A Note shall be paid in the manner specified on the reverse hereof. The aggregate principal sum of the Regulation S Global Notes and the Restricted Global Note shall not exceed $90,000,000.

The Class A Notes are subject to optional redemption in accordance with the Indenture on or after any Payment Date on which the Investor Interest is reduced to an amount less than or equal to 10% of the Initial Note Principal.

The principal of and interest on this Class A Note are payable in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts.

Reference is made to the further provisions of this Class A Note set forth on the reverse hereof and to the Indenture, which shall have the same effect as though fully set forth on the face of this Class A Note.

Unless the certificate of authentication hereon has been executed by the Trustee whose name appears below by manual signature, this Class A Note shall not be entitled to any benefit under the Indenture referred to on the reverse hereof, or be valid or obligatory for any purpose.

IN WITNESS WHEREOF, the Issuer, has caused this instrument to be signed, manually or in facsimile, by its Authorized Officer as of the date set forth below.

CONN FUNDING II, L.P.

By: Conn Funding II GP, L.L.C.,
its general partner

By: _____

Authorized Officer

Attested to:

By: _____

Authorized Officer

CERTIFICATE OF AUTHENTICATION

This is one of the Class A Notes referred to in the within mentioned Series 2006-A Supplement.

WELLS FARGO BANK, NATIONAL ASSOCIATION, not in its individual capacity, but solely as Trustee

By: /s/

Authorized Officer

[REVERSE OF NOTE]

This Class A Note is one of a duly authorized issue of Class A Notes of the Issuer, designated as its 5.507% Asset Backed Fixed Rate Notes, Class A, Series 2006-A (herein called the "Class A Notes"), all issued under the Series 2006-A Supplement to the Base Indenture dated as of September 1, 2002 (such Base Indenture, as supplemented by the Series 2006-A Supplement and supplements and amendments relating to other series of notes, as supplemented or amended, is herein called the "Indenture"), between the Issuer and WELLS FARGO BANK, NATIONAL ASSOCIATION, as trustee (the "Trustee," which term includes any successor Trustee under the Indenture), to which Indenture reference is hereby made for a statement of the respective rights and obligations thereunder of the Issuer, the Trustee and the Class A Noteholders. The Class A Notes are subject to all terms of the Indenture. All terms used in this Class A Note that are defined in the Indenture shall have the meanings assigned to them in or pursuant to the Indenture.

Principal of the Class A Notes will be payable on each Payment Date after the end of the Revolving Period and may be prepaid , in each case, as set forth in the Indenture. "Payment Date" means the twentieth day of each calendar month, or, if any such date is not a Business Day, the next succeeding Business Day, commencing on September 20, 2006.

All principal payments on the Class A Notes shall be made pro rata to the Class A Noteholders entitled thereto.

Subject to certain limitations set forth in the Indenture, payments of interest on this Class A Note due and payable on each Payment Date, together with the installment of principal, if any, to the extent not in full payment of this Class A Note, shall be made by wire transfer in immediately available funds to the Person whose name appears as the Class A Noteholder on the Note Register as of the close of business on each Record Date without requiring that this Class A Note be submitted for notation of payment. Any reduction in the principal amount of this Class A Note effected by any payments made on any Payment Date or date of prepayment shall be binding upon all future Class A Noteholders and of any Class A Note issued upon the registration of transfer hereof or in exchange hereof or in lieu hereof, whether or not noted on Schedule A attached hereto. If funds are expected to be available, as provided in the Indenture, for payment in full of the then remaining unpaid principal amount of this Class A Note on a Payment Date, then the Trustee, in the name of and on behalf of the Issuer, will notify the Person who was the Holder hereof as of the Record Date preceding such Payment Date by notice mailed prior to such Payment Date and the amount then due and payable shall be payable only upon presentation and surrender of this Class A Note at the Trustee's principal Corporate Trust Office or at the office of the Trustee's agent appointed for such purposes located in the City of New York.

On any redemption, purchase, exchange or cancellation of any of the beneficial interests represented by this Restricted Global Note, details of such redemption, purchase, exchange or cancellation shall be entered by the Paying Agent in Schedule A hereto recording any such redemption, purchase, exchange or cancellation and shall be signed by or on behalf of the Issuer. Upon any such redemption, purchase, exchange or cancellation, the principal amount of this Restricted Global Note and the beneficial interests represented by the Restricted Global Note shall be reduced or increased, as appropriate, by the principal amount so redeemed, purchased, exchanged or cancelled.

Each Class A Noteholder, by acceptance of a Class A Note, covenants and agrees that by accepting the benefits of the Indenture that such Class A Noteholder will not prior to the date which is one year and one day after the payment in full of the last maturing note of any Series and the termination of the Indenture institute against the Issuer or join in any institution against the Issuer of, any bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings, or other proceedings, under any United States federal or state bankruptcy or similar law in connection with any obligations relating to the Notes, the Indenture or the Transaction Documents.

Each Class A Noteholder, by acceptance of a Class A Note, covenants and agrees that by accepting the benefits of the Indenture that such Noteholder will treat such Note as indebtedness for all Federal, state and local income and franchise tax purposes.

Prior to the due presentment for registration of transfer of this Class A Note, the Issuer, the Trustee and any agent of the Issuer or the Trustee may treat the Person in whose name this Class A Note (as of the day of determination or as of such other date as may be specified in the Indenture) is registered as the owner hereof for all purposes, whether or not this Class A Note be overdue, and neither the Issuer, the Trustee nor any such agent shall be affected by notice to the contrary.

As provided in the Indenture, no recourse may be taken, directly or indirectly, with respect to the obligations of the Issuer under the Indenture, including this Class A Note, against any Seller, the Servicer, the Trustee or any partner, owner, incorporator, beneficiary, beneficial owner, agent, officer, director, employee, shareholder or agent of the Issuer, any Seller, the Servicer or the Trustee except as any such Person may have expressly agreed.

The term "Issuer" as used in this Class A Note includes any successor to the Issuer under the Indenture.

The Issuer is permitted by the Indenture, under certain circumstances, to merge or consolidate, subject to the rights of the Trustee and the Noteholders under the Indenture.

The Class A Notes are issuable only in registered form as provided in the Indenture in denominations as provided in the Indenture, subject to certain limitations therein set forth.

This Class A Note and the Indenture shall be construed in accordance with the laws of the State of New York, without reference to its conflict of law provisions, and the obligations, rights and remedies of the parties hereunder and thereunder shall be determined in accordance with such laws.

No reference herein to the Indenture and no provision of this Class A Note or of the Indenture shall alter or impair the obligation of the Issuer, which is absolute and unconditional, to pay the principal of and interest on this Class A Note.

ASSIGNMENT

Social Security or taxpayer I.D. or other identifying number of assignee

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto _____

(name and address of assignee)

the within Class A Note and all rights thereunder, and hereby irrevocably constitutes and appoints _____, attorney, to transfer said Class A Note on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____ _____ [1]

Signature Guaranteed:

---

[1] NOTE: The signature to this assignment must correspond with the name of the registered owner as it appears on the face of the within Note in every particular, without alteration, enlargement or any change whatsoever.

SCHEDULE A

SCHEDULE OF EXCHANGES

BETWEEN THE TEMPORARY REGULATION S GLOBAL NOTE

OR THE PERMANENT REGULATION S GLOBAL NOTE AND

THIS RESTRICTED GLOBAL NOTE, OR REDEMPTIONS

OR PURCHASES AND CANCELLATIONS

The following increases or decreases in principal amount of this Restricted Global Note or redemptions, purchases or cancellation of this Restricted Global Note have been made:

Date of exchange, or redemption or purchase or cancellation	Increase or decrease in principal amount of this Restricted Global Note due to exchanges between the Temporary Regulation S Global Note or the Permanent Regulation S Global Note and this Restricted Global Note	Remaining principal amount of this Restricted Global Note following such exchange, or redemption or purchase or cancellation	Notation made by or on behalf of the Issuer
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

EXHIBIT A-2

FORM OF
TEMPORARY REGULATION S GLOBAL NOTE

THIS GLOBAL NOTE IS A TEMPORARY GLOBAL NOTE FOR PURPOSES OF REGULATION S UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"). NEITHER THIS TEMPORARY REGULATION S GLOBAL NOTE NOR ANY INTEREST OR PARTICIPATION HEREIN MAY BE OFFERED, SOLD OR DELIVERED, EXCEPT AS PERMITTED UNDER THE INDENTURE REFERRED TO BELOW.

UNLESS THIS NOTE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION ("DTC"), TO THE ISSUER OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY NOTE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

THIS NOTE HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR THE SECURITIES LAWS OF ANY OTHER JURISDICTION. THIS NOTE MAY BE RESOLD, PLEDGED OR TRANSFERRED ONLY (1) TO A PERSON THAT IS A QUALIFIED INSTITUTIONAL BUYER (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT ("RULE 144A")) IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A, (2) OUTSIDE THE UNITED STATES TO A NON U.S. PERSON (AS SUCH TERM IS DEFINED IN REGULATION S UNDER THE SECURITIES ACT) IN A TRANSACTION IN COMPLIANCE WITH REGULATION S UNDER THE SECURITIES ACT, (3) PURSUANT TO A REGISTRATION STATEMENT THAT HAS BEEN DECLARED EFFECTIVE UNDER THE SECURITIES ACT (AND WHICH CONTINUES TO BE EFFECTIVE AT THE TIME OF SUCH TRANSFER UNDER THE SECURITIES ACT), (4) UNDER THE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT PROVIDED BY RULE 144 UNDER THE SECURITIES ACT, IF AVAILABLE OR (5) IN A TRANSACTION OTHERWISE EXEMPT FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES AND ANY OTHER JURISDICTION AND BASED ON AN OPINION OF COUNSEL, IN FORM AND SUBSTANCE APPROVED BY THE ISSUER OR TRANSFER AGENT, IF THE ISSUER OR TRANSFER AGENT AND REGISTRAR SO REQUEST, IN EACH SUCH CASE, IN COMPLIANCE WITH THE INDENTURE AND ALL APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR ANY OTHER APPLICABLE JURISDICTION, SUBJECT IN EACH OF THE ABOVE CASES TO ANY REQUIREMENT OF LAW THAT THE DISPOSITION OF THE SELLER'S PROPERTY OR THE PROPERTY OF AN INVESTMENT ACCOUNT OR ACCOUNTS BE AT ALL TIMES WITHIN THE SELLER'S OR ACCOUNT'S CONTROL. THE HOLDER WILL, AND EACH SUBSEQUENT HOLDER IS REQUIRED TO, NOTIFY ANY TRANSFEREE FROM IT OF THE RESALE RESTRICTIONS SET FORTH ABOVE.

BY ACQUIRING THIS NOTE (OR ANY INTEREST HEREIN), EACH PURCHASER OR TRANSFEREE SHALL BE DEEMED TO REPRESENT AND WARRANT THAT EITHER (I) IT IS NOT ACQUIRING THE NOTE WITH THE PLAN ASSETS OF AN "EMPLOYEE BENEFIT PLAN" AS DEFINED IN SECTION 3(3) OF THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("ERISA"), WHICH IS SUBJECT TO TITLE I OF ERISA, A "PLAN" AS DESCRIBED IN SECTION 4975(e)(1) OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "CODE"), AN ENTITY DEEMED TO HOLD PLAN ASSETS OF ANY OF THE FOREGOING, OR A GOVERNMENTAL PLAN SUBJECT TO APPLICABLE LAW THAT IS SUBSTANTIALLY SIMILAR TO SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE OR (II) ITS PURCHASE AND HOLDING OF THIS NOTE (OR ANY INTEREST HEREIN) WILL NOT RESULT IN A NON-EXEMPT PROHIBITED TRANSACTION UNDER SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE (OR, IN THE CASE OF A GOVERNMENTAL PLAN, ANY SUBSTANTIALLY SIMILAR APPLICABLE LAW).

THE INDENTURE CONTAINS FURTHER RESTRICTIONS ON THE TRANSFER AND RESALE OF THIS NOTE. EACH TRANSFEREE OF THIS NOTE, BY ACCEPTANCE HEREOF, IS DEEMED TO HAVE ACCEPTED THIS NOTE, SUBJECT TO THE FOREGOING RESTRICTIONS ON TRANSFERABILITY. IN ADDITION, EACH TRANSFEREE OF THIS NOTE, BY ACCEPTANCE HEREOF, IS DEEMED TO HAVE MADE THE REPRESENTATIONS AND AGREEMENTS SET FORTH IN THE INDENTURE.

BY ACCEPTANCE HEREOF, THE HOLDER OF THIS NOTE AGREES TO THE TERMS AND CONDITIONS SET FORTH IN THE INDENTURE AND HEREIN.

No. TREGS-1

$90,000,000
CUSIP No. U20772 AD 8
ISIN USU20772AD85

SEE REVERSE FOR CERTAIN DEFINITIONS

THE PRINCIPAL OF THIS CLASS A NOTE MAY BE PAYABLE IN INSTALLMENTS AS SET FORTH IN THE INDENTURE DEFINED HEREIN. ACCORDINGLY, THE OUTSTANDING PRINCIPAL AMOUNT OF THIS CLASS A NOTE AT ANY TIME MAY BE LESS THAN THE AMOUNT SHOWN ON THE FACE HEREOF.

CONN FUNDING II, L.P.

5.507% ASSET BACKED FIXED RATE NOTES, CLASS A, SERIES 2006-A

Conn Funding II, L.P., a limited partnership organized and existing under the laws of the State of Texas (herein referred to as the "Issuer"), for value received, hereby promises to pay Cede & Co., or registered assigns, the principal sum set forth above or such other principal sum set forth on Schedule A attached hereto (which sum shall not exceed $90,000,000), payable on each Payment Date after the end of the Revolving Period (as defined in the Series 2006-A Supplement) in an amount equal to the Monthly Principal, as defined in Section 5.13 of the Series 2006-A Supplement, dated as of August 1, 2006 (as amended, supplemented or otherwise modified from time to time, the "Series 2006-A Supplement"), between the Issuer and the Trustee to the Base Indenture (described below); provided, however, that the entire unpaid principal amount of this Class A Note shall be due and payable on April 20, 2017 (the "Legal Final Payment Date"). The Issuer will pay interest on this Class A Note at the Note Rate (as defined in the Series 2006-A Supplement) on each Payment Date until the principal of this Class A Note is paid or made available for payment, on the average daily outstanding principal balance of this Class A Note during the related Interest Period (as defined in the Series 2006-A Supplement). Interest will be computed on the basis set forth in the Indenture. Such principal of and interest on this Class A Note shall be paid in the manner specified on the reverse hereof. The aggregate principal sum of the Regulation S Global Notes and the Restricted Global Note shall not exceed $90,000,000.

The Class A Notes are subject to optional redemption in accordance with the Indenture on or after any Payment Date on which the Investor Interest is reduced to an amount less than or equal to 10% of the Initial Note Principal.

The principal of and interest on this Class A Note are payable in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts.

Reference is made to the further provisions of this Class A Note set forth on the reverse hereof and to the Indenture, which shall have the same effect as though fully set forth on the face of this Class A Note.

Unless the certificate of authentication hereon has been executed by the Trustee whose name appears below by manual signature, this Class A Note shall not be entitled to any benefit under the Indenture referred to on the reverse hereof, or be valid or obligatory for any purpose.

CONN FUNDING II, L.P.

By: Conn Funding II GP, L.L.C.,
its general partner

By: _____

Authorized Officer

Attested to:

By: _____

Authorized Officer

CERTIFICATE OF AUTHENTICATION

This is one of the Class A Notes referred to in the within mentioned Series 2006-A Supplement.

WELLS FARGO BANK, NATIONAL ASSOCIATION, not in its individual capacity, but solely as Trustee

By: /s/

Authorized Officer

[REVERSE OF NOTE]

This Class A Note is one of a duly authorized issue of Class A Notes of the Issuer, designated as its 5.507% Asset Backed Fixed Rate Notes, Class A, Series 2006-A (herein called the "Class A Notes"), all issued under the Series 2006-A Supplement to the Base Indenture dated as of September 1, 2002 (such Base Indenture, as supplemented by the Series 2006-A Supplement and supplements and amendments relating to other series of notes, as supplemented or amended, is herein called the "Indenture"), between the Issuer and WELLS FARGO BANK, NATIONAL ASSOCIATION, as trustee (the "Trustee", which term includes any successor Trustee under the Indenture), to which Indenture reference is hereby made for a statement of the respective rights and obligations thereunder of the Issuer, the Trustee and the Holders of the Class A Notes. The Class A Notes are subject to all terms of the Indenture. All terms used in this Class A Note that are defined in the Indenture shall have the meanings assigned to them in or pursuant to the Indenture.

Principal of the Class A Notes will be payable on each Payment Date after the end of the Revolving Period and may be prepaid, in each case, as set forth in the Indenture. "Payment Date" means the twentieth day of each calendar month, or, if any such date is not a Business Day, the next succeeding Business Day, commencing on September 20, 2006.

All principal payments on the Class A Notes shall be made pro rata to the Class A Noteholders entitled thereto.

Subject to certain limitations set forth in the Indenture, payments of interest on this Class A Note due and payable on each Payment Date, together with the installment of principal, if any, to the extent not in full payment of this Class A Note, shall be made by wire transfer in immediately available funds to the Person whose name appears as the Class A Noteholder on the Note Register as of the close of business on each Record Date without requiring that this Class A Note be submitted for notation of payment. Any reduction in the principal amount of this Class A Note effected by any payments made on any Payment Date or date of prepayment shall be binding upon all future Class A Noteholders and of any Class A Note issued upon the registration of transfer hereof or in exchange hereof or in lieu hereof, whether or not noted on Schedule A attached hereto. If funds are expected to be available, as provided in the Indenture, for payment in full of the then remaining unpaid principal amount of this Class A Note on a Payment Date, then the Trustee, in the name of and on behalf of the Issuer, will notify the Person who was the Holder hereof as of the Record Date preceding such Payment Date by notice mailed prior to such Payment Date and the amount then due and payable shall be payable only upon presentation and surrender of this Class A Note at the Trustee's principal Corporate Trust Office or at the office of the Trustee's agent appointed for such purposes located in the City of New York.

Any interest in a Class A Note evidenced by this Temporary Regulation S Global Note is exchangeable for an interest in a Permanent Regulation S Global Note upon the later of (i) the Exchange Date and (ii) the furnishing of a certificate, the form of which is attached as Exhibit C-2 to the Series 2006-A Supplement. Interests in this Temporary Regulation S Global Note are exchangeable for interests in a Permanent Regulation S Global Note or a Restricted Global Note only upon presentation of the applicable certificate required by Section 6 of the Series 2006-A Supplement to the Base Indenture. Upon exchange of all interests in this Temporary Regulation S Global Note for interests in the Permanent Regulation S Global Note and/or the Restricted Global Note, the Trustee shall cancel this Temporary Regulation S Global Note.

Until the provision of the certifications required by Section 6 of the Series 2006-A Supplement, beneficial interests in a Regulation S Global Note may only be held through Euroclear or Clearstream or another agent member of Euroclear or Clearstream acting for and on behalf of them.

On any redemption, purchase, exchange or cancellation of any of the beneficial interests represented by this Temporary Regulation S Global Note, details of such redemption, purchase, exchange or cancellation shall be entered by the Paying Agent in Schedule A hereto recording any such redemption, purchase, exchange or cancellation and shall be signed on by or on behalf of the Issuer. Upon any such redemption, purchase, exchange or cancellation, the principal amount of this Temporary Regulation S Global Note and the beneficial interests represented by the Permanent Regulation S Global Note shall be reduced or increased, as appropriate, by the principal amount so redeemed, purchased, exchanged or cancelled.

Each Class A Noteholder, by acceptance of a Class A Note, covenants and agrees that by accepting the benefits of the Indenture that such Class A Noteholder will not prior to the date which is one year and one day after the payment in full of the last maturing note of any Series and the termination of the Indenture institute against the Issuer or join in any institution against the Issuer of, any bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings, or other proceedings, under any United Stated Federal or state bankruptcy or similar law in connection with any obligations relating to the Class A Notes, the Indenture or the Transaction Documents.

Each Class A Noteholder, by acceptance of a Class A Note, covenants and agrees that by accepting the benefits of the Indenture that such Class A Noteholder will treat such Class A Note as indebtedness for all federal, state and local income and franchise tax purposes.

Prior to the due presentment for registration of transfer of this Class A Note, the Issuer, the Trustee and any agent of the Issuer or the Trustee may treat the Person in whose name this Class A Note (as of the day of determination or as of such other date as may be specified in the Indenture) is registered as the owner hereof for all purposes, whether or not this Class A Note be overdue, and neither the Issuer, the Trustee nor any such agent shall be affected by notice to the contrary.

As provided in the Indenture, no recourse may be taken, directly or indirectly, with respect to the obligations of the Issuer under the Indenture, including this Class A Note, against any Seller, the Servicer, the Trustee or any partner, owner, incorporator, beneficiary, beneficial owner, agent, officer, director, employee, shareholder or agent of the Issuer, any Seller, the Servicer or the Trustee except as any such Person may have expressly agreed.

The term "Issuer" as used in this Class A Note includes any successor to the Issuer under the Indenture.

The Issuer is permitted by the Indenture, under certain circumstances, to merge or consolidate, subject to the rights of the Trustee and the Noteholders under the Indenture.

The Class A Notes are issuable only in registered form as provided in the Indenture in denominations as provided in the Indenture, subject to certain limitations therein set forth.

This Class A Note and the Indenture shall be construed in accordance with the laws of the State of New York, without reference to its conflict of law provisions, and the obligations, rights and remedies of the parties hereunder and thereunder shall be determined in accordance with such laws.

No reference herein to the Indenture and no provision of this Class A Note or of the Indenture shall alter or impair the obligation of the Issuer, which is absolute and unconditional, to pay the principal of and interest on this Class A Note.

ASSIGNMENT

Social Security or taxpayer I.D. or other identifying number of assignee

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto _____

(name and address of assignee)

the within Class A Note and all rights thereunder, and hereby irrevocably constitutes and appoints _____, attorney, to transfer said Class A Note on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____ [2]

Signature Guaranteed:

---

[2] NOTE: The signature to this assignment must correspond with the name of the registered owner as it appears on the face of the within Class A Note in every particular, without alteration, enlargement or any change whatsoever.

SCHEDULE A

SCHEDULE OF EXCHANGES

FOR NOTES REPRESENTED BY THE TEMPORARY

REGULATION S GLOBAL NOTE, THE PERMANENT REGULATION S GLOBAL

NOTE OR THE RESTRICTED GLOBAL NOTE, OR REDEMPTIONS OR

PURCHASES AND CANCELLATIONS

The following exchanges of a part of this Temporary Regulation S Global Note for the Permanent Regulation S Global Note or the Restricted Global Note or an exchange of a part of the Restricted Global Note for a part of this Temporary Regulation S Global Note, in whole or in part, or redemptions, purchases or cancellation of this Temporary Regulation S Global Note have been made:

Date of exchange, or redemption or purchase or cancellation	Part of principal amount of this Temporary Regulation S Global Note exchanged for Notes represented by the Permanent Regulation S Global Note or the Restricted Global Note, or redeemed or purchased or cancelled	Part of principal amount of the Regulation S Global Note exchanged for Notes represented by this Temporary Regulation S Global Note	Remaining principal amount of this Temporary Regulation S Global Note following such exchange, or redemption or purchase or cancellation	Amount of interest paid with delivery of the Permanent Regulation S Global Note	Notation made by or on behalf of the Issuer
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____

EXHIBIT A-3

FORM OF

PERMANENT REGULATION S GLOBAL NOTE

THIS GLOBAL NOTE IS A PERMANENT GLOBAL NOTE FOR PURPOSES OF REGULATION S UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"). NEITHER THIS PERMANENT GLOBAL NOTE NOR ANY INTEREST OR PARTICIPATION HEREIN MAY BE OFFERED, SOLD OR DELIVERED, EXCEPT AS PERMITTED UNDER THE INDENTURE REFERRED TO BELOW.

UNLESS THIS NOTE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION ("DTC"), TO THE ISSUER OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY NOTE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

THIS NOTE HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR THE SECURITIES LAWS OF ANY OTHER JURISDICTION. THIS NOTE MAY BE RESOLD, PLEDGED OR TRANSFERRED ONLY (1) TO A PERSON THAT IS A QUALIFIED INSTITUTIONAL BUYER (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT ("RULE 144A")) IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A, (2) OUTSIDE THE UNITED STATES TO A NON U.S. PERSON (AS SUCH TERM IS DEFINED IN REGULATION S UNDER THE SECURITIES ACT) IN A TRANSACTION IN COMPLIANCE WITH REGULATION S UNDER THE SECURITIES ACT, (3) PURSUANT TO A REGISTRATION STATEMENT THAT HAS BEEN DECLARED EFFECTIVE UNDER THE SECURITIES ACT (AND WHICH CONTINUES TO BE EFFECTIVE AT THE TIME OF SUCH TRANSFER UNDER THE SECURITIES ACT), (4) UNDER THE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT PROVIDED BY RULE 144 UNDER THE SECURITIES ACT, IF AVAILABLE OR (5) IN A TRANSACTION OTHERWISE EXEMPT FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES AND ANY OTHER JURISDICTION AND BASED ON AN OPINION OF COUNSEL, IN FORM AND SUBSTANCE APPROVED BY THE ISSUER OR TRANSFER AGENT, IF THE ISSUER OR TRANSFER AGENT AND REGISTRAR SO REQUEST, IN EACH SUCH CASE, IN COMPLIANCE WITH THE INDENTURE AND ALL APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR ANY OTHER APPLICABLE JURISDICTION, SUBJECT IN EACH OF THE ABOVE CASES TO ANY REQUIREMENT OF LAW THAT THE DISPOSITION OF THE SELLER'S PROPERTY OR THE PROPERTY OF AN INVESTMENT ACCOUNT OR ACCOUNTS BE AT ALL TIMES WITHIN THE SELLER'S OR ACCOUNT'S CONTROL. THE HOLDER WILL, AND EACH SUBSEQUENT HOLDER IS REQUIRED TO, NOTIFY ANY TRANSFEREE FROM IT OF THE RESALE RESTRICTIONS SET FORTH ABOVE.

BY ACQUIRING THIS NOTE (OR ANY INTEREST HEREIN), EACH PURCHASER OR TRANSFEREE SHALL BE DEEMED TO REPRESENT AND WARRANT THAT EITHER (I) IT IS NOT ACQUIRING THE NOTE WITH THE PLAN ASSETS OF AN "EMPLOYEE BENEFIT PLAN" AS DEFINED IN SECTION 3(3) OF THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("ERISA"), WHICH IS SUBJECT TO TITLE I OF ERISA, A "PLAN" AS DESCRIBED IN SECTION 4975(e)(1) OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "CODE"), AN ENTITY DEEMED TO HOLD PLAN ASSETS OF ANY OF THE FOREGOING, OR A GOVERNMENTAL PLAN SUBJECT TO APPLICABLE LAW THAT IS SUBSTANTIALLY SIMILAR TO SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE OR (II) ITS PURCHASE AND HOLDING OF THIS NOTE (OR ANY INTEREST HEREIN) WILL NOT RESULT IN A NON-EXEMPT PROHIBITED TRANSACTION UNDER SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE (OR, IN THE CASE OF A GOVERNMENTAL PLAN, ANY SUBSTANTIALLY SIMILAR APPLICABLE LAW).

THE INDENTURE CONTAINS FURTHER RESTRICTIONS ON THE TRANSFER AND RESALE OF THIS NOTE. EACH TRANSFEREE OF THIS NOTE, BY ACCEPTANCE HEREOF, IS DEEMED TO HAVE ACCEPTED THIS NOTE, SUBJECT TO THE FOREGOING RESTRICTIONS ON TRANSFERABILITY. IN ADDITION, EACH TRANSFEREE OF THIS NOTE, BY ACCEPTANCE HEREOF, IS DEEMED TO HAVE MADE THE REPRESENTATIONS AND AGREEMENTS SET FORTH IN THE INDENTURE.

BY ACCEPTANCE HEREOF, THE HOLDER OF THIS NOTE AGREES TO THE TERMS AND CONDITIONS SET FORTH IN THE INDENTURE AND HEREIN.

No. REGS-1

$90,000,000
CUSIP No. U20772 AD 8
ISIN USU20772AD85

SEE REVERSE FOR CERTAIN DEFINITIONS

THE PRINCIPAL OF THIS CLASS A NOTE MAY BE PAYABLE IN INSTALLMENTS AS SET FORTH IN THE INDENTURE DEFINED HEREIN. ACCORDINGLY, THE OUTSTANDING PRINCIPAL AMOUNT OF THIS CLASS A NOTE AT ANY TIME MAY BE LESS THAN THE AMOUNT SHOWN ON THE FACE HEREOF.

CONN FUNDING II, L.P.

5.507% ASSET BACKED FIXED RATE NOTES, CLASS A, SERIES 2006-A

Conn Funding II, L.P., a limited partnership organized and existing under the laws of the State of Texas (herein referred to as the "Issuer"), for value received, hereby promises to pay Cede & Co., or registered assigns, the principal sum set forth above or such other principal amount set forth on Schedule A attached hereto (which sum shall not exceed $90,000,000), payable on each Payment Date after the end of the Revolving Period (as defined in the Series 2006-A Supplement) in an amount equal to the Monthly Principal, as defined in Section 5.13 of the Series 2006-A Supplement, dated as of August 1, 2006 (as amended, supplemented or otherwise modified from time to time, the "Series 2006-A Supplement"), between the Issuer and the Trustee to the Base Indenture (described below); provided, however, that the entire unpaid principal amount of this Class A Note shall be due and payable on April 20, 2017 (the "Legal Final Payment Date"). The Issuer will pay interest on this Class A Note at the Note Rate (as defined in the Series 2006-A Supplement) on each Payment Date until the principal of this Class A Note is paid or made available for payment, on the average daily outstanding principal balance of this Class A Note during the related Interest Period (as defined in the Series 2006-A Supplement). Interest will be computed on the basis set forth in the Indenture. Such principal of and interest on this Class A Note shall be paid in the manner specified on the reverse hereof. The aggregate principal sum of the Regulation S Global Notes and the Restricted Global Note shall not exceed $90,000,000.

The Class A Notes are subject to optional redemption in accordance with the Indenture on or after any Payment Date on which the Investor Interest is reduced to an amount less than or equal to 10% of the Initial Note Principal.

The principal of and interest on this Class A Note are payable in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts.

Reference is made to the further provisions of this Class A Note set forth on the reverse hereof and to the Indenture, which shall have the same effect as though fully set forth on the face of this Class A Note.

Unless the certificate of authentication hereon has been executed by the Trustee whose name appears below by manual signature, this Class A Note shall not be entitled to any benefit under the Indenture referred to on the reverse hereof, or be valid or obligatory for any purpose.

IN WITNESS WHEREOF, the Issuer, has caused this instrument to be signed, manually or in facsimile, by its Authorized Officer as of the date set forth below.

CONN FUNDING II, L.P.

By: Conn Funding II GP, L.L.C.,
its general partner

By: _____

Authorized Officer

Attested to:

By: _____

Authorized Officer

CERTIFICATE OF AUTHENTICATION

This is one of the Class A Notes referred to in the within mentioned Series 2006-A Supplement.

WELLS FARGO BANK, NATIONAL ASSOCIATION, not in its individual capacity, but solely as Trustee

By: /s/

Authorized Officer

[REVERSE OF NOTE]

This Class A Note is one of a duly authorized issue of Class A Notes of the Issuer, designated as its 5.507% Asset Backed Fixed Rate Notes, Class A, Series 2006-A (herein called the "Class A Notes"), all issued under the Series 2006-A Supplement to the Base Indenture dated as of September 1, 2002 (such Base Indenture, as supplemented by the Series 2006-A Supplement and supplements relating to other series of notes, as supplemented or amended, is herein called the "Indenture"), between the Issuer and WELLS FARGO BANK, NATIONAL ASSOCIATION, as trustee (the "Trustee", which term includes any successor Trustee under the Indenture), to which Indenture reference is hereby made for a statement of the respective rights and obligations thereunder of the Issuer, the Trustee and the Class A Noteholders. The Class A Notes are subject to all terms of the Indenture. All terms used in this Class A Note that are defined in the Indenture shall have the meanings assigned to them in or pursuant to the Indenture.

Principal of the Class A Notes will be payable on each Payment Date after the end of the Revolving Period and may be prepaid, in each case, as set forth in the Indenture. "Payment Date" means the twentieth day of each calendar month, or, if any such date is not a Business Day, the next succeeding Business Day, commencing on September 20, 2006.

All principal payments on the Class A Notes shall be made pro rata to the Class A Noteholders entitled thereto.

Subject to certain limitations set forth in the Indenture, payments of interest on this Class A Note due and payable on each Payment Date, together with the installment of principal, if any, to the extent not in full payment of this Class A Note, shall be made by wire transfer in immediately available funds to the Person whose name appears as the Class A Noteholder on the Note Register as of the close of business on each Record Date without requiring that this Class A Note be submitted for notation of payment. Any reduction in the principal amount of this Class A Note effected by any payments made on any Payment Date or date of prepayment shall be binding upon all future Class A Noteholders and of any Class A Note issued upon the registration of transfer hereof or in exchange hereof or in lieu hereof, whether or not noted on Schedule A attached hereto. If funds are expected to be available, as provided in the Indenture, for payment in full of the then remaining unpaid principal amount of this Class A Note on a Payment Date, then the Trustee, in the name of and on behalf of the Issuer, will notify the Person who was the Holder hereof as of the Record Date preceding such Payment Date by notice mailed prior to such Payment Date and the amount then due and payable shall be payable only upon presentation and surrender of this Class A Note at the Trustee's principal Corporate Trust Office or at the office of the Trustee's agent appointed for such purposes located in the City of New York.

On any redemption, purchase, exchange or cancellation of any of the beneficial interest represented by this Permanent Regulation S Global Note, details of such redemption, purchase, exchange or cancellation shall be entered by the Paying Agent in Schedule A hereto recording any such redemption, purchase, exchange or cancellation and shall be signed by or on behalf of the Issuer. Upon any such redemption, purchase, exchange or cancellation, the principal amount of this Permanent Regulation S Global Note and the beneficial interests represented by this Permanent Regulation S Global Note shall be reduced or increased, as appropriate, by the principal amount so redeemed, purchased, exchanged or cancelled.

Each Class A Noteholder, by acceptance of a Class A Note, covenants and agrees that by accepting the benefits of the Indenture that such Class A Noteholder will not prior to the date which is one year and one day after the payment in full of the last maturing note of any Series and the termination of the Indenture institute against the Issuer or join in any institution against the Issuer of, any bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings, or other proceedings, under any United Stated federal or state bankruptcy or similar law in connection with any obligations relating to the Class A Notes, the Indenture or the Transaction Documents.

Each Class A Noteholder, by acceptance of a Class A Note, covenants and agrees that by accepting the benefits of the Indenture that such Class A Noteholder will treat such Class A Note as indebtedness for all federal, state and local income and franchise tax purposes.

Prior to the due presentment for registration of transfer of this Class A Note, the Issuer, the Trustee and any agent of the Issuer or the Trustee may treat the Person in whose name this Class A Note (as of the day of determination or as of such other date as may be specified in the Indenture) is registered as the owner hereof for all purposes, whether or not this Class A Note be overdue, and neither the Issuer, the Trustee nor any such agent shall be affected by notice to the contrary.

As provided in the Indenture, no recourse may be taken, directly or indirectly, with respect to the obligations of the Issuer under the Indenture, including this Class A Note, against any Seller, the Servicer, the Trustee or any partner, owner, incorporator, beneficiary, beneficial owner, agent, officer, director, employee, shareholder or agent of the Issuer, any Seller, the Servicer or the Trustee except as any such Person may have expressly agreed.

The term "Issuer" as used in this Class A Note includes any successor to the Issuer under the Indenture.

The Issuer is permitted by the Indenture, under certain circumstances, to merge or consolidate, subject to the rights of the Trustee and the Noteholders under the Indenture.

The Class A Notes are issuable only in registered form as provided in the Indenture in denominations as provided in the Indenture, subject to certain limitations therein set forth.

This Class A Note and the Indenture shall be construed in accordance with the laws of the State of New York, without reference to its conflict of law provisions, and the obligations, rights and remedies of the parties hereunder and thereunder shall be determined in accordance with such laws.

No reference herein to the Indenture and no provision of this Class A Note or of the Indenture shall alter or impair the obligation of the Issuer, which is absolute and unconditional, to pay the principal of and interest on this Class A Note.

ASSIGNMENT

Social Security or taxpayer I.D. or other identifying number of assignee

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto _____

(name and address of assignee)

the within Class A Note and all rights thereunder, and hereby irrevocably constitutes and appoints _____, attorney, to transfer said Class A Note on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____ [3]

Signature Guaranteed:

---

[3] NOTE: The signature to this assignment must correspond with the name of the registered owner as it appears on the face of the within Class A Note in every particular, without alteration, enlargement or any change whatsoever.

SCHEDULE A

SCHEDULE OF EXCHANGES

BETWEEN THIS PERMANENT REGULATION S

GLOBAL NOTE AND THE TEMPORARY REGULATION S GLOBAL NOTE AND

THE RESTRICTED GLOBAL NOTE,

OR REDEMPTIONS OR PURCHASES AND CANCELLATIONS

The following increases or decreases in the principal amount of this Permanent Regulation S Global Note or redemptions, purchases or cancellation of this Permanent Regulation S Global Note have been made:

Date of exchange, or redemption or purchase or cancellation	Increases or decreases in principal amount of this Permanent Regulation S Global Note due to exchanges between the Temporary Regulation S Global Note or the Restricted Global Note and this Permanent Regulation S Global Note	Remaining principal amount of this Permanent Regulation S Global Note following such exchange, or redemption or purchase or cancellation	Notation made by or on behalf of the Issuer
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

EXHIBIT B-1

FORM OF
RESTRICTED GLOBAL NOTE

UNLESS THIS NOTE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION ("DTC"), TO THE ISSUER OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY NOTE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

THIS NOTE HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR THE SECURITIES LAWS OF ANY OTHER JURISDICTION. THIS NOTE MAY BE RESOLD, PLEDGED OR TRANSFERRED ONLY (1) TO A PERSON THAT IS A QUALIFIED INSTITUTIONAL BUYER (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT ("RULE 144A")) IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A, (2) OUTSIDE THE UNITED STATES TO A NON U.S. PERSON (AS SUCH TERM IS DEFINED IN REGULATION S UNDER THE SECURITIES ACT) IN A TRANSACTION IN COMPLIANCE WITH REGULATION S UNDER THE SECURITIES ACT, (3) PURSUANT TO A REGISTRATION STATEMENT THAT HAS BEEN DECLARED EFFECTIVE UNDER THE SECURITIES ACT (AND WHICH CONTINUES TO BE EFFECTIVE AT THE TIME OF SUCH TRANSFER UNDER THE SECURITIES ACT), (4) UNDER THE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT PROVIDED BY RULE 144 UNDER THE SECURITIES ACT, IF AVAILABLE OR (5) IN A TRANSACTION OTHERWISE EXEMPT FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES AND ANY OTHER JURISDICTION AND BASED ON AN OPINION OF COUNSEL, IN FORM AND SUBSTANCE APPROVED BY THE ISSUER OR TRANSFER AGENT, IF THE ISSUER OR TRANSFER AGENT AND REGISTRAR SO REQUEST, IN EACH SUCH CASE, IN COMPLIANCE WITH THE INDENTURE AND ALL APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR ANY OTHER APPLICABLE JURISDICTION, SUBJECT IN EACH OF THE ABOVE CASES TO ANY REQUIREMENT OF LAW THAT THE DISPOSITION OF THE SELLER'S PROPERTY OR THE PROPERTY OF AN INVESTMENT ACCOUNT OR ACCOUNTS BE AT ALL TIMES WITHIN THE SELLER'S OR ACCOUNT'S CONTROL. THE HOLDER WILL, AND EACH SUBSEQUENT HOLDER IS REQUIRED TO, NOTIFY ANY TRANSFEREE FROM IT OF THE RESALE RESTRICTIONS SET FORTH ABOVE.

BY ACQUIRING THIS NOTE (OR ANY INTEREST HEREIN), EACH PURCHASER OR TRANSFEREE SHALL BE DEEMED TO REPRESENT AND WARRANT THAT EITHER (I) IT IS NOT ACQUIRING THE NOTE WITH THE PLAN ASSETS OF AN "EMPLOYEE BENEFIT PLAN" AS DEFINED IN SECTION 3(3) OF THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("ERISA"), WHICH IS SUBJECT TO TITLE I OF ERISA, A "PLAN" AS DESCRIBED IN SECTION 4975(e)(1) OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "CODE"), AN ENTITY DEEMED TO HOLD PLAN ASSETS OF ANY OF THE FOREGOING, OR A GOVERNMENTAL PLAN SUBJECT TO APPLICABLE LAW THAT IS SUBSTANTIALLY SIMILAR TO SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE OR (II) ITS PURCHASE AND HOLDING OF THIS NOTE (OR ANY INTEREST HEREIN) WILL NOT RESULT IN A NON-EXEMPT PROHIBITED TRANSACTION UNDER SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE (OR, IN THE CASE OF A GOVERNMENTAL PLAN, ANY SUBSTANTIALLY SIMILAR APPLICABLE LAW).

THE INDENTURE (AS DEFINED BELOW) CONTAINS FURTHER RESTRICTIONS ON THE TRANSFER AND RESALE OF THIS NOTE. EACH TRANSFEREE OF THIS NOTE, BY ACCEPTANCE HEREOF, IS DEEMED TO HAVE ACCEPTED THIS NOTE, SUBJECT TO THE FOREGOING RESTRICTIONS ON TRANSFERABILITY. IN ADDITION, EACH TRANSFEREE OF THIS NOTE, BY ACCEPTANCE HEREOF, IS DEEMED TO HAVE MADE THE REPRESENTATIONS AND AGREEMENTS SET FORTH IN THE INDENTURE.

BY ACCEPTANCE HEREOF, THE HOLDER OF THIS NOTE AGREES TO THE TERMS AND CONDITIONS SET FORTH IN THE INDENTURE AND HEREIN.

EACH PURCHASER OF THIS NOTE IS HEREBY NOTIFIED THAT THE SELLER OF THIS NOTE MAY BE RELYING ON THE EXEMPTION FROM THE PROVISIONS OF SECTION 5 OF THE SECURITIES ACT PROVIDED BY RULE 144A THEREUNDER.

No. R144A-1

$43,333,000
CUSIP No. 207415 AE 0
ISIN US207415AE04

SEE REVERSE FOR CERTAIN DEFINITIONS

THE PRINCIPAL OF THIS CLASS B NOTE MAY BE PAYABLE IN INSTALLMENTS AS SET FORTH IN THE INDENTURE DEFINED HEREIN. ACCORDINGLY, THE OUTSTANDING PRINCIPAL AMOUNT OF THIS CLASS B NOTE AT ANY TIME MAY BE LESS THAN THE AMOUNT SHOWN ON THE FACE HEREOF.

CONN FUNDING II, L.P.

5.854% ASSET BACKED FIXED RATE NOTES, CLASS B, SERIES 2006-A

Conn Funding II, L.P., a limited partnership organized and existing under the laws of the State of Texas (herein referred to as the "Issuer"), for value received, hereby promises to pay Cede & Co., or registered assigns, the principal sum set forth above or such other principal sum set forth on Schedule A attached hereto (which sum shall not exceed $43,333,000), payable on each Payment Date after the end of the Revolving Period (as defined in the Series 2006-A Supplement) in an amount equal to the Monthly Principal, as defined in Section 5.13 of the Series 2006-A Supplement, dated as of August 1, 2006 (as amended, supplemented or otherwise modified from time to time, the "Series 2006-A Supplement"), between the Issuer and the Trustee to the Base Indenture (described below); provided, however, that the entire unpaid principal amount of this Note shall be due and payable on April 20, 2017 (the "Legal Final Payment Date"). The Issuer will pay interest on this Class B Note at the Note Rate (as defined in the Series 2006-A Supplement) on each Payment Date until the principal of this Class B Note is paid or made available for payment, on the average daily outstanding principal balance of this Class B Note during the related Interest Period (as defined in the Series 2006-A Supplement). Interest will be computed on the basis set forth in the Indenture. Such principal of and interest on this Note shall be paid in the manner specified on the reverse hereof. The aggregate principal sum of the Regulation S Global Notes and the Restricted Global Note shall not exceed $43,333,000.

The Class B Notes are subject to optional redemption in accordance with the Indenture on or after any Payment Date on which the Investor Interest is reduced to an amount less than or equal to 10% of the Initial Note Principal.

The principal of and interest on this Class B Note are payable in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts.

Reference is made to the further provisions of this Class B Note set forth on the reverse hereof and to the Indenture, which shall have the same effect as though fully set forth on the face of this Class B Note.

Unless the certificate of authentication hereon has been executed by the Trustee whose name appears below by manual signature, this Class B Note shall not be entitled to any benefit under the Indenture referred to on the reverse hereof, or be valid or obligatory for any purpose.

IN WITNESS WHEREOF, the Issuer, has caused this instrument to be signed, manually or in facsimile, by its Authorized Officer as of the date set forth below.

CONN FUNDING II, L.P.

By: Conn Funding II GP, L.L.C.,
its general partner

By: _____

Authorized Officer

Attested to:

By: _____

Authorized Officer

CERTIFICATE OF AUTHENTICATION

This is one of the Class B Notes referred to in the within mentioned Series 2006-A Supplement.

WELLS FARGO BANK, NATIONAL ASSOCIATION, not in its individual capacity, but solely as Trustee

By: /s/

Authorized Officer

[REVERSE OF NOTE]

This Class B Note is one of a duly authorized issue of Class B Notes of the Issuer, designated as its 5.854% Asset Backed Fixed Rate Notes, Class B, Series 2006-A (herein called the "Class B Notes"), all issued under the Series 2006-A Supplement to the Base Indenture dated as of September 1, 2002 (such Base Indenture, as supplemented by the Series 2006-A Supplement and supplements and amendments relating to other series of notes, as supplemented or amended, is herein called the "Indenture"), between the Issuer and WELLS FARGO BANK, NATIONAL ASSOCIATION, as trustee (the "Trustee," which term includes any successor Trustee under the Indenture), to which Indenture reference is hereby made for a statement of the respective rights and obligations thereunder of the Issuer, the Trustee and the Class B Noteholders. The Class B Notes are subject to all terms of the Indenture. All terms used in this Class B Note that are defined in the Indenture shall have the meanings assigned to them in or pursuant to the Indenture.

Principal of the Class B Notes will be payable on each Payment Date after the end of the Revolving Period and may be prepaid, in each case, as set forth in the Indenture. "Payment Date" means the twentieth day of each calendar month, or, if any such date is not a Business Day, the next succeeding Business Day, commencing on September 20, 2006.

All principal payments on the Class B Notes shall be made pro rata to the Class B Noteholders entitled thereto.

Subject to certain limitations set forth in the Indenture, payments of interest on this Class B Note due and payable on each Payment Date, together with the installment of principal, if any, to the extent not in full payment of this Class B Note, shall be made by wire transfer in immediately available funds to the Person whose name appears as the Class B Noteholder on the Note Register as of the close of business on each Record Date without requiring that this Class B Note be submitted for notation of payment. Any reduction in the principal amount of this Class B Note effected by any payments made on any Payment Date or date of prepayment shall be binding upon all future Class B Noteholders and of any Class B Note issued upon the registration of transfer hereof or in exchange hereof or in lieu hereof, whether or not noted on Schedule A attached hereto. If funds are expected to be available, as provided in the Indenture, for payment in full of the then remaining unpaid principal amount of this Class B Note on a Payment Date, then the Trustee, in the name of and on behalf of the Issuer, will notify the Person who was the Holder hereof as of the Record Date preceding such Payment Date by notice mailed prior to such Payment Date and the amount then due and payable shall be payable only upon presentation and surrender of this Class B Note at the Trustee's principal Corporate Trust Office or at the office of the Trustee's agent appointed for such purposes located in the City of New York.

On any redemption, purchase, exchange or cancellation of any of the beneficial interests represented by this Restricted Global Note, details of such redemption, purchase, exchange or cancellation shall be entered by the Paying Agent in Schedule A hereto recording any such redemption, purchase, exchange or cancellation and shall be signed by or on behalf of the Issuer. Upon any such redemption, purchase, exchange or cancellation, the principal amount of this Restricted Global Note and the beneficial interests represented by the Restricted Global Note shall be reduced or increased, as appropriate, by the principal amount so redeemed, purchased, exchanged or cancelled.

Each Class B Noteholder, by acceptance of a Class B Note, covenants and agrees that by accepting the benefits of the Indenture that such Class B Noteholder will not prior to the date which is one year and one day after the payment in full of the last maturing note of any Series and the termination of the Indenture institute against the Issuer or join in any institution against the Issuer of, any bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings, or other proceedings, under any United States federal or state bankruptcy or similar law in connection with any obligations relating to the Notes, the Indenture or the Transaction Documents.

Each Class B Noteholder, by acceptance of a Class B Note, covenants and agrees that by accepting the benefits of the Indenture that such Noteholder will treat such Note as indebtedness for all Federal, state and local income and franchise tax purposes.

Prior to the due presentment for registration of transfer of this Class B Note, the Issuer, the Trustee and any agent of the Issuer or the Trustee may treat the Person in whose name this Class B Note (as of the day of determination or as of such other date as may be specified in the Indenture) is registered as the owner hereof for all purposes, whether or not this Class B Note be overdue, and neither the Issuer, the Trustee nor any such agent shall be affected by notice to the contrary.

As provided in the Indenture, no recourse may be taken, directly or indirectly, with respect to the obligations of the Issuer under the Indenture, including this Class B Note, against any Seller, the Servicer, the Trustee or any partner, owner, incorporator, beneficiary, beneficial owner, agent, officer, director, employee, shareholder or agent of the Issuer, any Seller, the Servicer or the Trustee except as any such Person may have expressly agreed.

The term "Issuer" as used in this Class B Note includes any successor to the Issuer under the Indenture.

The Issuer is permitted by the Indenture, under certain circumstances, to merge or consolidate, subject to the rights of the Trustee and the Noteholders under the Indenture.

The Class B Notes are issuable only in registered form as provided in the Indenture in denominations as provided in the Indenture, subject to certain limitations therein set forth.

This Class B Note and the Indenture shall be construed in accordance with the laws of the State of New York, without reference to its conflict of law provisions, and the obligations, rights and remedies of the parties hereunder and thereunder shall be determined in accordance with such laws.

No reference herein to the Indenture and no provision of this Class B Note or of the Indenture shall alter or impair the obligation of the Issuer, which is absolute and unconditional, to pay the principal of and interest on this Class B Note.

ASSIGNMENT

Social Security or taxpayer I.D. or other identifying number of assignee

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto _____

(name and address of assignee)

the within Class B Note and all rights thereunder, and hereby irrevocably constitutes and appoints _____, attorney, to transfer said Class B Note on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____ [4]

Signature Guaranteed:

---

[4] NOTE: The signature to this assignment must correspond with the name of the registered owner as it appears on the face of the within Class A Note in every particular, without alteration, enlargement or any change whatsoever.

SCHEDULE A

SCHEDULE OF EXCHANGES

BETWEEN THE TEMPORARY REGULATION S GLOBAL NOTE

OR THE PERMANENT REGULATION S GLOBAL NOTE AND

THIS RESTRICTED GLOBAL NOTE, OR REDEMPTIONS

OR PURCHASES AND CANCELLATIONS

The following increases or decreases in principal amount of this Restricted Global Note or redemptions, purchases or cancellation of this Restricted Global Note have been made:

Date of exchange, or redemption or purchase or cancellation	Increase or decrease in principal amount of this Restricted Global Note due to exchanges between the Temporary Regulation S Global Note or the Permanent Regulation S Global Note and this Restricted Global Note	Remaining principal amount of this Restricted Global Note following such exchange, or redemption or purchase or cancellation	Notation made by or on behalf of the Issuer
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

EXHIBIT B-2

FORM OF
TEMPORARY REGULATION S GLOBAL NOTE

THIS GLOBAL NOTE IS A TEMPORARY GLOBAL NOTE FOR PURPOSES OF REGULATION S UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"). NEITHER THIS TEMPORARY REGULATION S GLOBAL NOTE NOR ANY INTEREST OR PARTICIPATION HEREIN MAY BE OFFERED, SOLD OR DELIVERED, EXCEPT AS PERMITTED UNDER THE INDENTURE REFERRED TO BELOW.

UNLESS THIS NOTE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION ("DTC"), TO THE ISSUER OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY NOTE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

THIS NOTE HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR THE SECURITIES LAWS OF ANY OTHER JURISDICTION. THIS NOTE MAY BE RESOLD, PLEDGED OR TRANSFERRED ONLY (1) TO A PERSON THAT IS A QUALIFIED INSTITUTIONAL BUYER (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT ("RULE 144A")) IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A, (2) OUTSIDE THE UNITED STATES TO A NON U.S. PERSON (AS SUCH TERM IS DEFINED IN REGULATION S UNDER THE SECURITIES ACT) IN A TRANSACTION IN COMPLIANCE WITH REGULATION S UNDER THE SECURITIES ACT, (3) PURSUANT TO A REGISTRATION STATEMENT THAT HAS BEEN DECLARED EFFECTIVE UNDER THE SECURITIES ACT (AND WHICH CONTINUES TO BE EFFECTIVE AT THE TIME OF SUCH TRANSFER UNDER THE SECURITIES ACT), (4) UNDER THE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT PROVIDED BY RULE 144 UNDER THE SECURITIES ACT, IF AVAILABLE OR (5) IN A TRANSACTION OTHERWISE EXEMPT FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES AND ANY OTHER JURISDICTION AND BASED ON AN OPINION OF COUNSEL, IN FORM AND SUBSTANCE APPROVED BY THE ISSUER OR TRANSFER AGENT, IF THE ISSUER OR TRANSFER AGENT AND REGISTRAR SO REQUEST, IN EACH SUCH CASE, IN COMPLIANCE WITH THE INDENTURE AND ALL APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR ANY OTHER APPLICABLE JURISDICTION, SUBJECT IN EACH OF THE ABOVE CASES TO ANY REQUIREMENT OF LAW THAT THE DISPOSITION OF THE SELLER'S PROPERTY OR THE PROPERTY OF AN INVESTMENT ACCOUNT OR ACCOUNTS BE AT ALL TIMES WITHIN THE SELLER'S OR ACCOUNT'S CONTROL. THE HOLDER WILL, AND EACH SUBSEQUENT HOLDER IS REQUIRED TO, NOTIFY ANY TRANSFEREE FROM IT OF THE RESALE RESTRICTIONS SET FORTH ABOVE.

BY ACQUIRING THIS NOTE (OR ANY INTEREST HEREIN), EACH PURCHASER OR TRANSFEREE SHALL BE DEEMED TO REPRESENT AND WARRANT THAT EITHER (I) IT IS NOT ACQUIRING THE NOTE WITH THE PLAN ASSETS OF AN "EMPLOYEE BENEFIT PLAN" AS DEFINED IN SECTION 3(3) OF THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("ERISA"), WHICH IS SUBJECT TO TITLE I OF ERISA, A "PLAN" AS DESCRIBED IN SECTION 4975(e)(1) OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "CODE"), AN ENTITY DEEMED TO HOLD PLAN ASSETS OF ANY OF THE FOREGOING, OR A GOVERNMENTAL PLAN SUBJECT TO APPLICABLE LAW THAT IS SUBSTANTIALLY SIMILAR TO SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE OR (II) ITS PURCHASE AND HOLDING OF THIS NOTE (OR ANY INTEREST HEREIN) WILL NOT RESULT IN A NON-EXEMPT PROHIBITED TRANSACTION UNDER SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE (OR, IN THE CASE OF A GOVERNMENTAL PLAN, ANY SUBSTANTIALLY SIMILAR APPLICABLE LAW).

THE INDENTURE CONTAINS FURTHER RESTRICTIONS ON THE TRANSFER AND RESALE OF THIS NOTE. EACH TRANSFEREE OF THIS NOTE, BY ACCEPTANCE HEREOF, IS DEEMED TO HAVE ACCEPTED THIS NOTE, SUBJECT TO THE FOREGOING RESTRICTIONS ON TRANSFERABILITY. IN ADDITION, EACH TRANSFEREE OF THIS NOTE, BY ACCEPTANCE HEREOF, IS DEEMED TO HAVE MADE THE REPRESENTATIONS AND AGREEMENTS SET FORTH IN THE INDENTURE.

BY ACCEPTANCE HEREOF, THE HOLDER OF THIS NOTE AGREES TO THE TERMS AND CONDITIONS SET FORTH IN THE INDENTURE AND HEREIN.

No. TREGS

$43,333,000
CUSIP No. U20772 AE 6
ISIN USU20772AE68

SEE REVERSE FOR CERTAIN DEFINITIONS

THE PRINCIPAL OF THIS CLASS B NOTE MAY BE PAYABLE IN INSTALLMENTS AS SET FORTH IN THE INDENTURE DEFINED HEREIN. ACCORDINGLY, THE OUTSTANDING PRINCIPAL AMOUNT OF THIS CLASS B NOTE AT ANY TIME MAY BE LESS THAN THE AMOUNT SHOWN ON THE FACE HEREOF.

CONN FUNDING II, L.P.

5.854% ASSET BACKED FIXED RATE NOTES, CLASS B SERIES 2006-A

Conn Funding II, L.P., a limited partnership organized and existing under the laws of the State of Texas (herein referred to as the "Issuer"), for value received, hereby promises to pay Cede & Co., or registered assigns, the principal sum set forth above or such other principal sum set forth on Schedule A attached hereto (which sum shall not exceed $43,333,000), payable on each Payment Date after the end of the Revolving Period (as defined in the Series 2006-A Supplement) in an amount equal to the Monthly Principal, as defined in Section 5.13 of the Series 2006-A Supplement, dated as of August 1, 2006 (as amended, supplemented or otherwise modified from time to time, the "Series 2006-A Supplement"), between the Issuer and the Trustee to the Base Indenture (described below); provided, however, that the entire unpaid principal amount of this Class B Note shall be due and payable on April 20, 2017 (the "Legal Final Payment Date"). The Issuer will pay interest on this Class B Note at the Note Rate (as defined in the Series 2006-A Supplement) on each Payment Date until the principal of this Class B Note is paid or made available for payment, on the average daily outstanding principal balance of this Class B Note during the related Interest Period (as defined in the Series 2006-A Supplement). Interest will be computed on the basis set forth in the Indenture. Such principal of and interest on this Class B Note shall be paid in the manner specified on the reverse hereof. The aggregate principal sum of the Regulation S Global Notes and the Restricted Global Note shall not exceed $43,333,000.

The Class B Notes are subject to optional redemption in accordance with the Indenture on or after any Payment Date on which the Investor Interest is reduced to an amount less than or equal to 10% of the Initial Note Principal.

The principal of and interest on this Class B Note are payable in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts.

Reference is made to the further provisions of this Class B Note set forth on the reverse hereof and to the Indenture, which shall have the same effect as though fully set forth on the face of this Class B Note.

Unless the certificate of authentication hereon has been executed by the Trustee whose name appears below by manual signature, this Class B Note shall not be entitled to any benefit under the Indenture referred to on the reverse hereof, or be valid or obligatory for any purpose.

IN WITNESS WHEREOF, the Issuer, has caused this instrument to be signed, manually or in facsimile, by its Authorized Officer as of the date set forth below.

CONN FUNDING II, L.P.

By: Conn Funding II GP, L.L.C.,
its general partner

By: _____

Authorized Officer

Attested to:

By: _____

Authorized Officer

CERTIFICATE OF AUTHENTICATION

This is one of the Class B Notes referred to in the within mentioned Series 2006-A Supplement.

WELLS FARGO BANK, NATIONAL ASSOCIATION, not in its individual capacity, but solely as Trustee

By: /s/

Authorized Officer

[REVERSE OF NOTE]

This Class B Note is one of a duly authorized issue of Class B Notes of the Issuer, designated as its 5.854% Asset Backed Fixed Rate Notes, Class B, Series 2006-A (herein called the "Class B Notes"), all issued under the Series 2006-A Supplement to the Base Indenture dated as of September 1, 2002 (such Base Indenture, as supplemented by the Series 2006-A Supplement and supplements and amendments relating to other series of notes, as supplemented or amended, is herein called the "Indenture"), between the Issuer and WELLS FARGO BANK, NATIONAL ASSOCIATION, as trustee (the "Trustee", which term includes any successor Trustee under the Indenture), to which Indenture reference is hereby made for a statement of the respective rights and obligations thereunder of the Issuer, the Trustee and the Holders of the Class B Notes. The Class B Notes are subject to all terms of the Indenture. All terms used in this Class B Note that are defined in the Indenture shall have the meanings assigned to them in or pursuant to the Indenture.

Principal of the Class B Notes will be payable on each Payment Date after the end of the Revolving Period and may be prepaid, in each case, as set forth in the Indenture. "Payment Date" means the twentieth day of each calendar month, or, if any such date is not a Business Day, the next succeeding Business Day, commencing on September 20, 2006.

All principal payments on the Class B Notes shall be made pro rata to the Class B Noteholders entitled thereto.

Subject to certain limitations set forth in the Indenture, payments of interest on this Class B Note due and payable on each Payment Date, together with the installment of principal, if any, to the extent not in full payment of this Class B Note, shall be made by wire transfer in immediately available funds to the Person whose name appears as the Class B Noteholder on the Note Register as of the close of business on each Record Date without requiring that this Class B Note be submitted for notation of payment. Any reduction in the principal amount of this Class B Note effected by any payments made on any Payment Date or date of prepayment shall be binding upon all future Class B Noteholders and of any Class B Note issued upon the registration of transfer hereof or in exchange hereof or in lieu hereof, whether or not noted on Schedule A attached hereto. If funds are expected to be available, as provided in the Indenture, for payment in full of the then remaining unpaid principal amount of this Class B Note on a Payment Date, then the Trustee, in the name of and on behalf of the Issuer, will notify the Person who was the Holder hereof as of the Record Date preceding such Payment Date by notice mailed prior to such Payment Date and the amount then due and payable shall be payable only upon presentation and surrender of this Class B Note at the Trustee's principal Corporate Trust Office or at the office of the Trustee's agent appointed for such purposes located in the City of New York.

Any interest in a Class B Note evidenced by this Temporary Regulation S Global Note is exchangeable for an interest in a Permanent Regulation S Global Note upon the later of (i) the Exchange Date and (ii) the furnishing of a certificate, the form of which is attached as Exhibit C-2 to the Series 2006-A Supplement. Interests in this Temporary Regulation S Global Note are exchangeable for interests in a Permanent Regulation S Global Note or a Restricted Global Note only upon presentation of the applicable certificate required by Section 6 of the Series 2006-A Supplement to the Base Indenture. Upon exchange of all interests in this Temporary Regulation S Global Note for interests in the Permanent Regulation S Global Note and/or the Restricted Global Note, the Trustee shall cancel this Temporary Regulation S Global Note.

Until the provision of the certifications required by Section 6 of the Series 2006-A Supplement, beneficial interests in a Regulation S Global Note may only be held through Euroclear or Clearstream or another agent member of Euroclear or Clearstream acting for and on behalf of them.

On any redemption, purchase, exchange or cancellation of any of the beneficial interests represented by this Temporary Regulation S Global Note, details of such redemption, purchase, exchange or cancellation shall be entered by the Paying Agent in Schedule A hereto recording any such redemption, purchase, exchange or cancellation and shall be signed on by or on behalf of the Issuer. Upon any such redemption, purchase, exchange or cancellation, the principal amount of this Temporary Regulation S Global Note and the beneficial interests represented by the Permanent Regulation S Global Note shall be reduced or increased, as appropriate, by the principal amount so redeemed, purchased, exchanged or cancelled.

Each Class B Noteholder, by acceptance of a Class B Note, covenants and agrees that by accepting the benefits of the Indenture that such Class B Noteholder will not prior to the date which is one year and one day after the payment in full of the last maturing note of any Series and the termination of the Indenture institute against the Issuer or join in any institution against the Issuer of, any bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings, or other proceedings, under any United Stated Federal or state bankruptcy or similar law in connection with any obligations relating to the Class B Notes, the Indenture or the Transaction Documents.

Each Class B Noteholder, by acceptance of a Class B Note, covenants and agrees that by accepting the benefits of the Indenture that such Class B Noteholder will treat such Class B Note as indebtedness for all federal, state and local income and franchise tax purposes.

Prior to the due presentment for registration of transfer of this Class B Note, the Issuer, the Trustee and any agent of the Issuer or the Trustee may treat the Person in whose name this Class B Note (as of the day of determination or as of such other date as may be specified in the Indenture) is registered as the owner hereof for all purposes, whether or not this Class B Note be overdue, and neither the Issuer, the Trustee nor any such agent shall be affected by notice to the contrary.

As provided in the Indenture, no recourse may be taken, directly or indirectly, with respect to the obligations of the Issuer under the Indenture, including this Class B Note, against any Seller, the Servicer, the Trustee or any partner, owner, incorporator, beneficiary, beneficial owner, agent, officer, director, employee, shareholder or agent of the Issuer, any Seller, the Servicer or the Trustee except as any such Person may have expressly agreed.

The term "Issuer" as used in this Class B Note includes any successor to the Issuer under the Indenture.

The Issuer is permitted by the Indenture, under certain circumstances, to merge or consolidate, subject to the rights of the Trustee and the Noteholders under the Indenture.

The Class B Notes are issuable only in registered form as provided in the Indenture in denominations as provided in the Indenture, subject to certain limitations therein set forth.

This Class B Note and the Indenture shall be construed in accordance with the laws of the State of New York, without reference to its conflict of law provisions, and the obligations, rights and remedies of the parties hereunder and thereunder shall be determined in accordance with such laws.

No reference herein to the Indenture and no provision of this Class B Note or of the Indenture shall alter or impair the obligation of the Issuer, which is absolute and unconditional, to pay the principal of and interest on this Class B Note.

ASSIGNMENT

Social Security or taxpayer I.D. or other identifying number of assignee

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto _____

(name and address of assignee)

the within Class B Note and all rights thereunder, and hereby irrevocably constitutes and appoints _____, attorney, to transfer said Class B Note on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____ [5]

Signature Guaranteed:

---

[5] NOTE: The signature to this assignment must correspond with the name of the registered owner as it appears on the face of the within Class B Note in every particular, without alteration, enlargement or any change whatsoever.

SCHEDULE A

SCHEDULE OF EXCHANGES

FOR NOTES REPRESENTED BY THE TEMPORARY

REGULATION S GLOBAL NOTE, THE PERMANENT REGULATION S GLOBAL

NOTE OR THE RESTRICTED GLOBAL NOTE, OR REDEMPTIONS OR

PURCHASES AND CANCELLATIONS

The following exchanges of a part of this Temporary Regulation S Global Note for the Permanent Regulation S Global Note or the Restricted Global Note or an exchange of a part of the Restricted Global Note for a part of this Temporary Regulation S Global Note, in whole or in part, or redemptions, purchases or cancellation of this Temporary Regulation S Global Note have been made:

Date of exchange, or redemption or purchase or cancellation	Part of principal amount of this Temporary Regulation S Global Note exchanged for Notes represented by the Permanent Regulation S Global Note or the Restricted Global Note, or redeemed or purchased or cancelled	Part of principal amount of the Regulation S Global Note exchanged for Notes represented by this Temporary Regulation S Global Note	Remaining principal amount of this Temporary Regulation S Global Note following such exchange, or redemption or purchase or cancellation	Amount of interest paid with delivery of the Permanent Regulation S Global Note	Notation made by or on behalf of the Issuer
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____

EXHIBIT B-3

FORM OF

PERMANENT REGULATION S GLOBAL NOTE

THIS GLOBAL NOTE IS A PERMANENT GLOBAL NOTE FOR PURPOSES OF REGULATION S UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"). NEITHER THIS PERMANENT GLOBAL NOTE NOR ANY INTEREST OR PARTICIPATION HEREIN MAY BE OFFERED, SOLD OR DELIVERED, EXCEPT AS PERMITTED UNDER THE INDENTURE REFERRED TO BELOW.

UNLESS THIS NOTE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION ("DTC"), TO THE ISSUER OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY NOTE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

THIS NOTE HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR THE SECURITIES LAWS OF ANY OTHER JURISDICTION. THIS NOTE MAY BE RESOLD, PLEDGED OR TRANSFERRED ONLY (1) TO A PERSON THAT IS A QUALIFIED INSTITUTIONAL BUYER (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT ("RULE 144A")) IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A, (2) OUTSIDE THE UNITED STATES TO A NON U.S. PERSON (AS SUCH TERM IS DEFINED IN REGULATION S UNDER THE SECURITIES ACT) IN A TRANSACTION IN COMPLIANCE WITH REGULATION S UNDER THE SECURITIES ACT, (3) PURSUANT TO A REGISTRATION STATEMENT THAT HAS BEEN DECLARED EFFECTIVE UNDER THE SECURITIES ACT (AND WHICH CONTINUES TO BE EFFECTIVE AT THE TIME OF SUCH TRANSFER UNDER THE SECURITIES ACT), (4) UNDER THE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT PROVIDED BY RULE 144 UNDER THE SECURITIES ACT, IF AVAILABLE OR (5) IN A TRANSACTION OTHERWISE EXEMPT FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES AND ANY OTHER JURISDICTION AND BASED ON AN OPINION OF COUNSEL, IN FORM AND SUBSTANCE APPROVED BY THE ISSUER OR TRANSFER AGENT, IF THE ISSUER OR TRANSFER AGENT AND REGISTRAR SO REQUEST, IN EACH SUCH CASE, IN COMPLIANCE WITH THE INDENTURE AND ALL APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR ANY OTHER APPLICABLE JURISDICTION, SUBJECT IN EACH OF THE ABOVE CASES TO ANY REQUIREMENT OF LAW THAT THE DISPOSITION OF THE SELLER'S PROPERTY OR THE PROPERTY OF AN INVESTMENT ACCOUNT OR ACCOUNTS BE AT ALL TIMES WITHIN THE SELLER'S OR ACCOUNT'S CONTROL. THE HOLDER WILL, AND EACH SUBSEQUENT HOLDER IS REQUIRED TO, NOTIFY ANY TRANSFEREE FROM IT OF THE RESALE RESTRICTIONS SET FORTH ABOVE.

BY ACQUIRING THIS NOTE (OR ANY INTEREST HEREIN), EACH PURCHASER OR TRANSFEREE SHALL BE DEEMED TO REPRESENT AND WARRANT THAT EITHER (I) IT IS NOT ACQUIRING THE NOTE WITH THE PLAN ASSETS OF AN "EMPLOYEE BENEFIT PLAN" AS DEFINED IN SECTION 3(3) OF THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("ERISA"), WHICH IS SUBJECT TO TITLE I OF ERISA, A "PLAN" AS DESCRIBED IN SECTION 4975(e)(1) OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "CODE"), AN ENTITY DEEMED TO HOLD PLAN ASSETS OF ANY OF THE FOREGOING, OR A GOVERNMENTAL PLAN SUBJECT TO APPLICABLE LAW THAT IS SUBSTANTIALLY SIMILAR TO SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE OR (II) ITS PURCHASE AND HOLDING OF THIS NOTE (OR ANY INTEREST HEREIN) WILL NOT RESULT IN A NON-EXEMPT PROHIBITED TRANSACTION UNDER SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE (OR, IN THE CASE OF A GOVERNMENTAL PLAN, ANY SUBSTANTIALLY SIMILAR APPLICABLE LAW).

THE INDENTURE CONTAINS FURTHER RESTRICTIONS ON THE TRANSFER AND RESALE OF THIS NOTE. EACH TRANSFEREE OF THIS NOTE, BY ACCEPTANCE HEREOF, IS DEEMED TO HAVE ACCEPTED THIS NOTE, SUBJECT TO THE FOREGOING RESTRICTIONS ON TRANSFERABILITY. IN ADDITION, EACH TRANSFEREE OF THIS NOTE, BY ACCEPTANCE HEREOF, IS DEEMED TO HAVE MADE THE REPRESENTATIONS AND AGREEMENTS SET FORTH IN THE INDENTURE.

BY ACCEPTANCE HEREOF, THE HOLDER OF THIS NOTE AGREES TO THE TERMS AND CONDITIONS SET FORTH IN THE INDENTURE AND HEREIN.

No. REGS-1

$43,333,000
CUSIP No. U20772 AE 6
ISIN USU20772AE68

SEE REVERSE FOR CERTAIN DEFINITIONS

THE PRINCIPAL OF THIS CLASS B NOTE MAY BE PAYABLE IN INSTALLMENTS AS SET FORTH IN THE INDENTURE DEFINED HEREIN. ACCORDINGLY, THE OUTSTANDING PRINCIPAL AMOUNT OF THIS CLASS B NOTE AT ANY TIME MAY BE LESS THAN THE AMOUNT SHOWN ON THE FACE HEREOF.

CONN FUNDING II, L.P.

5.854% ASSET BACKED FIXED RATE NOTES, CLASS B, SERIES 2006-A

Conn Funding II, L.P., a limited partnership organized and existing under the laws of the State of Texas (herein referred to as the "Issuer"), for value received, hereby promises to pay Cede & Co., or registered assigns, the principal sum set forth above or such other principal amount set forth on Schedule A attached hereto (which sum shall not exceed $43,333,000), payable on each Payment Date after the end of the Revolving Period (as defined in the Series 2006-A Supplement) in an amount equal to the Monthly Principal, as defined in Section 5.13 of the Series 2006-A Supplement, dated as of August 1, 2006 (as amended, supplemented or otherwise modified from time to time, the "Series 2006-A Supplement"), between the Issuer and the Trustee to the Base Indenture (described below); provided, however, that the entire unpaid principal amount of this Class B Note shall be due and payable on April 20, 2017 (the "Legal Final Payment Date"). The Issuer will pay interest on this Class B Note at the Note Rate (as defined in the Series 2006-A Supplement) on each Payment Date until the principal of this Class B Note is paid or made available for payment, on the average daily outstanding principal balance of this Class B Note during the related Interest Period (as defined in the Series 2006-A Supplement). Interest will be computed on the basis set forth in the Indenture. Such principal of and interest on this Class B Note shall be paid in the manner specified on the reverse hereof. The aggregate principal sum of the Regulation S Global Notes and the Restricted Global Note shall not exceed $43,333,000.

The Class B Notes are subject to optional redemption in accordance with the Indenture on or after any Payment Date on which the Investor Interest is reduced to an amount less than or equal to 10% of the Initial Note Principal.

The principal of and interest on this Class B Note are payable in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts.

Reference is made to the further provisions of this Class B Note set forth on the reverse hereof and to the Indenture, which shall have the same effect as though fully set forth on the face of this Class B Note.

Unless the certificate of authentication hereon has been executed by the Trustee whose name appears below by manual signature, this Class B Note shall not be entitled to any benefit under the Indenture referred to on the reverse hereof, or be valid or obligatory for any purpose.

IN WITNESS WHEREOF, the Issuer, has caused this instrument to be signed, manually or in facsimile, by its Authorized Officer as of the date set forth below.

CONN FUNDING II, L.P.

By: Conn Funding II GP, L.L.C.,
its general partner

By: _____

Authorized Officer

Attested to:

By: _____

Authorized Officer

CERTIFICATE OF AUTHENTICATION

This is one of the Class B Notes referred to in the within mentioned Series 2006-A Supplement.

WELLS FARGO BANK, NATIONAL ASSOCIATION, not in its individual capacity, but solely as Trustee

By: /s/

Authorized Officer

[REVERSE OF NOTE]

This Class B Note is one of a duly authorized issue of Class B Notes of the Issuer, designated as its 5.854% Asset Backed Fixed Rate Notes, Class B, Series 2006-A (herein called the "Class B Notes"), all issued under the Series 2006-A Supplement to the Base Indenture dated as of September 1, 2002 (such Base Indenture, as supplemented by the Series 2006-A Supplement and supplements and amendments relating to other series of notes, as supplemented or amended, is herein called the "Indenture"), between the Issuer and WELLS FARGO BANK, NATIONAL ASSOCIATION, as trustee (the "Trustee", which term includes any successor Trustee under the Indenture), to which Indenture reference is hereby made for a statement of the respective rights and obligations thereunder of the Issuer, the Trustee and the Class B Noteholders. The Class B Notes are subject to all terms of the Indenture. All terms used in this Class B Note that are defined in the Indenture shall have the meanings assigned to them in or pursuant to the Indenture.

Principal of the Class B Notes will be payable on each Payment Date after the end of the Revolving Period and may be prepaid, in each case, as set forth in the Indenture. "Payment Date" means the twentieth day of each calendar month, or, if any such date is not a Business Day, the next succeeding Business Day, commencing on September 20, 2006.

All principal payments on the Class B Notes shall be made pro rata to the Class B Noteholders entitled thereto.

Subject to certain limitations set forth in the Indenture, payments of interest on this Class B Note due and payable on each Payment Date, together with the installment of principal, if any, to the extent not in full payment of this Class B Note, shall be made by wire transfer in immediately available funds to the Person whose name appears as the Class B Noteholder on the Note Register as of the close of business on each Record Date without requiring that this Class B Note be submitted for notation of payment. Any reduction in the principal amount of this Class B Note effected by any payments made on any Payment Date or date of prepayment shall be binding upon all future Class B Noteholders and of any Class B Note issued upon the registration of transfer hereof or in exchange hereof or in lieu hereof, whether or not noted on Schedule A attached hereto. If funds are expected to be available, as provided in the Indenture, for payment in full of the then remaining unpaid principal amount of this Class B Note on a Payment Date, then the Trustee, in the name of and on behalf of the Issuer, will notify the Person who was the Holder hereof as of the Record Date preceding such Payment Date by notice mailed prior to such Payment Date and the amount then due and payable shall be payable only upon presentation and surrender of this Class B Note at the Trustee's principal Corporate Trust Office or at the office of the Trustee's agent appointed for such purposes located in the City of New York.

On any redemption, purchase, exchange or cancellation of any of the beneficial interest represented by this Permanent Regulation S Global Note, details of such redemption, purchase, exchange or cancellation shall be entered by the Paying Agent in Schedule A hereto recording any such redemption, purchase, exchange or cancellation and shall be signed by or on behalf of the Issuer. Upon any such redemption, purchase, exchange or cancellation, the principal amount of this Permanent Regulation S Global Note and the beneficial interests represented by this Permanent Regulation S Global Note shall be reduced or increased, as appropriate, by the principal amount so redeemed, purchased, exchanged or cancelled.

Each Class B Noteholder, by acceptance of a Class B Note, covenants and agrees that by accepting the benefits of the Indenture that such Class B Noteholder will not prior to the date which is one year and one day after the payment in full of the last maturing note of any Series and the termination of the Indenture institute against the Issuer or join in any institution against the Issuer of, any bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings, or other proceedings, under any United Stated federal or state bankruptcy or similar law in connection with any obligations relating to the Class B Notes, the Indenture or the Transaction Documents.

Each Class B Noteholder, by acceptance of a Class B Note, covenants and agrees that by accepting the benefits of the Indenture that such Class B Noteholder will treat such Class B Note as indebtedness for all federal, state and local income and franchise tax purposes.

Prior to the due presentment for registration of transfer of this Class B Note, the Issuer, the Trustee and any agent of the Issuer or the Trustee may treat the Person in whose name this Class B Note (as of the day of determination or as of such other date as may be specified in the Indenture) is registered as the owner hereof for all purposes, whether or not this Class B Note be overdue, and neither the Issuer, the Trustee nor any such agent shall be affected by notice to the contrary.

As provided in the Indenture, no recourse may be taken, directly or indirectly, with respect to the obligations of the Issuer under the Indenture, including this Class B Note, against any Seller, the Servicer, the Trustee or any partner, owner, incorporator, beneficiary, beneficial owner, agent, officer, director, employee, shareholder or agent of the Issuer, any Seller, the Servicer or the Trustee except as any such Person may have expressly agreed.

The term "Issuer" as used in this Class B Note includes any successor to the Issuer under the Indenture.

The Issuer is permitted by the Indenture, under certain circumstances, to merge or consolidate, subject to the rights of the Trustee and the Noteholders under the Indenture.

The Class B Notes are issuable only in registered form as provided in the Indenture in denominations as provided in the Indenture, subject to certain limitations therein set forth.

This Class B Note and the Indenture shall be construed in accordance with the laws of the State of New York, without reference to its conflict of law provisions, and the obligations, rights and remedies of the parties hereunder and thereunder shall be determined in accordance with such laws.

No reference herein to the Indenture and no provision of this Class B Note or of the Indenture shall alter or impair the obligation of the Issuer, which is absolute and unconditional, to pay the principal of and interest on this Class B Note.

ASSIGNMENT

Social Security or taxpayer I.D. or other identifying number of assignee

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto _____

(name and address of assignee)

the within Class B Note and all rights thereunder, and hereby irrevocably constitutes and appoints _____, attorney, to transfer said Class B Note on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____ [6]

Signature Guaranteed:

---

[6] NOTE: The signature to this assignment must correspond with the name of the registered owner as it appears on the face of the within Class B Note in every particular, without alteration, enlargement or any change whatsoever.

SCHEDULE A

SCHEDULE OF EXCHANGES

BETWEEN THIS PERMANENT REGULATION S

GLOBAL NOTE AND THE TEMPORARY REGULATION S GLOBAL

NOTE AND THE RESTRICTED GLOBAL NOTE,

OR REDEMPTIONS OR PURCHASES AND CANCELLATIONS

The following increases or decreases in the principal amount of this Permanent Regulation S Global Note or redemptions, purchases or cancellation of this Permanent Regulation S Global Note have been made:

Date of exchange, or redemption or purchase or cancellation	Increases or decreases in principal amount of this Permanent Regulation S Global Note due to exchanges between the Temporary Regulation S Global Note or the Restricted Global Note and this Permanent Regulation S Global Note	Remaining principal amount of this Permanent Regulation S Global Note following such exchange, or redemption or purchase or cancellation	Notation made by or on behalf of the Issuer
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

EXHIBIT C-1

FORM OF

RESTRICTED GLOBAL NOTE

UNLESS THIS NOTE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION ("DTC"), TO THE ISSUER OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY NOTE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

THIS NOTE HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR THE SECURITIES LAWS OF ANY OTHER JURISDICTION. THIS NOTE MAY BE RESOLD, PLEDGED OR TRANSFERRED ONLY (1) TO A PERSON THAT IS A QUALIFIED INSTITUTIONAL BUYER (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT ("RULE 144A")) IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A, (2) OUTSIDE THE UNITED STATES TO A NON U.S. PERSON (AS SUCH TERM IS DEFINED IN REGULATION S UNDER THE SECURITIES ACT) IN A TRANSACTION IN COMPLIANCE WITH REGULATION S UNDER THE SECURITIES ACT, (3) PURSUANT TO A REGISTRATION STATEMENT THAT HAS BEEN DECLARED EFFECTIVE UNDER THE SECURITIES ACT (AND WHICH CONTINUES TO BE EFFECTIVE AT THE TIME OF SUCH TRANSFER UNDER THE SECURITIES ACT), (4) UNDER THE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT PROVIDED BY RULE 144 UNDER THE SECURITIES ACT, IF AVAILABLE OR (5) IN A TRANSACTION OTHERWISE EXEMPT FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES AND ANY OTHER JURISDICTION AND BASED ON AN OPINION OF COUNSEL, IN FORM AND SUBSTANCE APPROVED BY THE ISSUER OR TRANSFER AGENT, IF THE ISSUER OR TRANSFER AGENT AND REGISTRAR SO REQUEST, IN EACH SUCH CASE, IN COMPLIANCE WITH THE INDENTURE AND ALL APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR ANY OTHER APPLICABLE JURISDICTION, SUBJECT IN EACH OF THE ABOVE CASES TO ANY REQUIREMENT OF LAW THAT THE DISPOSITION OF THE SELLER'S PROPERTY OR THE PROPERTY OF AN INVESTMENT ACCOUNT OR ACCOUNTS BE AT ALL TIMES WITHIN THE SELLER'S OR ACCOUNT'S CONTROL. THE HOLDER WILL, AND EACH SUBSEQUENT HOLDER IS REQUIRED TO, NOTIFY ANY TRANSFEREE FROM IT OF THE RESALE RESTRICTIONS SET FORTH ABOVE.

BY ACQUIRING THIS NOTE (OR ANY INTEREST HEREIN), EACH PURCHASER OR TRANSFEREE SHALL BE DEEMED TO REPRESENT AND WARRANT THAT EITHER (I) IT IS NOT ACQUIRING THE NOTE WITH THE PLAN ASSETS OF AN "EMPLOYEE BENEFIT PLAN" AS DEFINED IN SECTION 3(3) OF THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("ERISA"), WHICH IS SUBJECT TO TITLE I OF ERISA, A "PLAN" AS DESCRIBED IN SECTION 4975(e)(1) OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "CODE"), AN ENTITY DEEMED TO HOLD PLAN ASSETS OF ANY OF THE FOREGOING, OR A GOVERNMENTAL PLAN SUBJECT TO APPLICABLE LAW THAT IS SUBSTANTIALLY SIMILAR TO SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE OR (II) ITS PURCHASE AND HOLDING OF THIS NOTE (OR ANY INTEREST HEREIN) WILL NOT RESULT IN A NON-EXEMPT PROHIBITED TRANSACTION UNDER SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE (OR, IN THE CASE OF A GOVERNMENTAL PLAN, ANY SUBSTANTIALLY SIMILAR APPLICABLE LAW).

THE INDENTURE (AS DEFINED BELOW) CONTAINS FURTHER RESTRICTIONS ON THE TRANSFER AND RESALE OF THIS NOTE. EACH TRANSFEREE OF THIS NOTE, BY ACCEPTANCE HEREOF, IS DEEMED TO HAVE ACCEPTED THIS NOTE, SUBJECT TO THE FOREGOING RESTRICTIONS ON TRANSFERABILITY. IN ADDITION, EACH TRANSFEREE OF THIS NOTE, BY ACCEPTANCE HEREOF, IS DEEMED TO HAVE MADE THE REPRESENTATIONS AND AGREEMENTS SET FORTH IN THE INDENTURE.

BY ACCEPTANCE HEREOF, THE HOLDER OF THIS NOTE AGREES TO THE TERMS AND CONDITIONS SET FORTH IN THE INDENTURE AND HEREIN.

EACH PURCHASER OF THIS NOTE IS HEREBY NOTIFIED THAT THE SELLER OF THIS NOTE MAY BE RELYING ON THE EXEMPTION FROM THE PROVISIONS OF SECTION 5 OF THE SECURITIES ACT PROVIDED BY RULE 144A THEREUNDER.

No. R144A-1

$16,667,000
CUSIP No. 207415 AF 7
ISIN US207415AF78

SEE REVERSE FOR CERTAIN DEFINITIONS

THE PRINCIPAL OF THIS CLASS C NOTE MAY BE PAYABLE IN INSTALLMENTS AS SET FORTH IN THE INDENTURE DEFINED HEREIN. ACCORDINGLY, THE OUTSTANDING PRINCIPAL AMOUNT OF THIS CLASS C NOTE AT ANY TIME MAY BE LESS THAN THE AMOUNT SHOWN ON THE FACE HEREOF.

CONN FUNDING II, L.P.

6.814% ASSET BACKED FIXED RATE NOTES, CLASS C, SERIES 2006-A

Conn Funding II, L.P., a limited partnership organized and existing under the laws of the State of Texas (herein referred to as the "Issuer"), for value received, hereby promises to pay Cede & Co., or registered assigns, the principal sum set forth above or such other principal sum set forth on Schedule A attached hereto (which sum shall not exceed $16,667,000), payable on each Payment Date after the end of the Revolving Period (as defined in the Series 2006-A Supplement) in an amount equal to the Monthly Principal, as defined in Section 5.13 of the Series 2006-A Supplement, dated as of August 1, 2006 (as amended, supplemented or otherwise modified from time to time, the "Series 2006-A Supplement"), between the Issuer and the Trustee to the Base Indenture (described below); provided, however, that the entire unpaid principal amount of this Note shall be due and payable on April 20, 2017 (the "Legal Final Payment Date"). The Issuer will pay interest on this Class C Note at the Note Rate (as defined in the Series 2006-A Supplement) on each Payment Date until the principal of this Note is paid or made available for payment, on the average daily outstanding principal balance of this Note during the related Interest Period (as defined in the Series 2006-A Supplement). Interest will be computed on the basis set forth in the Indenture. Such principal of and interest on this Note shall be paid in the manner specified on the reverse hereof. The aggregate principal sum of the Regulation S Global Notes and the Restricted Global Note shall not exceed $16,667,000.

The Class C Notes are subject to optional redemption in accordance with the Indenture on or after any Payment Date on which the Investor Interest is reduced to an amount less than or equal to 10% of the Initial Note Principal.

The principal of and interest on this Class C Note are payable in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts.

Reference is made to the further provisions of this Class C Note set forth on the reverse hereof and to the Indenture, which shall have the same effect as though fully set forth on the face of this Class C Note.

Unless the certificate of authentication hereon has been executed by the Trustee whose name appears below by manual signature, this Class C Note shall not be entitled to any benefit under the Indenture referred to on the reverse hereof, or be valid or obligatory for any purpose.

IN WITNESS WHEREOF, the Issuer, has caused this instrument to be signed, manually or in facsimile, by its Authorized Officer as of the date set forth below.

CONN FUNDING II, L.P.

By: Conn Funding II GP, L.L.C.,
its general partner

By: _____

Authorized Officer

Attested to:

By: _____

Authorized Officer

CERTIFICATE OF AUTHENTICATION

This is one of the Class C Notes referred to in the within mentioned Series 2006-A Supplement.

WELLS FARGO BANK, NATIONAL ASSOCIATION, not in its individual capacity, but solely as Trustee

By: /s/

Authorized Officer

[REVERSE OF NOTE]

This Class C Note is one of a duly authorized issue of Class C Notes of the Issuer, designated as its 6.814% Asset Backed Fixed Rate Notes, Class C, Series 2006-A (herein called the "Class C Notes"), all issued under the Series 2006-A Supplement to the Base Indenture dated as of September 1, 2002 (such Base Indenture, as supplemented by the Series 2006-A Supplement and supplements and amendments relating to other series of notes, as supplemented or amended, is herein called the "Indenture"), between the Issuer and WELLS FARGO BANK, NATIONAL ASSOCIATION, as trustee (the "Trustee," which term includes any successor Trustee under the Indenture), to which Indenture reference is hereby made for a statement of the respective rights and obligations thereunder of the Issuer, the Trustee and the Class C Noteholders. The Class C Notes are subject to all terms of the Indenture. All terms used in this Class C Note that are defined in the Indenture shall have the meanings assigned to them in or pursuant to the Indenture.

Principal of the Class C Notes will be payable on each Payment Date after the end of the Revolving Period and may be prepaid, in each case, as set forth in the Indenture. "Payment Date" means the twentieth day of each calendar month, or, if any such date is not a Business Day, the next succeeding Business Day, commencing on September 20, 2006.

All principal payments on the Class C Notes shall be made pro rata to the Class C Noteholders entitled thereto.

Subject to certain limitations set forth in the Indenture, payments of interest on this Class C Note due and payable on each Payment Date, together with the installment of principal, if any, to the extent not in full payment of this Class C Note, shall be made by wire transfer in immediately available funds to the Person whose name appears as the Class C Noteholder on the Note Register as of the close of business on each Record Date without requiring that this Class C Note be submitted for notation of payment. Any reduction in the principal amount of this Class C Note effected by any payments made on any Payment Date or date of prepayment shall be binding upon all future Class C Noteholders and of any Class C Note issued upon the registration of transfer hereof or in exchange hereof or in lieu hereof, whether or not noted on Schedule A attached hereto. If funds are expected to be available, as provided in the Indenture, for payment in full of the then remaining unpaid principal amount of this Class C Note on a Payment Date, then the Trustee, in the name of and on behalf of the Issuer, will notify the Person who was the Holder hereof as of the Record Date preceding such Payment Date by notice mailed prior to such Payment Date and the amount then due and payable shall be payable only upon presentation and surrender of this Class C Note at the Trustee's principal Corporate Trust Office or at the office of the Trustee's agent appointed for such purposes located in the City of New York.

On any redemption, purchase, exchange or cancellation of any of the beneficial interests represented by this Restricted Global Note, details of such redemption, purchase, exchange or cancellation shall be entered by the Paying Agent in Schedule A hereto recording any such redemption, purchase, exchange or cancellation and shall be signed by or on behalf of the Issuer. Upon any such redemption, purchase, exchange or cancellation, the principal amount of this Restricted Global Note and the beneficial interests represented by the Restricted Global Note shall be reduced or increased, as appropriate, by the principal amount so redeemed, purchased, exchanged or cancelled.

Each Class C Noteholder, by acceptance of a Class C Note, covenants and agrees that by accepting the benefits of the Indenture that such Class C Noteholder will not prior to the date which is one year and one day after the payment in full of the last maturing note of any Series and the termination of the Indenture institute against the Issuer or join in any institution against the Issuer of, any bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings, or other proceedings, under any United States federal or state bankruptcy or similar law in connection with any obligations relating to the Notes, the Indenture or the Transaction Documents.

Each Class C Noteholder, by acceptance of a Class C Note, covenants and agrees that by accepting the benefits of the Indenture that such Class C Noteholder will treat such Class C Note as indebtedness for all Federal, state and local income and franchise tax purposes.

Prior to the due presentment for registration of transfer of this Class C Note, the Issuer, the Trustee and any agent of the Issuer or the Trustee may treat the Person in whose name this Class C Note (as of the day of determination or as of such other date as may be specified in the Indenture) is registered as the owner hereof for all purposes, whether or not this Class C Note be overdue, and neither the Issuer, the Trustee nor any such agent shall be affected by notice to the contrary.

As provided in the Indenture, no recourse may be taken, directly or indirectly, with respect to the obligations of the Issuer under the Indenture, including this Class C Note, against any Seller, the Servicer, the Trustee or any partner, owner, incorporator, beneficiary, beneficial owner, agent, officer, director, employee, shareholder or agent of the Issuer, any Seller, the Servicer or the Trustee except as any such Person may have expressly agreed.

The term "Issuer" as used in this Class C Note includes any successor to the Issuer under the Indenture.

The Issuer is permitted by the Indenture, under certain circumstances, to merge or consolidate, subject to the rights of the Trustee and the Holders of Notes under the Indenture.

The Class C Notes are issuable only in registered form as provided in the Indenture in denominations as provided in the Indenture, subject to certain limitations therein set forth.

This Class C Note and the Indenture shall be construed in accordance with the laws of the State of New York, without reference to its conflict of law provisions, and the obligations, rights and remedies of the parties hereunder and thereunder shall be determined in accordance with such laws.

No reference herein to the Indenture and no provision of this Class C Note or of the Indenture shall alter or impair the obligation of the Issuer, which is absolute and unconditional, to pay the principal of and interest on this Class C Note.

ASSIGNMENT

Social Security or taxpayer I.D. or other identifying number of assignee

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto _____

(name and address of assignee)

the within Class C Note and all rights thereunder, and hereby irrevocably constitutes and appoints _____, attorney, to transfer said Class C Note on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____ [7]

Signature Guaranteed:

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[7] NOTE: The signature to this assignment must correspond with the name of the registered owner as it appears on the face of the within Class B Note in every particular, without alteration, enlargement or any change whatsoever.

SCHEDULE A

SCHEDULE OF EXCHANGES
BETWEEN THE TEMPORARY REGULATION S GLOBAL NOTE
OR THE PERMANENT REGULATION S GLOBAL NOTE AND
THIS RESTRICTED GLOBAL NOTE, OR REDEMPTIONS
OR PURCHASES AND CANCELLATIONS

The following increases or decreases in principal amount of this Restricted Global Note or redemptions, purchases or cancellation of this Restricted Global Note have been made:

Date of exchange, or redemption or purchase or cancellation	Increase or decrease in principal amount of this Restricted Global Note due to exchanges between the Temporary Regulation S Global Note or the Permanent Regulation S Global Note and this Restricted Global Note	Remaining principal amount of this Restricted Global Note following such exchange, or redemption or purchase or cancellation	Notation made by or on behalf of the Issuer
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

EXHIBIT C-2

FORM OF

TEMPORARY REGULATION S GLOBAL NOTE

THIS GLOBAL NOTE IS A TEMPORARY GLOBAL NOTE FOR PURPOSES OF REGULATION S UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"). NEITHER THIS TEMPORARY REGULATION S GLOBAL NOTE NOR ANY INTEREST OR PARTICIPATION HEREIN MAY BE OFFERED, SOLD OR DELIVERED, EXCEPT AS PERMITTED UNDER THE INDENTURE REFERRED TO BELOW.

UNLESS THIS NOTE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION ("DTC"), TO THE ISSUER OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY NOTE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

THIS NOTE HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR THE SECURITIES LAWS OF ANY OTHER JURISDICTION. THIS NOTE MAY BE RESOLD, PLEDGED OR TRANSFERRED ONLY (1) TO A PERSON THAT IS A QUALIFIED INSTITUTIONAL BUYER (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT ("RULE 144A")) IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A, (2) OUTSIDE THE UNITED STATES TO A NON U.S. PERSON (AS SUCH TERM IS DEFINED IN REGULATION S UNDER THE SECURITIES ACT) IN A TRANSACTION IN COMPLIANCE WITH REGULATION S UNDER THE SECURITIES ACT, (3) PURSUANT TO A REGISTRATION STATEMENT THAT HAS BEEN DECLARED EFFECTIVE UNDER THE SECURITIES ACT (AND WHICH CONTINUES TO BE EFFECTIVE AT THE TIME OF SUCH TRANSFER UNDER THE SECURITIES ACT), (4) UNDER THE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT PROVIDED BY RULE 144 UNDER THE SECURITIES ACT, IF AVAILABLE OR (5) IN A TRANSACTION OTHERWISE EXEMPT FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES AND ANY OTHER JURISDICTION AND BASED ON AN OPINION OF COUNSEL, IN FORM AND SUBSTANCE APPROVED BY THE ISSUER OR TRANSFER AGENT, IF THE ISSUER OR TRANSFER AGENT AND REGISTRAR SO REQUEST, IN EACH SUCH CASE, IN COMPLIANCE WITH THE INDENTURE AND ALL APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR ANY OTHER APPLICABLE JURISDICTION, SUBJECT IN EACH OF THE ABOVE CASES TO ANY REQUIREMENT OF LAW THAT THE DISPOSITION OF THE SELLER'S PROPERTY OR THE PROPERTY OF AN INVESTMENT ACCOUNT OR ACCOUNTS BE AT ALL TIMES WITHIN THE SELLER'S OR ACCOUNT'S CONTROL. THE HOLDER WILL, AND EACH SUBSEQUENT HOLDER IS REQUIRED TO, NOTIFY ANY TRANSFEREE FROM IT OF THE RESALE RESTRICTIONS SET FORTH ABOVE.

BY ACQUIRING THIS NOTE (OR ANY INTEREST HEREIN), EACH PURCHASER OR TRANSFEREE SHALL BE DEEMED TO REPRESENT AND WARRANT THAT EITHER (I) IT IS NOT ACQUIRING THE NOTE WITH THE PLAN ASSETS OF AN "EMPLOYEE BENEFIT PLAN" AS DEFINED IN SECTION 3(3) OF THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("ERISA"), WHICH IS SUBJECT TO TITLE I OF ERISA, A "PLAN" AS DESCRIBED IN SECTION 4975(e)(1) OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "CODE"), AN ENTITY DEEMED TO HOLD PLAN ASSETS OF ANY OF THE FOREGOING, OR A GOVERNMENTAL PLAN SUBJECT TO APPLICABLE LAW THAT IS SUBSTANTIALLY SIMILAR TO SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE OR (II) ITS PURCHASE AND HOLDING OF THIS NOTE (OR ANY INTEREST HEREIN) WILL NOT RESULT IN A NON-EXEMPT PROHIBITED TRANSACTION UNDER SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE (OR, IN THE CASE OF A GOVERNMENTAL PLAN, ANY SUBSTANTIALLY SIMILAR APPLICABLE LAW).

THE INDENTURE CONTAINS FURTHER RESTRICTIONS ON THE TRANSFER AND RESALE OF THIS NOTE. EACH TRANSFEREE OF THIS NOTE, BY ACCEPTANCE HEREOF, IS DEEMED TO HAVE ACCEPTED THIS NOTE, SUBJECT TO THE FOREGOING RESTRICTIONS ON TRANSFERABILITY. IN ADDITION, EACH TRANSFEREE OF THIS NOTE, BY ACCEPTANCE HEREOF, IS DEEMED TO HAVE MADE THE REPRESENTATIONS AND AGREEMENTS SET FORTH IN THE INDENTURE.

BY ACCEPTANCE HEREOF, THE HOLDER OF THIS NOTE AGREES TO THE TERMS AND CONDITIONS SET FORTH IN THE INDENTURE AND HEREIN.

No. TREGS-1

$16,667,000
CUSIP No. U20772 AF 3
ISIN USU20772AF34

SEE REVERSE FOR CERTAIN DEFINITIONS

THE PRINCIPAL OF THIS CLASS C NOTE MAY BE PAYABLE IN INSTALLMENTS AS SET FORTH IN THE INDENTURE DEFINED HEREIN. ACCORDINGLY, THE OUTSTANDING PRINCIPAL AMOUNT OF THIS CLASS C NOTE AT ANY TIME MAY BE LESS THAN THE AMOUNT SHOWN ON THE FACE HEREOF.

CONN FUNDING II, L.P.

6.814% ASSET BACKED FIXED RATE NOTES, CLASS C, SERIES 2006-A

Conn Funding II, L.P., a limited partnership organized and existing under the laws of the State of Texas (herein referred to as the "Issuer"), for value received, hereby promises to pay Cede & Co., or registered assigns, the principal sum set forth above or such other principal sum set forth on Schedule A attached hereto (which sum shall not exceed $16,667,000), payable on each Payment Date after the end of the Revolving Period (as defined in the Series 2006-A Supplement) in an amount equal to the Monthly Principal, as defined in Section 5.13 of the Series 2006-A Supplement, dated as of August 1, 2006 (as amended, supplemented or otherwise modified from time to time, the "Series 2006-A Supplement"), between the Issuer and the Trustee to the Base Indenture (described below); provided, however, that the entire unpaid principal amount of this Class C Note shall be due and payable on April 20, 2017 (the "Legal Final Payment Date"). The Issuer will pay interest on this Class C Note at the Note Rate (as defined in the Series 2006-A Supplement) on each Payment Date until the principal of this Class C Note is paid or made available for payment, on the average daily outstanding principal balance of this Class C Note during the related Interest Period (as defined in the Series 2006-A Supplement). Interest will be computed on the basis set forth in the Indenture. Such principal of and interest on this Class C Note shall be paid in the manner specified on the reverse hereof. The aggregate principal sum of the Regulation S Global Notes and the Restricted Global Note shall not exceed $16,667,000.

The Class C Notes are subject to optional redemption in accordance with the Indenture on or after any Payment Date on which the Investor Interest is reduced to an amount less than or equal to 10% of the Initial Note Principal.

The principal of and interest on this Class C Note are payable in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts.

Reference is made to the further provisions of this Class C Note set forth on the reverse hereof and to the Indenture, which shall have the same effect as though fully set forth on the face of this Class C Note.

Unless the certificate of authentication hereon has been executed by the Trustee whose name appears below by manual signature, this Class C Note shall not be entitled to any benefit under the Indenture referred to on the reverse hereof, or be valid or obligatory for any purpose.

IN WITNESS WHEREOF, the Issuer, has caused this instrument to be signed, manually or in facsimile, by its Authorized Officer as of the date set forth below.

CONN FUNDING II, L.P.

By: Conn Funding II GP, L.L.C.,
its general partner

By: _____

Authorized Officer

Attested to:

By: _____

Authorized Officer

CERTIFICATE OF AUTHENTICATION

This is one of the Class C Notes referred to in the within mentioned Series 2006-A Supplement.

WELLS FARGO BANK, NATIONAL ASSOCIATION, not in its individual capacity, but solely as Trustee

By: /s/

Authorized Officer

[REVERSE OF NOTE]

This Class C Note is one of a duly authorized issue of Class C Notes of the Issuer, designated as its 6.814% Asset Backed Fixed Rate Notes, Class C, Series 2006-A (herein called the "Class C Notes"), all issued under the Series 2006-A Supplement to the Base Indenture dated as of September 1, 2002 (such Base Indenture, as supplemented by the Series 2006-A Supplement and supplements and amendments relating to other series of notes, as supplemented or amended, is herein called the "Indenture"), between the Issuer and WELLS FARGO BANK, NATIONAL ASSOCIATION, as trustee (the "Trustee", which term includes any successor Trustee under the Indenture), to which Indenture reference is hereby made for a statement of the respective rights and obligations thereunder of the Issuer, the Trustee and the Holders of the Class C Notes. The Class C Notes are subject to all terms of the Indenture. All terms used in this Class C Note that are defined in the Indenture shall have the meanings assigned to them in or pursuant to the Indenture.

Principal of the Class C Notes will be payable on each Payment Date after the end of the Revolving Period and may be prepaid, in each case, as set forth in the Indenture. "Payment Date" means the twentieth day of each calendar month, or, if any such date is not a Business Day, the next succeeding Business Day, commencing on September 20, 2006.

All principal payments on the Class C Notes shall be made pro rata to the Class C Noteholders entitled thereto.

Subject to certain limitations set forth in the Indenture, payments of interest on this Class C Note due and payable on each Payment Date, together with the installment of principal, if any, to the extent not in full payment of this Class C Note, shall be made by wire transfer in immediately available funds to the Person whose name appears as the Class C Noteholder on the Note Register as of the close of business on each Record Date without requiring that this Class C Note be submitted for notation of payment. Any reduction in the principal amount of this Class C Note effected by any payments made on any Payment Date or date of prepayment shall be binding upon all future Class C Noteholders and of any Class C Note issued upon the registration of transfer hereof or in exchange hereof or in lieu hereof, whether or not noted on Schedule A attached hereto. If funds are expected to be available, as provided in the Indenture, for payment in full of the then remaining unpaid principal amount of this Class C Note on a Payment Date, then the Trustee, in the name of and on behalf of the Issuer, will notify the Person who was the Holder hereof as of the Record Date preceding such Payment Date by notice mailed prior to such Payment Date and the amount then due and payable shall be payable only upon presentation and surrender of this Class C Note at the Trustee's principal Corporate Trust Office or at the office of the Trustee's agent appointed for such purposes located in the City of New York.

Any interest in a Class C Note evidenced by this Temporary Regulation S Global Note is exchangeable for an interest in a Permanent Regulation S Global Note upon the later of (i) the Exchange Date and (ii) the furnishing of a certificate, the form of which is attached as Exhibit C-2 to the Series 2006-A Supplement. Interests in this Temporary Regulation S Global Note are exchangeable for interests in a Permanent Regulation S Global Note or a Restricted Global Note only upon presentation of the applicable certificate required by Section 6 of the Series 2006-A Supplement to the Base Indenture. Upon exchange of all interests in this Temporary Regulation S Global Note for interests in the Permanent Regulation S Global Note and/or the Restricted Global Note, the Trustee shall cancel this Temporary Regulation S Global Note.

Until the provision of the certifications required by Section 6 of the Series 2006-A Supplement, beneficial interests in a Regulation S Global Note may only be held through Euroclear or Clearstream or another agent member of Euroclear or Clearstream acting for and on behalf of them.

On any redemption, purchase, exchange or cancellation of any of the beneficial interests represented by this Temporary Regulation S Global Note, details of such redemption, purchase, exchange or cancellation shall be entered by the Paying Agent in Schedule A hereto recording any such redemption, purchase, exchange or cancellation and shall be signed on by or on behalf of the Issuer. Upon any such redemption, purchase, exchange or cancellation, the principal amount of this Temporary Regulation S Global Note and the beneficial interests represented by the Permanent Regulation S Global Note shall be reduced or increased, as appropriate, by the principal amount so redeemed, purchased, exchanged or cancelled.

Each Class C Noteholder, by acceptance of a Class C Note, covenants and agrees that by accepting the benefits of the Indenture that such Class C Noteholder will not prior to the date which is one year and one day after the payment in full of the last maturing note of any Series and the termination of the Indenture institute against the Issuer or join in any institution against the Issuer of, any bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings, or other proceedings, under any United Stated Federal or state bankruptcy or similar law in connection with any obligations relating to the Class C Notes, the Indenture or the Transaction Documents.

Each Class C Noteholder, by acceptance of a Class C Note, covenants and agrees that by accepting the benefits of the Indenture that such Class C Noteholder will treat such Class C Note as indebtedness for all federal, state and local income and franchise tax purposes.

Prior to the due presentment for registration of transfer of this Class C Note, the Issuer, the Trustee and any agent of the Issuer or the Trustee may treat the Person in whose name this Class C Note (as of the day of determination or as of such other date as may be specified in the Indenture) is registered as the owner hereof for all purposes, whether or not this Class C Note be overdue, and neither the Issuer, the Trustee nor any such agent shall be affected by notice to the contrary.

As provided in the Indenture, no recourse may be taken, directly or indirectly, with respect to the obligations of the Issuer under the Indenture, including this Class C Note, against any Seller, the Servicer, the Trustee or any partner, owner, incorporator, beneficiary, beneficial owner, agent, officer, director, employee, shareholder or agent of the Issuer, any Seller, the Servicer or the Trustee except as any such Person may have expressly agreed.

The term "Issuer" as used in this Class C Note includes any successor to the Issuer under the Indenture.

The Issuer is permitted by the Indenture, under certain circumstances, to merge or consolidate, subject to the rights of the Trustee and the Class C Noteholders under the Indenture.

The Class C Notes are issuable only in registered form as provided in the Indenture in denominations as provided in the Indenture, subject to certain limitations therein set forth.

This Class C Note and the Indenture shall be construed in accordance with the laws of the State of New York, without reference to its conflict of law provisions, and the obligations, rights and remedies of the parties hereunder and thereunder shall be determined in accordance with such laws.

No reference herein to the Indenture and no provision of this Class C Note or of the Indenture shall alter or impair the obligation of the Issuer, which is absolute and unconditional, to pay the principal of and interest on this Class C Note.

ASSIGNMENT

Social Security or taxpayer I.D. or other identifying number of assignee

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto _____

(name and address of assignee)

the within Class C Note and all rights thereunder, and hereby irrevocably constitutes and appoints _____, attorney, to transfer said Class C Note on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____ [8]

Signature Guaranteed:

---

[8] NOTE: The signature to this assignment must correspond with the name of the registered owner as it appears on the face of the within Class C Note in every particular, without alteration, enlargement or any change whatsoever.

SCHEDULE A

SCHEDULE OF EXCHANGES
FOR NOTES REPRESENTED BY THE TEMPORARY
REGULATION S GLOBAL NOTE, THE PERMANENT REGULATION S GLOBAL
NOTE OR THE RESTRICTED GLOBAL NOTE, OR REDEMPTIONS OR
PURCHASES AND CANCELLATIONS

The following exchanges of a part of this Temporary Regulation S Global Note for the Permanent Regulation S Global Note or the Restricted Global Note or an exchange of a part of the Restricted Global Note for a part of this Temporary Regulation S Global Note, in whole or in part, or redemptions, purchases or cancellation of this Temporary Regulation S Global Note have been made:

Date of exchange, or redemption or purchase or cancellation	Part of principal amount of this Temporary Regulation S Global Note exchanged for Notes represented by the Permanent Regulation S Global Note or the Restricted Global Note, or redeemed or purchased or cancelled	Part of principal amount of the Regulation S Global Note exchanged for Notes represented by this Temporary Regulation S Global Note	Remaining principal amount of this Temporary Regulation S Global Note following such exchange, or redemption or purchase or cancellation	Amount of interest paid with delivery of the Permanent Regulation S Global Note	Notation made by or on behalf of the Issuer
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____

EXHIBIT C-3

FORM OF

PERMANENT REGULATION S GLOBAL NOTE

THIS GLOBAL NOTE IS A PERMANENT GLOBAL NOTE FOR PURPOSES OF REGULATION S UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"). NEITHER THIS PERMANENT GLOBAL NOTE NOR ANY INTEREST OR PARTICIPATION HEREIN MAY BE OFFERED, SOLD OR DELIVERED, EXCEPT AS PERMITTED UNDER THE INDENTURE REFERRED TO BELOW.

UNLESS THIS NOTE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION ("DTC"), TO THE ISSUER OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY NOTE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

THIS NOTE HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR THE SECURITIES LAWS OF ANY OTHER JURISDICTION. THIS NOTE MAY BE RESOLD, PLEDGED OR TRANSFERRED ONLY (1) TO A PERSON THAT IS A QUALIFIED INSTITUTIONAL BUYER (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT ("RULE 144A")) IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A, (2) OUTSIDE THE UNITED STATES TO A NON U.S. PERSON (AS SUCH TERM IS DEFINED IN REGULATION S UNDER THE SECURITIES ACT) IN A TRANSACTION IN COMPLIANCE WITH REGULATION S UNDER THE SECURITIES ACT, (3) PURSUANT TO A REGISTRATION STATEMENT THAT HAS BEEN DECLARED EFFECTIVE UNDER THE SECURITIES ACT (AND WHICH CONTINUES TO BE EFFECTIVE AT THE TIME OF SUCH TRANSFER UNDER THE SECURITIES ACT), (4) UNDER THE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT PROVIDED BY RULE 144 UNDER THE SECURITIES ACT, IF AVAILABLE OR (5) IN A TRANSACTION OTHERWISE EXEMPT FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES AND ANY OTHER JURISDICTION AND BASED ON AN OPINION OF COUNSEL, IN FORM AND SUBSTANCE APPROVED BY THE ISSUER OR TRANSFER AGENT, IF THE ISSUER OR TRANSFER AGENT AND REGISTRAR SO REQUEST, IN EACH SUCH CASE, IN COMPLIANCE WITH THE INDENTURE AND ALL APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR ANY OTHER APPLICABLE JURISDICTION, SUBJECT IN EACH OF THE ABOVE CASES TO ANY REQUIREMENT OF LAW THAT THE DISPOSITION OF THE SELLER'S PROPERTY OR THE PROPERTY OF AN INVESTMENT ACCOUNT OR ACCOUNTS BE AT ALL TIMES WITHIN THE SELLER'S OR ACCOUNT'S CONTROL. THE HOLDER WILL, AND EACH SUBSEQUENT HOLDER IS REQUIRED TO, NOTIFY ANY TRANSFEREE FROM IT OF THE RESALE RESTRICTIONS SET FORTH ABOVE.

BY ACQUIRING THIS NOTE (OR ANY INTEREST HEREIN), EACH PURCHASER OR TRANSFEREE SHALL BE DEEMED TO REPRESENT AND WARRANT THAT EITHER (I) IT IS NOT ACQUIRING THE NOTE WITH THE PLAN ASSETS OF AN "EMPLOYEE BENEFIT PLAN" AS DEFINED IN SECTION 3(3) OF THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("ERISA"), WHICH IS SUBJECT TO TITLE I OF ERISA, A "PLAN" AS DESCRIBED IN SECTION 4975(e)(1) OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "CODE"), AN ENTITY DEEMED TO HOLD PLAN ASSETS OF ANY OF THE FOREGOING, OR A GOVERNMENTAL PLAN SUBJECT TO APPLICABLE LAW THAT IS SUBSTANTIALLY SIMILAR TO SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE OR (II) ITS PURCHASE AND HOLDING OF THIS NOTE (OR ANY INTEREST HEREIN) WILL NOT RESULT IN A NON-EXEMPT PROHIBITED TRANSACTION UNDER SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE (OR, IN THE CASE OF A GOVERNMENTAL PLAN, ANY SUBSTANTIALLY SIMILAR APPLICABLE LAW).

THE INDENTURE CONTAINS FURTHER RESTRICTIONS ON THE TRANSFER AND RESALE OF THIS NOTE. EACH TRANSFEREE OF THIS NOTE, BY ACCEPTANCE HEREOF, IS DEEMED TO HAVE ACCEPTED THIS NOTE, SUBJECT TO THE FOREGOING RESTRICTIONS ON TRANSFERABILITY. IN ADDITION, EACH TRANSFEREE OF THIS NOTE, BY ACCEPTANCE HEREOF, IS DEEMED TO HAVE MADE THE REPRESENTATIONS AND AGREEMENTS SET FORTH IN THE INDENTURE.

BY ACCEPTANCE HEREOF, THE HOLDER OF THIS NOTE AGREES TO THE TERMS AND CONDITIONS SET FORTH IN THE INDENTURE AND HEREIN.

No. REGS-1

$16,667,000
CUSIP No. US0772 AF 3
ISIN USU20772AF34

SEE REVERSE FOR CERTAIN DEFINITIONS

THE PRINCIPAL OF THIS CLASS C NOTE MAY BE PAYABLE IN INSTALLMENTS AS SET FORTH IN THE INDENTURE DEFINED HEREIN. ACCORDINGLY, THE OUTSTANDING PRINCIPAL AMOUNT OF THIS CLASS C NOTE AT ANY TIME MAY BE LESS THAN THE AMOUNT SHOWN ON THE FACE HEREOF.

CONN FUNDING II, L.P.
6.814% ASSET BACKED FIXED RATE NOTES, CLASS C, SERIES 2006-A

Conn Funding II, L.P., a limited partnership organized and existing under the laws of the State of Texas (herein referred to as the "Issuer"), for value received, hereby promises to pay Cede & Co., or registered assigns, the principal sum set forth above or such other principal amount set forth on Schedule A attached hereto (which sum shall not exceed $16,667,000), payable on each Payment Date after the end of the Revolving Period (as defined in the Series 2006-A Supplement) in an amount equal to the Monthly Principal, as defined in Section 5.13 of the Series 2006-A Supplement, dated as of August 1, 2006 (as amended, supplemented or otherwise modified from time to time, the "Series 2006-A Supplement"), between the Issuer and the Trustee to the Base Indenture (described below); provided, however, that the entire unpaid principal amount of this Class C Note shall be due and payable on April 20, 2017 (the "Legal Final Payment Date"). The Issuer will pay interest on this Class C Note at the Note Rate (as defined in the Series 2006-A Supplement) on each Payment Date until the principal of this Class C Note is paid or made available for payment, on the average daily outstanding principal balance of this Class C Note during the related Interest Period (as defined in the Series 2006-A Supplement). Interest will be computed on the basis set forth in the Indenture. Such principal of and interest on this Class C Note shall be paid in the manner specified on the reverse hereof. The aggregate principal sum of the Regulation S Global Notes and the Restricted Global Note shall not exceed $16,667,000.

The Class C Notes are subject to optional redemption in accordance with the Indenture on or after any Payment Date on which the Investor Interest is reduced to an amount less than or equal to 10% of the Initial Note Principal.

The principal of and interest on this Class C Note are payable in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts.

Reference is made to the further provisions of this Class C Note set forth on the reverse hereof and to the Indenture, which shall have the same effect as though fully set forth on the face of this Class C Note.

Unless the certificate of authentication hereon has been executed by the Trustee whose name appears below by manual signature, this Class C Note shall not be entitled to any benefit under the Indenture referred to on the reverse hereof, or be valid or obligatory for any purpose.

IN WITNESS WHEREOF, the Issuer, has caused this instrument to be signed, manually or in facsimile, by its Authorized Officer as of the date set forth below.

CONN FUNDING II, L.P.

By: Conn Funding II GP, L.L.C.,
its general partner

By: _____

Authorized Officer

Attested to:

By: _____

Authorized Officer

CERTIFICATE OF AUTHENTICATION

This is one of the Class C Notes referred to in the within mentioned Series 2006-A Supplement.

WELLS FARGO BANK, NATIONAL ASSOCIATION, not in its individual capacity, but solely as Trustee

By: /s/

Authorized Officer

[REVERSE OF NOTE]

This Class C Note is one of a duly authorized issue of Class C Notes of the Issuer, designated as its 6.814% Asset Backed Fixed Rate Notes, Class C, Series 2006-A (herein called the "Class C Notes"), all issued under the Series 2006-A Supplement to the Base Indenture dated as of September 1, 2002 (such Base Indenture, as supplemented by the Series 2006-A Supplement and supplements and amendments relating to other series of notes, as supplemented or amended, is herein called the "Indenture"), between the Issuer and WELLS FARGO BANK, NATIONAL ASSOCIATION, as trustee (the "Trustee", which term includes any successor Trustee under the Indenture), to which Indenture reference is hereby made for a statement of the respective rights and obligations thereunder of the Issuer, the Trustee and the Class C Noteholders. The Class C Notes are subject to all terms of the Indenture. All terms used in this Class C Note that are defined in the Indenture shall have the meanings assigned to them in or pursuant to the Indenture.

Principal of the Class C Notes will be payable on each Payment Date after the end of the Revolving Period and may be prepaid, in each case, as set forth in the Indenture. "Payment Date" means the twentieth day of each calendar month, or, if any such date is not a Business Day, the next succeeding Business Day, commencing on September 20, 2006.

All principal payments on the Class C Notes shall be made pro rata to the Class C Noteholders entitled thereto.

Subject to certain limitations set forth in the Indenture, payments of interest on this Class C Note due and payable on each Payment Date, together with the installment of principal, if any, to the extent not in full payment of this Class C Note, shall be made by wire transfer in immediately available funds to the Person whose name appears as the Class C Noteholder on the Note Register as of the close of business on each Record Date without requiring that this Class C Note be submitted for notation of payment. Any reduction in the principal amount of this Class C Note effected by any payments made on any Payment Date or date of prepayment shall be binding upon all future Class C Noteholders and of any Class C Note issued upon the registration of transfer hereof or in exchange hereof or in lieu hereof, whether or not noted on Schedule A attached hereto. If funds are expected to be available, as provided in the Indenture, for payment in full of the then remaining unpaid principal amount of this Class C Note on a Payment Date, then the Trustee, in the name of and on behalf of the Issuer, will notify the Person who was the Holder hereof as of the Record Date preceding such Payment Date by notice mailed prior to such Payment Date and the amount then due and payable shall be payable only upon presentation and surrender of this Class C Note at the Trustee's principal Corporate Trust Office or at the office of the Trustee's agent appointed for such purposes located in the City of New York.

On any redemption, purchase, exchange or cancellation of any of the beneficial interest represented by this Permanent Regulation S Global Note, details of such redemption, purchase, exchange or cancellation shall be entered by the Paying Agent in Schedule A hereto recording any such redemption, purchase, exchange or cancellation and shall be signed by or on behalf of the Issuer. Upon any such redemption, purchase, exchange or cancellation, the principal amount of this Permanent Regulation S Global Note and the beneficial interests represented by this Permanent Regulation S Global Note shall be reduced or increased, as appropriate, by the principal amount so redeemed, purchased, exchanged or cancelled.

Each Class C Noteholder, by acceptance of a Class C Note, covenants and agrees that by accepting the benefits of the Indenture that such Class C Noteholder will not prior to the date which is one year and one day after the payment in full of the last maturing note of any Series and the termination of the Indenture institute against the Issuer or join in any institution against the Issuer of, any bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings, or other proceedings, under any United Stated federal or state bankruptcy or similar law in connection with any obligations relating to the Class C Notes, the Indenture or the Transaction Documents.

Each Class C Noteholder, by acceptance of a Class C Note, covenants and agrees that by accepting the benefits of the Indenture that such Class C Noteholder will treat such Class C Note as indebtedness for all federal, state and local income and franchise tax purposes.

Prior to the due presentment for registration of transfer of this Class C Note, the Issuer, the Trustee and any agent of the Issuer or the Trustee may treat the Person in whose name this Class C Note (as of the day of determination or as of such other date as may be specified in the Indenture) is registered as the owner hereof for all purposes, whether or not this Class C Note be overdue, and neither the Issuer, the Trustee nor any such agent shall be affected by notice to the contrary.

As provided in the Indenture, no recourse may be taken, directly or indirectly, with respect to the obligations of the Issuer under the Indenture, including this Class C Note, against any Seller, the Servicer, the Trustee or any partner, owner, incorporator, beneficiary, beneficial owner, agent, officer, director, employee, shareholder or agent of the Issuer, any Seller, the Servicer or the Trustee except as any such Person may have expressly agreed.

The term "Issuer" as used in this Class C Note includes any successor to the Issuer under the Indenture.

The Issuer is permitted by the Indenture, under certain circumstances, to merge or consolidate, subject to the rights of the Trustee and the Noteholders under the Indenture.

The Class C Notes are issuable only in registered form as provided in the Indenture in denominations as provided in the Indenture, subject to certain limitations therein set forth.

This Class C Note and the Indenture shall be construed in accordance with the laws of the State of New York, without reference to its conflict of law provisions, and the obligations, rights and remedies of the parties hereunder and thereunder shall be determined in accordance with such laws.

No reference herein to the Indenture and no provision of this Class C Note or of the Indenture shall alter or impair the obligation of the Issuer, which is absolute and unconditional, to pay the principal of and interest on this Class C Note.

ASSIGNMENT

Social Security or taxpayer I.D. or other identifying number of assignee

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto _____

(name and address of assignee)

the within Class C Note and all rights thereunder, and hereby irrevocably constitutes and appoints _____, attorney, to transfer said Class C Note on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____ [9]

Signature Guaranteed:

---

[9] NOTE: The signature to this assignment must correspond with the name of the registered owner as it appears on the face of the within Class C Note in every particular, without alteration, enlargement or any change whatsoever.

SCHEDULE A

SCHEDULE OF EXCHANGES
BETWEEN THIS PERMANENT REGULATION S
GLOBAL NOTE AND THE TEMPORARY REGULATION S GLOBAL NOTE AND
THE RESTRICTED GLOBAL NOTE,
OR REDEMPTIONS OR PURCHASES AND CANCELLATIONS

The following increases or decreases in the principal amount of this Permanent Regulation S Global Note or redemptions, purchases or cancellation of this Permanent Regulation S Global Note have been made:

Date of exchange, or redemption or purchase or cancellation	Increases or decreases in principal amount of this Permanent Regulation S Global Note due to exchanges between the Temporary Regulation S Global Note or the Restricted Global Note and this Permanent Regulation S Global Note	Remaining principal amount of this Permanent Regulation S Global Note following such exchange, or redemption or purchase or cancellation	Notation made by or on behalf of the Issuer
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

EXHIBIT D

FORM OF MONTHLY NOTEHOLDERS' STATEMENT

EXHIBIT E-1

FORM OF TRANSFER CERTIFICATE

To: Wells Fargo Bank, National Association,
as Trustee and Registration and Transfer Agent
MAC N9311-161
6th and Marquette
Minneapolis, Minnesota 55479-0700
Attention: Corporate Trust Services/Asset-Backed Administration

Re: Conn Funding II, L.P.-[__]% Asset Backed
Fixed Rate Notes, Class [__], Series 2006-A (CUSIP No. **[_____]**)

This Certificate relates to $_____ principal amount of Class [__] Notes held in

o book-entry or
o definitive form

by _____(the "Transferor") issued pursuant to the Base Indenture, dated as of September 1, 2002, between Conn Funding II, L.P., as Issuer, and Wells Fargo Bank, National Association, as Trustee (as amended, supplemented or otherwise modified from time to time, the "Base Indenture") and the Series 2006-A Supplement thereto, dated as of August 1, 2006 (as amended, supplemented or otherwise modified from time to time, the "Series Supplement" and, together with the Base Indenture, the "Indenture"). Capitalized terms used herein and not otherwise defined, shall have the meanings given thereto in the Indenture.

The Transferor has requested the Trustee by written order to exchange or register the transfer of a Note or Notes.

In connection with such request and in respect of each such Note, the Transferor does hereby certify as follows:

o Such Note is being acquired for its own account.

o Such Note is being transferred pursuant to and in accordance with Rule 144A under the Securities Act, and, accordingly, the Transferor further certifies that the Series 2006-A Notes are being transferred to a Person that the Transferor reasonably believes is purchasing the Series 2006-A Notes for its own account, or for an account with respect to which such Person exercises sole investment discretion, and such Person and such account is a "qualified institutional buyer" within the meaning of Rule 144A in a transaction meeting the requirements of Rule 144A; or (ii) pursuant to an exemption from registration in accordance with Regulation S under the Securities Act.

o Such Note is being transferred in reliance on and in compliance with an exemption from the registration requirements of the Securities Act, other than Rule 144A or Regulation S under the Securities Act, and in compliance with other applicable state and federal securities laws and, if requested by the Trustee, an opinion of counsel is being furnished simultaneously with the delivery of this Certificate as required under Section 6 of the Series Supplement. This Certificate and the statements contained therein are made for your benefit and the benefit of the Issuer.

[INSERT NAME OF TRANSFEROR]

Date:

By: _____

Name:
Title

EXHIBIT E-2

FORM OF CERTIFICATE TO BE DELIVERED TO
EXCHANGE TEMPORARY REGULATION S GLOBAL NOTE
FOR PERMANENT REGULATION S GLOBAL NOTE

Conn Funding II, L.P.
3295 College Street
Beaumont, Texas 77701
Attn: David Atnip
Wells Fargo Bank, National Association,
as Trustee and Registration and Transfer Agent
MAC N9311-161
6th and Marquette
Minneapolis, Minnesota 55479-0700
Attention: Corporate Trust Services/Asset-Backed Administration

Reference is hereby made to the Base Indenture, dated as of September 1, 2002, between Conn Funding II, L.P., as Issuer, and Wells Fargo Bank, National Association, as Trustee (as amended, supplemented otherwise modified from time to time, the "Base Indenture") and the Series 2006-A Supplement thereto, dated as of August 1, 2006 (as amended, supplemented or otherwise modified from time to time, the "Series Supplement" and, together with the Base Indenture, the "Indenture"). Capitalized terms used but not defined herein shall have the meanings given to them in the Base Indenture.

This is to certify that, based solely on certificates, we have received in writing, by tested telex or by electronic transmissions from noteholders appearing in our records as persons being entitled to a portion of the principal amount of the Class [__] Notes represented by the Temporary Regulation S Note equal to, as of the date hereof, U.S. $_____ (our "Class [__] Noteholders"), certificates with respect to such portion, substantially to the effect set forth in Exhibit [__] hereto.

We further certify (i) that we are not making available herewith for exchange any portion of the Temporary Regulation S Global Note excepted in such certificates and (ii) that as of the date hereof we have not received any notification from any of our Class [__] Noteholders to the effect that the statements made by such Class [__] Noteholder with respect to any portion of the part submitted herewith for exchange are no longer true and cannot be relied upon as at the date hereof. We understand that this certification is required in connection with certain securities laws of the United States. In connection therewith, if administrative or legal proceedings are commenced or threatened in connection with which this certificate is or would be relevant, we irrevocably authorize you to produce this certification to any interested party in such proceedings.

Dated: _____, **[_____]**[10] **To be dated no earlier than the earliest of the Exchange Date or the relevant Interest Payment Date or the redemption date (as the case may be).**

Yours faithfully,

[Euroclear/Clearstream],

By: _____

Name:
Title

EXHIBIT A

[Euroclear/Clearstream]

Re: Conn Funding II, L.P. —[__]% Asset Backed

Fixed Rate Notes, Class [__], Series 2006-A (CUSIP (CINS) No. **[_____]**)

Ladies and Gentlemen:

Reference is hereby made to the Base Indenture, dated as of September 1, 2002 (as amended, supplemented or otherwise modified from time to time, the "Base Indenture"), between Conn Funding II, L.P. (the "Issuer") and Wells Fargo Bank, National Association, as Trustee and the Series 2006-A Supplement thereto, dated as of August 1, 2006 (as amended, supplemented or otherwise modified from time to time, the "Series Supplement" and, together with the Base Indenture, the "Indenture"). Capitalized terms used but not defined herein shall have the meanings given to them in the Indenture.

This letter relates to $_____ principal amount of Class **[___]** Notes which are represented by a beneficial interest in the Temporary Regulation S Global Note held with **[Euroclear/Clearstream]** (ISIN CODE **[_____]**) through DTC by or on behalf of the undersigned as beneficial owner (the "Holder") which bears a legend outlining restrictions upon transfer of such interests in such Class **[___]** Note. Pursuant to paragraph 6(c)(ii) of the Series Supplement, the Holder hereby certifies that it is not (or it holds such securities on behalf of an account that is not) a "U.S. person" as such term is defined in Regulation S promulgated under the U.S. Securities Act of 1933, as amended ("Regulation S"). Accordingly, you are hereby requested to exchange such beneficial interest in the Temporary Regulation S Global Note for a beneficial interest in the Permanent Regulation S Global Note representing an identical principal amount of Class **[___]** Notes, all in the manner provided for in the Series Supplement.

Each of you is entitled to rely upon this letter and is irrevocably authorized to produce this letter or a copy hereof to any interested party in any administrative or legal proceedings or official inquiry with respect to the matters covered hereby. Terms used in this certificate have the meanings set forth in Regulation S.

Very truly yours,
[NAME OF HOLDER]

By: _____

Authorized Signature

Dated: _____, **[_____]**

EXHIBIT E-3

FORM OF TRANSFER CERTIFICATE
FOR TRANSFER OR EXCHANGE FROM RESTRICTED GLOBAL
NOTE TO TEMPORARY REGULATION S GLOBAL NOTE

(exchanges or transfers pursuant to
Section 6 of the Series Supplement)

Wells Fargo Bank, National Association,
as Trustee and Registration and Transfer Agent
MAC N9311-161
6th and Marquette
Minneapolis, Minnesota 55479-0700
Attention: Corporate Trust Services/Asset-Backed Administration

Re: Conn Funding II, L.P. (the "Issuer")
[__]% Asset Backed Fixed Rate
Notes, Class [__], Series 2006-A (CUSIP No. **[_____]**) (the "Notes")

Reference is hereby made to the Base Indenture, dated as of September 1, 2002 (as amended, supplemented or otherwise modified from time to time, the "Base Indenture"), between the Issuer and Wells Fargo Bank, National Association, as Trustee and the Series 2006-A Supplement thereto, dated as of August 1, 2006 (as amended, supplemented or otherwise modified from time to time, the "Series Supplement" and, together with the Base Indenture, the "Indenture"). Capitalized terms used but not defined herein shall have the meanings given to them in the Indenture.

This letter relates to $_____ principal amount of the Class [__] Notes represented by a beneficial interest in the Restricted Global Note held with DTC by or on behalf of the undersigned as beneficial owner (the "Transferor"). The Transferor has requested an exchange or transfer of its beneficial interest for an interest in the Temporary Regulation S Global Series 2006-A Note (CUSIP (CINS) No. **[_____]**) to be held with **[Euroclear] [Clearstream]** (ISIN Code **[_____]**) through DTC.

In connection with such request and in respect of such Class [__] Note, the Transferor does hereby certify that such exchange or transfer has been effected in accordance with the transfer restrictions set forth in the Class [__] Notes and the Series Supplement and pursuant to and in accordance with Regulation S and any applicable laws of the relevant jurisdiction, and accordingly the Transferor does hereby certify that:

(1) the offer of the Class [__] Notes was not made to a person in the United States;

(2) (A) at the time the buy order was originated, the transferee was outside the United States or the Transferor and any person acting on its behalf reasonably believed and believes that the transferee was outside the United States, or

(B) the transaction was executed in, on or through the facilities of a designated offshore securities market and neither the Transferor nor any person acting on its behalf knows that the transaction was prearranged with a buyer in the United States;

(3) no directed selling efforts have been made in contravention of the requirements of Rule 903(b) or 904(b) of Regulation S, as applicable;

(4) the transaction is not part of a plan or scheme to evade the registration requirements of the Securities Act; and

(5) upon completion of the transaction, the beneficial interest being transferred as described above will be held with DTC through Euroclear or Clearstream or both (ISIN Code **[**_____**]**).

This certificate and the statements contained herein are made for your benefit and the benefit of the Issuer.

[INSERT NAME OF TRANSFEROR]

By: _____

Name:
Title

Dated: _____, 2006

EXHIBIT E-4

FORM OF TRANSFER CERTIFICATE
FOR TRANSFER OR EXCHANGE FROM RESTRICTED GLOBAL
NOTE TO PERMANENT REGULATION S GLOBAL NOTE
(exchanges or transfers pursuant to
Section 6 of the Series Supplement)

Wells Fargo Bank, National Association,
as Trustee and Registration and Transfer Agent
MAC N9311-161
6th and Marquette
Minneapolis, Minnesota 55479-0700
Attention: Corporate Trust Services/Asset-Backed Administration

Re: Conn Funding II, L.P. (the "Issuer")
[__]% Asset Backed Fixed Rate
Notes, Class [__], Series 2006-A (CUSIP No. **[____]**) (the "Notes")

Reference is hereby made to the Base Indenture, dated as of September 1, 2002 (as amended, supplemented or otherwise modified from time to time, the "Base Indenture"), between the Issuer and Wells Fargo Bank, National Association, as Trustee and the Series 2006-A Supplement thereto, dated as of August 1, 2006 (as amended, supplemented or otherwise modified from time to time, the "Series Supplement" and, together with the Base Indenture, the "Indenture"). Capitalized terms used but not defined herein shall have the meanings given to them in the Indenture.

This letter relates to $_____ principal amount of the Class [__] Notes represented by a beneficial interest in the Restricted Global Note held with DTC by or on behalf of the undersigned as beneficial owner (the "Transferor"). The Transferor has requested an exchange or transfer of its beneficial interest for an interest in the Permanent Regulation S Global Note (CUSIP (CINS) No. **[_____]**).

In connection with such request and in respect of such Class [__] Notes, the Transferor does hereby certify that such exchange or transfer has been effected in accordance with the transfer restrictions set forth in the Class **[___]** Notes and the Series Supplement and pursuant to and in accordance with Regulation S and any applicable securities laws of the relevant jurisdiction and that:

(1) the offer of the Class [__] Notes was not made to a person in the United States;

(2) (A) at the time the buy order was originated, the transferee was outside the United States or the Transferor and any person acting on its behalf reasonably believed and believes that the transferee was outside the United States, or

(B) the transaction was executed in, on or through the facilities of a designated offshore securities market and neither the Transferor nor any person acting on its behalf knows that the transaction was prearranged with a buyer in the United States;

(3) no directed selling efforts have been made in contravention of the requirements of Rule 903(b) or 904(b) of Regulation S, as applicable, and

(4) the transaction is not part of a plan or scheme to evade the registration requirements of the Securities Act.

This certificate and the statements contained herein are made for your benefit and the benefit of the Issuer.

[INSERT NAME OF TRANSFEROR]

By: _____

Name:
Title

Dated: _____, 2006

EXHIBIT E-5

FORM OF TRANSFER CERTIFICATE FOR TRANSFER OR EXCHANGE FROM TEMPORARY REGULATION S GLOBAL NOTE TO RESTRICTED GLOBAL NOTE
(exchanges or transfers pursuant to Section 6 of the Series Supplement)

Wells Fargo Bank, National Association,
as Trustee and Registration and Transfer Agent
MAC N9311-161
6th and Marquette
Minneapolis, Minnesota 55479-0700
Attention: Corporate Trust Services/Asset-Backed Administration

Re: Conn Funding II, L.P. (the "Issuer")
[__]% Asset Backed Fixed Rate
Notes, Class [__], Series 2006-A (CUSIP No. **[_____]**) (the "Notes")

Reference is hereby made to the Base Indenture, dated as of September 1, 2002 (as amended, supplemented or otherwise modified from time to time, the "Base Indenture"), between the Issuer and Wells Fargo Bank, National Association, as Trustee and the Series 2006-A Supplement thereto dated as of August 1, 2006 (as amended, supplemented or otherwise modified from time to time, the "Series Supplement" and, together with the Base Indenture, the "Indenture"). Capitalized terms used but not defined herein shall have the meanings given to them in the Indenture.

This letter relates to $_____ principal amount of Class [__] Notes which are represented by a beneficial interest in the Temporary Regulation S Global Note (CUSIP) (CINS) No. [_____] with Euroclear/Clearstream[11] (ISIN Code [_____]) through DTC by or on behalf of [**the undersigned**] as beneficial owner (the "Transferor"). The Transferor has requested an exchange or transfer of its beneficial interest in the Temporary Regulation S Global Note for an interest in the Restricted Global Note (CUSIP No. **[_____]**).

In connection with such request, and in respect of the Notes, the Transferor does hereby certify that such Class [__] Notes are being transferred in accordance with Rule 144A and in compliance with any applicable state securities laws, to a transferee that is purchasing the Class [__] Notes for its own account or an account with respect to which the transferee exercises sole investment discretion and the transferee and any such account is a "qualified institutional buyer" within the meaning of Rule 144A, in each case in a transaction meeting the requirements of Rule 144A.

[11] Select appropriate depositary.

This certificate and the statements contained herein are made for your benefit and the benefit of the Issuer.

[INSERT NAME OF TRANSFEROR]

By: _____

Name:
Title

Dated: _____, 2006

SCHEDULE 1

LIST OF PROCEEDINGS

None.

SCHEDULE 2

LIST OF TRADE NAMES

None.

EXHIBIT 31.1

RULE 13a-14(a)/15d-14(a) CERTIFICATION
(CHIEF EXECUTIVE OFFICER)

I, Thomas J. Frank, Sr., certify that:

1. I have reviewed this quarterly report on Form 10-Q of Conn's, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Thomas J. Frank, Sr.

Thomas J. Frank, Sr.
Chairman of the Board
and Chief Executive Officer

Date: September 15, 2006

EXHIBIT 31.2

RULE 13a-14(a)/15d-14(a) CERTIFICATION
(CHIEF FINANCIAL OFFICER)

I, David L. Rogers, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Conn's, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ David L. Rogers

David L. Rogers
Chief Financial Officer

Date: September 15, 2006

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Conn's, Inc. (the "Company") on Form 10-Q for the period ended July 31, 2006 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), we, Thomas J. Frank, Sr., Chairman of the Board and Chief Executive Officer of the Company and David L. Rogers, Chief Financial Officer of the Company, hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of our knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Thomas J. Frank Sr.

Thomas J. Frank, Sr.
Chairman of the Board and
Chief Executive Officer

/s/ David L. Rogers

David L. Rogers
Chief Financial Officer

Dated: September 15, 2006

A signed original of this written statement required by Section 906 has been provided to Conn's, Inc. and will be retained by Conn's, Inc. and furnished to the Securities and Exchange Commission or its staff upon request. The foregoing certification is being furnished solely pursuant to 18 U.S.C. Section 1350 and is not being filed as part of the Report or as a separate disclosure document.

SUBCERTIFICATION OF CHIEF OPERATING OFFICER IN SUPPORT OF
RULE 13a-14(a)/15d-14(a) CERTIFICATION (CHIEF EXECUTIVE OFFICER)

I, William C. Nylin Jr., certify that:

1. I have reviewed this quarterly report on Form 10-Q of Conn's, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ William C. Nylin, Jr.

William C. Nylin, Jr.
Executive Vice-Chairman of the Board and
Chief Operating Officer

Date: September 15, 2006

SUBCERTIFICATION OF TREASURER IN SUPPORT OF RULE 13a-14(a)/15d-14(a) CERTIFICATION (CHIEF FINANCIAL OFFICER)

I, David R. Atnip, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Conn's, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ David R. Atnip

David R. Atnip
Senior Vice President and Treasurer

Date: September 15, 2006

SUBCERTIFICATION OF SECRETARY IN SUPPORT OF RULE 13a-14(a)/15d-14(a) CERTIFICATION (CHIEF EXECUTIVE OFFICER)

I, Sydney K. Boone, Jr., certify that:

6. I have reviewed this quarterly report on Form 10-Q of Conn's, Inc.;

7. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

8. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

9. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

10. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Sydney K. Boone, Jr.

Sydney K. Boone, Jr.
Corporate General Counsel and Secretary

Date: September 15, 2006

SUBCERTIFICATION OF CHIEF OPERATING OFFICER,
TREASURER AND SECRETARY IN SUPPORT OF
18 U.S.C. SECTION 1350 CERTIFICATION,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Conn's, Inc. (the "Company") on Form 10-Q for the period ended July 31, 2006 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), we, William C. Nylin, Jr., President and Chief Operating Officer of the Company, David R. Atnip, Senior Vice President and Treasurer of the Company, and Sydney K. Boone, Jr., Corporate General Counsel and Secretary of the Company, hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of our knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ William C. Nylin, Jr.

William C. Nylin, Jr.
Executive Vice-Chairman of the Board and
Chief Operating Officer

/s/ David R. Atnip

David R. Atnip
Senior Vice President and Treasurer

/s/ Sydney K. Boone, Jr.

Sydney K. Boone, Jr.
Corporate General Counsel and Secretary

Dated: September 15, 2006

A signed original of this written statement has been provided to Conn's, Inc. and will be retained by Conn's, Inc. The foregoing certification is being furnished solely to support certifications pursuant to 18 U.S.C. Section 1350 and is not being filed as part of the Report or as a separate disclosure document.