CONNS INC
Form DEF 14A
April 25, 2007

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UNITED STATES SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
SCHEDULE 14A
Proxy Statement Pursuant to Section 14(a) of the Securities Exchange Act of 1934

Filed by the Registrant: þ

Filed by a Party other than the Registrant o

Check the appropriate box:

o Preliminary Proxy Statement

o Confidential, for use of the Commission only (as permitted by Rule 14a-6(e)(2))

þ Definitive Proxy Statement

o Definitive Additional Materials

o Soliciting Material Pursuant to Rule 14a-12

Conn s, Inc.

(Name of Registrant as Specified in Its Charter)

N/A

(Name of Person(s) Filing Proxy Statement, if Other Than the Registrant)

Payment of Filing Fee (Check the appropriate box):

þ No fee required.

o Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

1) Title of each class of securities to which transaction applies:

2) Aggregate number of securities to which transaction applies:

3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

4) Proposed maximum aggregate value of transaction:

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o Fee paid previously with preliminary materials.

o Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the form or schedule and the date of its filing.

1) Amount Previously Paid:

2) Form, Schedule or Registration Statement No.:

3) Filing Party:

4) Date Filed:

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CONN S, INC.
3295 College Street
Beaumont, Texas 77701
(409) 832-1696
NOTICE OF 2007 ANNUAL MEETING OF STOCKHOLDERS
To Be Held May 30, 2007

To the Stockholders of Conn s, Inc.:

NOTICE IS HEREBY GIVEN that the 2007 annual meeting of stockholders of Conn s, Inc. will be held on Wednesday, May 30, 2007, at 3295 College Street, Beaumont, Texas 77701, commencing at 10:00 A.M. local time, for the following purposes:

1. to elect nine (9) directors;

2. to ratify the Audit Committee s appointment of Ernst & Young, LLP as our independent public accountants for the fiscal year ending January 31, 2008; and

3. to transact such other business as may properly come before the meeting.

A copy of the proxy statement relating to the 2007 annual meeting of stockholders, in which the foregoing matters are described in more detail, and our Annual Report on Form 10-K outlining our operations for the fiscal year ended January 31, 2007, accompanies this notice of 2007 annual meeting of stockholders. For your additional convenience, the Company is posting a copy of this Proxy Statement and the Annual Report on Form 10-K for the fiscal year ended January 31, 2007 on the Company s website at www.conns.com, under investor relations annual meeting information .

Only stockholders of record at the close of business on April 13, 2007 are entitled to notice of and to vote at the 2007 annual meeting of stockholders or any adjournment thereof. A list of such stockholders, arranged in alphabetical order and showing the address of and the number of shares registered in the name of each such stockholder, will be available for examination by any stockholder for any purpose relating to the meeting during ordinary business hours for a period of at least ten days prior to the meeting at the principal offices of the Company located at 3295 College Street, Beaumont, Texas 77701.

Your vote is important. Whether or not you expect to be present at the meeting, please complete, sign, date and return promptly the enclosed form of proxy in the enclosed pre-addressed, postage-paid return envelope.

By Order of the Board of
Directors,

/s/ Sydney K. Boone, Jr.

SYDNEY K. BOONE, JR.
Secretary

April 25, 2007
Beaumont, Texas

This proxy statement is first being mailed to our stockholders on or about April 27, 2007.

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PROXY STATEMENT
2007 ANNUAL MEETING OF STOCKHOLDERS

Date:	May 30, 2007
Time:	10:00 A.M. local time
Location:	Conn s, Inc., 3295 College Street, Beaumont, Texas 77701
Record Date and Number of Votes:	April 13, 2007. Holders of our common stock are entitled to one vote for each share of common stock they owned as of the close of business on April 13, 2007. You may not cumulate votes.
Agenda:	1. to elect nine directors; 2. to ratify the Audit Committee s appointment of Ernst & Young, LLP as our independent public accountants for the fiscal year ending January 31, 2008; and 3. to transact such other business as may properly come before the meeting.
Proxies:	Unless you tell us on the enclosed form of proxy to vote differently, we will vote signed returned proxies FOR the board nominees. The proxy holders will use their discretion on other matters. If a nominee cannot or will not serve as a director, the proxy holders will vote for a person whom they believe will carry on our present policies.
Proxies Solicited By:	The Board of Directors
First Mailing Date:	We are first mailing this Proxy Statement and the form of proxy on or about April 27, 2007.
Revoking Your Proxy:	You may revoke your proxy before it is voted at the meeting. To revoke your proxy, follow the procedures listed on page 2 under General Information Regarding the 2007 Annual Meeting of Stockholders; Revocation of Proxies.

PLEASE VOTE BY RETURNING YOUR PROXY. YOUR VOTE IS IMPORTANT.
Prompt return of your proxy will help reduce the costs of re-solicitation.

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GENERAL INFORMATION REGARDING THE 2007 ANNUAL MEETING OF STOCKHOLDERS

Quorum

The holders of a majority of the outstanding shares of common stock entitled to vote at the 2007 annual meeting of stockholders, represented in person or by proxy, will constitute a quorum at the meeting. However, if a quorum is not present or represented at the meeting, the stockholders entitled to vote at the meeting, present in person or represented by proxy, have the power to adjourn the meeting, without notice, other than by announcement at the meeting, until a quorum is present or represented. At any such adjourned meeting at which a quorum is present or represented, any business may be transacted that might have been transacted at the original meeting.

Votes Required to Approve Proposals

To be elected, directors must receive a plurality of the shares voting in person or by proxy, provided a quorum exists. A plurality means receiving the largest number of votes, regardless of whether that is a majority. A majority of the votes cast is required to approve the ratification of Ernst & Young, LLP as our independent public accountants, provided a quorum exists.

Record Date, Shares Outstanding and Number of Votes

Only stockholders of record as of the close of business on April 13, 2007, the record date set for the meeting by our board, are entitled to notice of and to vote at the meeting or any adjournments of the meeting. On the record date, there were 23,543,160 shares of our common stock issued and outstanding and entitled to vote. Each share of common stock entitles the holder to one vote per share.

Method of Counting Votes, Abstentions and Broker Non-Votes

Votes cast by proxy or in person will be counted by the inspector of election appointed by the Company.

Those who fail to return a proxy or who do not attend the meeting will not count towards determining any required quorum, plurality or majority of votes cast. Stockholders and brokers returning proxies or attending the meeting who abstain from voting on the election of directors or on the proposal to ratify Ernst & Young, LLP as our independent public accountants will count towards determining a quorum. Such abstentions will have no effect on the election of our directors and will not impact how the shares in the Conn s Voting Trust are voted, which votes in the same proportion as the votes cast for and against a proposal by all other shareholders, not counting abstentions.

Brokers holding shares of record for customers generally are not entitled to vote on certain matters unless they receive voting instructions from their customers. Brokers are permitted to vote on routine, non-controversial proposals in instances where they have not received voting instructions from the beneficial owner of the stock, *e.g.*, ratification of independent public accountants, but are not permitted to vote on non-routine matters. In the event that a broker does not receive voting instructions for non-routine matters, a broker may notify us that it lacks voting authority to vote those shares. These broker non-votes refer to votes that could have been cast on the matter in question by brokers with respect to uninstructed shares if the brokers had received their customers instructions. The inspector of election will treat broker non-votes as shares that are present and entitled to vote for the purpose of determining the presence of a quorum. However, for the purpose of determining the outcome of any matter as to which the broker has indicated on the proxy that it does not have discretionary authority to vote, those shares will be treated as not present and not entitled to vote with respect to that matter (even though those shares are considered entitled to vote for quorum purposes and may be entitled to vote on other matters). These broker non-votes will have no effect on the outcome of the election of our directors or on the proposal to ratify Ernst & Young, LLP as our independent public accountants.

How the Proxies Will Be Voted

The enclosed proxies will be voted in accordance with the instructions you place on the form of proxy. Unless you tell us on the enclosed form of proxy to vote differently, we will vote signed returned proxies FOR the board nominees and FOR ratification of the selection of Ernst & Young as our independent public accountants for our fiscal year ending January 31, 2008 . The proxy holders will use their discretion on other matters. If a nominee cannot or will not serve as a director, the proxy holders will vote for a person whom they believe will carry on our present policies.

Pursuant to the terms of a voting trust agreement entered into by Stephens Group, Inc., Stephens Inc. and certain affiliates of Stephens Inc., which collectively own approximately 47% of our common stock, unless the voting trust is revoked, the trustee of the voting trust must vote the shares of common stock held by the voting trust FOR or AGAINST any proposal or other matter submitted to the stockholders of the company for approval in the same proportion as the votes cast FOR and AGAINST such proposal or other matter by all other stockholders, not counting abstentions. Therefore, each proxy received voting FOR or AGAINST any proposal will result in a proportionate number of shares held in the voting trust to be voted FOR or AGAINST a proposal. Abstentions and broker non-votes will not impact how the shares in the voting trust are counted.

Revocation of Proxies

You may revoke your proxy before it is voted. Any stockholder returning the enclosed form of proxy may revoke such proxy at any time prior to its exercise by:

- delivering a signed proxy, dated later than the original proxy, to our transfer agent, Computershare., at 250 Royall Street, Canton, Massachusetts 02021, Attention: Patrick E. Thebado (please make sure our transfer agent receives your proxy at least two business days prior to the date of the meeting);

- delivering a signed, written revocation letter, dated later than the proxy, to our transfer agent, Computershare, at 250 Royall Street, Canton, Massachusetts 02021, Attention: Patrick E. Thebado (please make sure our transfer agent receives your revocation letter at least two business days prior to the date of the meeting); or

- attending the meeting and voting in person (attending the meeting alone will not revoke your proxy).

Your last vote is the vote that will be counted.

Stockholder Proposals and Other Business

From time to time, stockholders seek to nominate directors or present proposals for inclusion in our proxy statement and form of proxy for consideration at an annual meeting of stockholders. To be included in our proxy statement and form of proxy or considered at our next annual meeting, you must timely submit nominations of directors or proposals, in addition to meeting other legal requirements. We must receive your nominations and/or proposals for the 2008 annual meeting no later than December 29, 2007 for possible inclusion in the proxy statement or for possible consideration at the meeting no earlier than December 29, 2007 or later than January 28, 2008. However, if the date of the 2008 annual meeting changes by more than 30 days from the date of this year s meeting, then we must receive your nominations and/or proposals within a reasonable time before we begin to print and mail our proxy materials.

We do not intend to bring any business before the 2007 annual stockholders meeting other than the matters described in this proxy statement nor have we been informed of any matters that may be presented at the meeting by others. If however, any other business should properly arise, the persons appointed in the enclosed proxy have discretionary authority to vote in accordance with their best judgment.

Solicitation of Proxies

The cost of soliciting proxies will be borne by the Company. In addition to the solicitation of proxies by mail, solicitation may be made by our directors, officers and employees by other means, including telephone, email or in person. No special compensation will be paid to directors, officers or employees for the solicitation of proxies. To solicit proxies, we also will request the assistance of banks, brokerage houses and other custodians, nominees or fiduciaries, and, upon request, will reimburse such organizations or individuals for their reasonable expenses in forwarding soliciting materials to beneficial owners and in obtaining authorization for the execution of proxies.

Annual Report

The booklet containing this proxy statement also contains our Annual Report to Stockholders on Form 10-K, including audited consolidated financial statements for the year ended January 31, 2007. The booklet has been mailed to all stockholders of record as of the close of business on April 13, 2007. Any stockholder that has not received a copy of our annual report may obtain a copy, without charge, by writing to us at 3295 College Street, Beaumont, Texas 77701, Attention: Sydney K. Boone, Jr., Corporate General Counsel. You may also obtain a copy of this proxy statement and Form 10-K together with all of our SEC filings through the Company s website at www.conns.com and at the SEC s website at www.sec.gov.

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PROPOSALS FOR STOCKHOLDER ACTION
PROPOSAL ONE:
ELECTION OF DIRECTORS

Number of Directors to be Elected

Our board is currently constituted with nine director positions, all of which positions are to be elected at the 2007 annual meeting of stockholders. The nine directors elected at the annual meeting will hold office until the 2008 annual meeting of stockholders or until their respective successors have been elected and qualified or their earlier death resignation or removal. You may not vote for a greater number of directors than those nominated.

Board Nominees

Our board of directors met in March 2007 and considered the candidates for election to the board at the 2007 annual meeting. A majority of our independent directors recommended that the board nominate:

Thomas J. Frank, Sr.
Marvin D. Brailsford
Jon E.M. Jacoby
Bob L. Martin
Douglas H. Martin
William C. Nylin, Jr.
Scott L. Thompson
William T. Trawick
Theodore M. Wright

for re-election to the Board at the 2007 annual meeting. Each of the nominated directors were elected and served on the board of directors from the 2006 annual meeting. In making these recommendations, the independent directors considered the requirements and qualifications discussed under Board of Directors; Nominating Policies on page 11 of this Proxy Statement. Based on this recommendation, our board has nominated:

Thomas J. Frank, Sr.
Marvin D. Brailsford
Jon E.M. Jacoby
Bob L. Martin
Douglas H. Martin
William C. Nylin, Jr.
Scott L. Thompson
William T. Trawick
Theodore M. Wright

to be elected by the stockholders at the 2007 annual meeting. All nominees have consented to serve as directors. The board has no reason to believe that any of the nominees will be unable or unwilling to act as a director. In the event any of these nominated directors is unable to stand for election, the board of directors may either reduce the size of the board or designate a substitute.

For biographical information regarding each of the board s nominees for director, please refer to Board of Directors; Board Nominees on page 6 of this Proxy Statement.

We Recommend That You Vote For Each Of The Board Nominees.

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PROPOSAL TWO:
RATIFICATION OF THE SELECTION OF INDEPENDENT PUBLIC ACCOUNTANTS

Ernst & Young LLP served as our independent public accountants for the fiscal year ended January 31, 2007. The Audit Committee of the Board has selected Ernst & Young, LLP as our independent public accountants for the fiscal year ending January 31, 2008. Our Board of Directors has further directed that we submit the selection of our independent public accountants for ratification by the stockholders at the 2007 Annual Meeting. Stockholder ratification of the selection of Ernst & Young, LLP as our independent public accountants is not required by our Bylaws or otherwise. However, the Board is submitting the selection of Ernst & Young, LLP to the stockholders for ratification as a matter of good corporate practice. The Audit Committee believes it to be in the best interests of our stockholders to retain Ernst & Young, LLP as our independent public accountants for the fiscal year ended January 31, 2008. If the stockholders fail to ratify the selection, the Audit Committee will reconsider whether or not to retain Ernst & Young, LLP. Even if the selection is ratified, the Audit Committee in its discretion may direct the appointment of a different independent public accounting firm at any time during the year if they determine that such a change would be in our best interests and those of our stockholders. The Audit Committee annually reviews the performance of our independent public accountants and the fees charged for their services. The Audit Committee anticipates, from time to time, obtaining competitive proposals from other independent public accounting firms for our annual audit. Based upon the Audit Committee s analysis of this information, we will determine which independent public accounting firms to engage to perform our annual audit each year. Representatives of Ernst & Young, LLP will attend the 2007 annual meeting of stockholders and will be available to respond to appropriate questions that may be asked by stockholders. These representatives will also have an opportunity to make a statement at the meeting if they desire to do so.

We Recommend That You Vote For the Ratification of Ernst & Young, LLP As Our Independent Public Accounting Firm.

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BOARD OF DIRECTORS

Board of Director Nominees:

Thomas J. Frank, Sr. was appointed as our Chairman of the Board and Chief Executive Officer in 1994. He has been employed by us for 47 years, has been a member of our board of directors since 1980 and has held every key management position within the organization, including responsibilities for distribution, service, credit, information technology, accounting and general operations. Mr. Frank holds a B.A. degree in industrial arts from Sam Houston State University and attended graduate courses at Texas A&M University. Mr. Frank completed the SCMP course at Harvard University. Mr. Frank is 67years old.

Marvin D. Brailsford has served as a director since September 2003. From 1996 until 2002, General Brailsford served as Vice President-Material Stewardship Project Manager for the U.S. government s Rocky Flats Environmental Technology Site where he was responsible for managing engineered systems and commodities purchasing. From 1992 to 1996, General Brailsford was president of the Brailsford Group, Inc., a management consulting company, and served as president of Metters Industries, Inc., an information technology and systems engineering company, during this time period. In 1992, he retired from the U.S. Army as a Lieutenant General, after 33 years of service, most recently where he served as Deputy Commanding General Materiel Readiness/Executive Director for Conventional Ammunition at the U.S. Materiel Command in Alexandria, Virginia. Since 1996, General Brailsford has served on the board of directors of Illinois Tool Works, Inc. and has been a member of its audit committee and chairman of its corporate governance and nominating committee. He also serves or has served on the boards of directors of various private and governmental entities. General Brailsford earned a B.S. degree in biology from Prairie View A & M University and a M.S. degree in bacteriology from Iowa State University. He is also a graduate of the Executive Program at the Graduate School of Business Administration, University of California at Berkley; Harvard University s John F. Kennedy School of Government; the U.S. Army Command and General Staff College; and the Army War College. General Brailsford is 68 years old.

Jon E. M. Jacoby has served as a director since April 2003. In September 2006 Mr. Jacoby was elected Vice Chairman and Senior Principal of Stephens Group LLC, a family-owned investment company, and, on June 30, 2006, was elected as Executive Vice President of SF Holdings, Inc., formerly known as The Stephens Group, Inc. In September 2003, he retired as a Vice Chairman of Stephens Inc., where he was employed since 1963. His positions included Investment Analyst, Assistant to the President and Manager of the Corporate Finance Department and the Special Investments Department for Stephens Group, Inc. Mr. Jacoby serves on the board of directors of Delta and Pine Land Company, Power-One, Inc. and Eden Bioscience Corporation. He received his B.S. from the University of Notre Dame and his M.B.A. from Harvard Business School. Mr. Jacoby is 68 years old.

Bob L. Martin has served as director since September 2003. Mr. Martin has over 32 years of retailing and merchandising experience. Prior to retiring from the retail industry in 1999, he headed the international operations of Wal-Mart International, Inc. for 15 years. From 1968 to 1983 Mr. Martin was responsible for technology services for Dillard s, Inc. He currently serves on the board of directors of Gap, Inc., Sabre Holdings Corporation, Furniture Brands International and Guitar Center, Incorporated. He has experience as chairman of the corporate governance committee and compensation committee, and has been a member of the audit committee of publicly held companies. Mr. Martin attended South Texas University and holds an honorary doctorate degree from Southwest Baptist University. Mr. Martin is 58 years old.

Douglas H. Martin has served as a director of the predecessor to the Company since 1998, and was appointed a director of the Company in September 2003, when it became a publicly held entity. Mr. Martin is an Executive Vice President of Stephens Inc. where he has been employed since 1981. He is responsible for the investment of the firm s capital in private companies. Mr. Martin serves as a member of the board of directors of numerous privately held companies. He received his B.A. in physics and economics from Vanderbilt University and his M.B.A. from Stanford University. Mr. Martin is 53 years old.

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William C. Nylin, Jr. was appointed to our board as Executive Vice Chairman of the Board by the board of directors on March 28, 2006, to fill the newly created ninth board position. Dr. Nylin has served as our Chief Operating Officer since 1995. From 1995 until April 1, 2006, Dr. Nylin also served as our President. He was a director of the predecessor to the Company commencing in 1993, and remained a member until September 2003, when the Company became a publicly held entity. In addition to responsibilities as Executive Vice Chairman and Chief Operating Officer, Dr. Nylin has direct responsibility for credit granting and collections, information technology, risk management, distribution, and service. From 1984 to 1995, Dr. Nylin held several executive management positions, including Deputy Chancellor and Executive Vice President of Finance and Operation, at Lamar University in Beaumont, Texas. Dr. Nylin obtained his B.S. degree in mathematics from Lamar University, and holds both a masters and doctorate degree in computer sciences from Purdue University. He has also completed a post-graduate program at Harvard University. Dr. Nylin is 64 years old.

Scott L. Thompson has served as a director since June 2004. Mr. Thompson is recently retired from Group 1 Automotive where he played a major role in the founding and subsequent growth of that New York Stock Exchange listed and Fortune 500 Company. He served as Executive Vice President, Chief Financial Officer and Treasurer of Group 1 from February 2002 until his retirement in January 2005. From 1996 until February 2002, Mr. Thompson served as Senior Vice President, Chief Financial Officer and Treasurer of Group 1. From 1991 to 1996, Mr. Thompson served as Executive Vice President, Operations and Finance for KSA Industries, Inc., a billion dollar diversified enterprise with interests in automotive retailing, investments, energy and professional sports. Mr. Thompson is also a director of UAP Holding Corp. and Houston Wire and Cable. Mr. Thompson has extensive experience in automotive retailing, investments, energy and professional sports and is a certified public accountant. Mr. Thompson is 48 years old.

William T. Trawick has served as a director of the Company since September 2003, when the Company became a publicly held entity. Since August 2000, Mr. Trawick has served as Executive Director of NATM Buying Corporation where he oversees the administrative activities of the multi-billion dollar regional group purchasing program of which we are a member. He also functioned as a consultant to our merchandising department until September, 2006. From September 1996 to July 1999, Mr. Trawick served as our Vice President of Merchandising and was responsible for all product purchasing, merchandising and store operations. Mr. Trawick is 60 years old.

Theodore M. Wright has served as a director since September 2003, when the Company became a publicly held entity. Mr. Wright served as the President of Sonic Automotive, Inc., a New York Stock Exchange listed and Fortune 300 automotive retailer, from October 2002 until his retirement in April 2005. Previously Mr. Wright served as its chief financial officer from April 1997 to April 2003. From 1995 to 1997, Mr. Wright was a Senior Manager in Deloitte & Touche LLP s Columbia, South Carolina office. From 1994 to 1995, he was a Senior Manager in Deloitte & Touche LLP s National Office of Accounting Research and SEC Services Department. Mr. Wright received a B.A. from Davidson College. Mr. Wright is 44 years old.

These directors will serve one year terms which expire at our 2008 annual meeting of stockholders.

Nomination Policies and Procedures Governance

In preparation of our initial public offering, we conducted a thorough process of selecting qualified directors for our board. All directors whose terms expire at this annual meeting, except Mr. Jacoby, Dr. Nylin, and Mr. Thompson, were appointed in September 2003 in preparation for that offering. Mr. Jacoby was appointed to our board in April 2003, Mr. Thompson was appointed to our board in June 2004, and Dr. Nylin was appointed to our Board in March 2006. We do not currently have a standing nominating committee. Our board believes that at this time it would not be a prudent use of our board s resources to have a separate nominating committee and those resources are better utilized on our other committees and board functions. Thus, in accordance with Nasdaq rules, a majority of our independent directors recommend and will continue to recommend director nominees for the board s selection.

The goal of our board has been, and continues to be, to identify nominees for service on the board of directors who will bring a variety of perspectives and skills from their professional and business experience. In furtherance of this goal, our board has adopted nominating policies and procedures which are available on our website at www.conns.com under Investor Relations Governance . The independent directors will consider candidates for nomination proposed by stockholders so long as they are made in accordance with the provisions of Section 2.14 of our Bylaws.

For the independent directors to consider candidates recommended by stockholders, Section 2.14 of our Bylaws requires that the stockholder provide written notice to our Secretary no later than the close of business on the ninetieth (90^{th}) day nor earlier than the close of business on the one hundred twentieth (120^{th}) day prior to the anniversary date of the proxy statement for the immediately preceding annual meeting of the stockholders. The notice to our Secretary must set forth (a) as to each person whom the stockholder proposes to nominate for election or re-election as a director, information relating to such person that is required to be disclosed in solicitations of proxies for election of directors, or is otherwise required, in each case pursuant to Regulation 14A under the Securities Exchange Act of 1934 (including such person s written consent to being named in the proxy statement as a nominee and to serve as a director if elected); (b) as to any other business that the stockholder proposes to bring before the meeting, a brief description of such business, the reasons for conducting such business at the meeting and any material interest in the business by the stockholder and the beneficial owner, if any, on whose behalf the proposal is made; and (c) as to the stockholder giving the notice and the beneficial owner, if any, on whose behalf the nomination or proposal is made (i) the name and address, as they appear on the company s books, of such stockholder and beneficial owner; and (ii) the class and number of shares of the company that are owned beneficially and held of record by such stockholder and such beneficial owner. Notwithstanding this procedure, the Board may, in its discretion, exclude from any proxy materials set to stockholders any matters that may properly be excluded under the Exchange Act, Securities and Exchange Commission rules or other applicable laws.

The independent directors believe that the minimum requirements for a person to be qualified to be a member of the board of directors, are that a person must (i) be an individual of the highest character and integrity and have an inquiring mind, vision, a willingness to ask hard questions and the ability to work well with others; (ii) be free of any conflict of interest that would violate any applicable law or regulation or interfere with the proper and reasonable performance of the responsibilities of a director; (iii) be willing and able to devote sufficient time to the affairs of the company and be diligent in fulfilling the responsibilities of a director and board committee member (including developing and maintaining sufficient knowledge of the company and its industry; reviewing and analyzing reports and other information important to the board and committee responsibilities; preparing for, attending and participating in board and committee meetings; and satisfying appropriate orientation and continuing education guidelines); and (iv) have the capacity and desire to represent the balanced, best interest of the stockholders as a whole and not primarily a special interest group or constituency. The independent directors evaluate whether certain individuals possess the foregoing qualities and recommends to the board for nomination candidates for election or re-election as directors at the annual meeting of stockholders, or if applicable, at a special meeting of stockholders. This process is the same regardless of whether the nominee is recommended by our board or one of our stockholders.

Independent Board Composition

Nasdaq requires that a majority of the board of directors of a listed company be independent . Nasdaq s rules provide that an independent director is a person other than an officer or employee of the company or its subsidiaries or any other individual having a relationship that, in the opinion of the company s board of directors, would interfere with the exercise of independent judgment in carrying out the responsibilities of a director. Utilizing and applying the rules of Nasdaq as to whether a director is considered to not be independent, the board has determined during fiscal 2007 that the following directors are independent as defined by NASD listing standards: Marvin D. Brailsford, Jon E.M. Jacoby, Bob L. Martin, William T. Trawick, Scott L. Thompson, and Theodore M. Wright.

In the course of determination of each director s independence, the board considered Mr. Jacoby s service as Vice Chairman and Senior Principal of Stephens Group LLC, a merchant banking firm, and as Executive Vice President of SF Holdings, Inc. Warren Stephens owns 50% of SF Holdings, Inc. and the other 50% is owned by the owners of Stephens Group LLC. Stephens Group, LLC and SF Holdings, Inc. were each a part of the Stephens Group, Inc., which, along with certain affiliates and family members of the Stephens Family beneficially, own approximately 47% percent of the outstanding shares of Conn s, together with Mr. Jacoby s direct and indirect ownership of common stock of Conn s. Warren Stephens owns 100% of Stephens Inc., the former investment banking group of Stephens Group, Inc.

Mr. Jacoby retired from Stephens Group, Inc. in 2003, but continued to serve as a director of Stephens Group, Inc. until 2006. Until 2006, Stephens Group, Inc. owned Stephens, Inc. Stephens, Inc. has provided investment banking and brokerage services to us in the past. After taking into account such positions held by Mr. Jacoby with a significant shareholder, given his exercise of independent judgment as one of our directors over the years, the fact that Mr. Jacoby is not involved with Stephens, Inc., the investment banking firm, and his lack of control of the voting of common stock, our board of directors determined that above-described relationship would not interfere with the exercise of his independent judgment in carrying out his responsibilities as one of our directors.

The independent directors of the board held executive sessions at each meeting of the board of directors during fiscal 2007.

Board Meetings

During fiscal 2007, the board held four regularly scheduled meetings and one telephonic meeting. Each person serving as a director during fiscal 2007 attended at least seventy-five percent (75%) of the board meetings held during the period he served as director during fiscal 2007, except for Bob L. Martin who attended sixty percent (60%) of the board meetings.

Policy Regarding Director Attendance at the Annual Meeting of Stockholders

It is our policy that each member of the board of directors is encouraged to attend our annual meeting of stockholders. Each director serving at the time of last year s annual meeting attended our annual meeting of stockholders.

Committees of the Board

Audit Committee

The Audit Committee recommends the appointment of our independent auditors. It also approves audit reports and plans, accounting policies, audit fees and certain other expenses. In connection with the rules adopted by the SEC and NASD, we adopted a written charter for the Audit Committee, which is posted on our website at www.conns.com under Investor Relations . The Audit Committee reviews and reassesses the adequacy of the written charter on an annual basis.

Messrs. Wright, Brailsford and Thompson serve on the Audit Committee. The Audit Committee held four regularly scheduled meetings and five telephonic meetings in fiscal 2007, each of which was attended by all of the members, and one unanimous written consent in lieu of meeting which was executed by all members of the Committee. The board has determined that each of Mr. Wright and Mr. Thompson is an audit committee financial expert as defined by SEC rules. In addition, each of the members of the Audit Committee is independent as defined by the NASD listing standards and the Sarbanes-Oxley Act of 2002.

Compensation Committee

The Compensation Committee establishes, reviews and approves the CEO compensation package, and reviews and approves other senior executive officer compensation. It also evaluates the compensation plans, policies and programs to the executive officers of the company and makes recommendations to the board of directors concerning such plans, policies and programs, advises the board regarding compensation plans, policies and programs applicable to non-employee directors for their services as a director and administers the Company s stock option, stock purchase and other plans. The Compensation Committee also evaluates the competitiveness of our compensation and the performance of our executive officers, including our Chief Executive Officer. In connection with the rules adopted by the SEC and NASD, the Company adopted a written charter for the Compensation Committee, which is posted on our website at www.conns.com under Investor Relations.

Messrs. Jacoby, Trawick, and Wright serve on the Compensation Committee. The Compensation Committee held four regular meetings in fiscal 2007 and one telephonic meeting, each of which was attended by all members of the Committee. All members of the Compensation Committee

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were determined to be independent directors as defined by NASD regulations. Additional information on the Committee s processes and procedures for consideration of executive compensation are addressed in the Compensation Discussion and Analysis section of this proxy statement below.

COMPENSATION DISCUSSION AND ANALYSIS

Overview

We have developed a compensation program for executives and key employees designed to: (i) reward performance that increases the value of our common stock; (ii) attract, retain and motivate executives and key employees with competitive compensation opportunities; and (iii) build and encourage ownership of our shares of common stock. Toward these goals, our compensation program has been designed and implemented to reward our executives for strong financial and operating performance and leadership attributes and examples, and to coordinate these criteria with those of our shareholders. These goals are intended to reward our executive officers and encourage their long term commitment to the Company. We believe that our compensation programs, consisting of base salary, annual bonus programs tied to the objective success of our Company s financial performance, and equity incentive compensation program through granting of stock options tied to the executive officers performance and retention desires, fulfill our objectives.

Objectives/Reward

Reward Performance: The Company s performance is a key consideration in determining executive compensation, combined with the continued performance and service to the Company by each executive officer over an extended period of time in the accomplishment of strategic direction and goals, including specific business objectives. While our compensation policy recognizes that stock price performance is one measure of performance, given industry business conditions and our long-term strategic direction and goals, it may not necessarily be the best current measure of executive performance. The Company compensation packages are based upon a company-wide compensation structure that emphasizes bonus compensation based upon company pre-tax income performance and is consistent for each position relative to its authority and responsibility.

Attract, Retain and Motivate: Our Company designs our compensation program with the goal to obtain and retain the benefits of excellent executives in our Company s significant areas of operations sales, merchandising, distribution, product service, consumer credit and training. We understand that we must be competitive within our industry, and must provide long-term compensation as part of our overall compensation program, including the extended vesting periods of five (5) years for our stock option programs for all but three of our employees. This equity compensation aligns our executive officers goals with those of our shareholders, in providing for long term growth and related compensation.

Encourage Ownership of our Shares of Common Stock: Equally important in our compensation objectives is our desire for our executive officers to obtain and benefit from ownership of our common stock. This is accomplished through the deferred vesting of our stock option program, as explained above, and the resulting accumulation of shares of common stock by our executive officers.

Elements of and Determining Compensation

Our compensation program consists of three basic elements: (i) base salary; (ii) bonus (both predetermined and individual performance based); and (iii) equity awards. These components work together in determining the overall compensation of our executive officers.

For each of these elements, with the exception of the CEO, the Compensation Committee in making its final determination, receives recommendations from our Chief Executive Officer, or CEO, and our Chief Operating Officer, or COO, of the amounts and timing of each, based upon their respective day to day working knowledge of the performance of each individual and each such individuals areas of responsibility and expectations for future performance and rewards. The Compensation Committee alone determines the compensation of the CEO. The Compensation Committee also relies on its explicit knowledge of the industry and the Company s peers in determining the final salary, bonus and equity awards on a comparative basis as deemed appropriate and necessary to reward and maintain the executives as an integral part of the Company s executive team and its overall performance and achievements.

Base Salary: Each executive officer receives a base salary determined by the Compensation Committee to be commensurate with the officer s area of responsibility and that officer s areas of responsibility in relation to the performance of the Company as a whole. The determination of this component is made at the first Compensation Committee meeting during the Company s fiscal year, and is set for the ensuing fiscal year, or at other meetings as deemed necessary by the Compensation Committee. When the base is determined, it is designed to provide the executive officer with a competitive and equitable living salary.

Bonus: The Compensation Committee establishes our bonus program for all executive officers and other employees of the Company, after receiving recommendations from the CEO and the COO for each individual executive officer and employee with the exception of the CEO. The bonus program is based on the Company s achievement of predetermined profit goals for the next ensuing fiscal year. Individual executive officers and other employees levels of bonus, is recommended by the CEO and the COO, and determined by the Compensation Committee based upon that officer or employee s level of responsibility and ability to affect the performance of his area of responsibility and the Company s performance. At the end of each fiscal year, the Compensation Committee may additionally establish individual performance bonus awards for each executive officer and employee upon recommendation by the CEO and the COO. The Compensation Committee approves the final dispensation of all bonus awards under the plan. The bonus level determination is made by the Compensation Committee at the first Committee meeting of each fiscal year for that fiscal year. The base bonus program is pre-determined based upon financial profit goals of the Company based upon level of financial performance for the applicable bonused fiscal year over that of the previous fiscal year. The bonuses will vary from year to year. For example, during the Company s fiscal year 2006, bonuses determined by the Compensation Committee utilizing these standards were increased through the individual performance of executive officers and employees on the Company s performance and the Company s attainment of high profitability as a partial result of the positive effects of Hurricanes Rita and Katrina on the Gulf Coast, while the actual bonuses paid during fiscal 2007 were at a lower level due to the use of the 2006 fiscal year financial performance as a base for the 2007 profit goals..

Equity Awards: The Company utilizes its 2003 Amended and Restated Stock Option Plan to grant stock options to executive officers and other employees to reward and retain them through the potential of capital gains and equity buildup in the Company. The Compensation Committee determines the number of stock options to be granted to individuals at its committee meeting following the Company s third fiscal quarter of each year, and, if necessary, in subsequent telephonic meetings if necessary to finalize the grants. The number of options approved by the Compensation Committee for each individual is a part of the total number of options approved by the Compensation Committee to be distributed to all employees, with the exception of the CEO, based on the Compensation Committee s experience and discussions with and recommendations by our CEO and COO. These grants are also partially based on the individual s deemed value to the Company and the grants previously made to that individual. The exercise price of each grant is the closing price of our common stock on the date of the approval of the grant. For newly hired executive officers and other employees, we may grant stock options as necessary to obtain and retain individuals for such offices. The price of these stock options will be the closing price of our common stock on the date of approval by the Compensation Committee of the grants for that individual. The options vest equally over five (5) years on the anniversary date of the grant, except for certain options granted the CEO, the COO and the CFO which vest equally over three (3) years from the date of grant. The vesting schedule for the stock options for the named executive officers are as described in the table on page 15 hereof. In accordance with the terms of the 2003 Amended and Restated Stock

Option Plan, the stock options granted contain change in control vesting as described on page 16 hereof, to protect the employee s vested interest in and commitment to the Company for which the grants were initially awarded.

Employment Agreements

Our Chief Executive Officer, Chief Operating Officer and Chief Financial Officer each have been accorded Employment Agreements expiring on January 31, 2008. Our Chief Financial Officer announced his retirement effective January 31, 2008, and as a result his Employment Agreement was amended to remove any further obligation of the Company to him beyond that point for further compensation. Each employment agreement may be renewed for successive one year periods upon the mutual written consent of the Company and the executive officer. Under the terms of these employment agreements, each of these officers is entitled to payment of an annual salary plus a bonus based upon attainment of performance goals determined by our Compensation Committee, to participate in our employee benefit plans and receive options to purchase shares of our common stock. In the event that we terminate the executive officer s employment other than for cause or we do not renew the employment agreement when it expires, other than our CFO s employment agreement, we are obligated to pay the executive officer severance in an amount equal to the executive officer s annual base salary. Under these employment agreements, the executive agreed to a confidentiality agreement as well as not to compete with the Company for period of one year following the termination of the Agreement and not to solicit our employees to work for anyone else for a period of two years following the termination of the Agreement.

Other Compensation

We provide our named executive officers with other benefits, as reflected in the All Other Compensation column in the Summary Compensation Table on page 13, which we believe are reasonable, competitive and consistent with the Company s executive compensation program.

Compensation for the Named Executive Officers in Fiscal 2007

CEO Compensation

Our CEO s annual compensation package was determined in accordance with our Company s policies and procedures for all executive officers. With respect to the Company s fiscal year ended January 31, 2007, the Chief Executive Officer was eligible to receive an annual cash bonus (the Incentive Compensation), the amount of such bonus determined by the Compensation Committee in accordance with a pre-established performance goal which satisfies the requirements of Section 1.162-27(e)(2) of the Treasury regulations, taking into account any one or more of the following criteria with respect to Conn s or any affiliates or divisions of Conn s: (a) total revenues or any component thereof; (b) operating income, pre-tax or after-tax income, EBITA, EBITDA or net income; (c) cash flow, free cash flow or net cash form operations; (d) earnings per share; (e) value of the Conn s stock or total return to stockholders; and (f) any combination of any or all of the foregoing criteria, in each case on an absolute or relative basis. The Incentive Compensation award for any year may not exceed $1,920,000. Due to the financial performance of the Company, our CEO received a cash bonus based on minimum achievement of financial results, as reflected in the Summary Compensation Table. The other components of our CEO s compensation package are also reflected in the Summary Compensation Table and the footnotes following.

Other Named Executive Officers Compensation

Each of the other Named Executive Officer s compensation was determined in accordance with our Company s policies and procedures for all executive officers, including bonus, stock option and other benefits. Each of the components is addressed in the Summary Compensation Table and the footnotes following for each Named Executive Officer.

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COMPENSATION COMMITTEE REPORT

The Compensation Committee has reviewed the Compensation Discussion and Analysis and discussed the Analysis with Management. Based on its review and discussions with management, the Committee recommended to our Board of Directors that the Compensation Discussion and Analysis be included in the Company s Annual Report on Form 10-K for fiscal year ended January 31, 2007 and the Company s 2007 Proxy Statement. This report is provided by the following independent directors, who comprise the Compensation Committee.

Jon E.M. Jacoby, Chairman
William T. Trawick
Theodore M. Wright

Compensation Tables

Summary Compensation Table

(a) Name and Principal Position	(b) Fiscal Year	(c) Salary ($)	(d) Bonus ($)	(e) Stock Awards ($)	(f) Option Awards ($)	(g) Non-Equity Incentive Plan Compensation ($)	(h) Change in Pension Value and Nonqualified Deferred Compen-sation Earnings ($)	(i) All Other Compensation ($)	(j) Total ($)
Thomas J. Frank, Sr. *Chairman and CEO*	2007	441,000	500,000		16,778 (1)			12,157 (2)	969,935
David L. Rogers *CFO*	2007	240,000	147,916		13,422			11,800 (3)	413,138
William C. Nylin, Jr. *Executive Vice Chairman and COO*	2007	350,000	313,147		16,778			13,800 (4)	693,725
Timothy L. Frank *President*	2007	180,000	168,416		8,300			15,509 (5)	372,225
David W. Trahan *Sr. Vice President*	2007	204,000	168,416		8,300			15,309 (6)	396,025

(1) Fair value of options granted in the current fiscal year for the requisite service period; see outstanding equity and grants of plan-based awards tables

for more information. Information on assumptions used in calculating the fair value can be obtained from Notes 1 and 7 to the financial statements contained in the Company s annual report on Form 10-K filed with the SEC on March 29, 2007.

(2) Company matched 401K contributions, $8,800; company-paid portion of health insurance, $3,357.

(3) Company matched 401K contributions, $8,800; use of automobile (including fuel), $3,000.

(4) Company matched 401K contributions, $8,800; use of automobile (including fuel), $5,000.

(5) Company matched 401K contributions, $8,800; company-paid

portion of health insurance, $4,509; use of automobile (including fuel), $2,200.

(6) *Company matched 401K contributions, $8,800; company-paid portion of health insurance, $4,509; use of automobile (including fuel), $2,000.*

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Grants of Plan-Based Awards Table

		Estimated Future payouts under non-equity incentive plan awards			Estimated future payouts under equity incentive plan awards			All other stock awards; Number of shares of stock or units	All other option awards; Number of securities underlying options	Exercise or base price of option awards	Grant Date Fair Value of Stock and Option Awards
		Threshold	Target	Maximum	Threshold	Target	Maximum				
Name	Grant Date	($)	($)	($)	(#)	(#)	(#)	(#)	(#)	($/Sh)	($)
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)