GLOBAL CASH ACCESS HOLDINGS, INC.

FORM 10-Q
(Quarterly Report)

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

(Mark One)

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

FOR THE QUARTERLY PERIOD ENDED MARCH 31, 2008

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934**

FOR THE TRANSITION PERIOD FROM __________TO __________

Commission file no 001 - 32622

GLOBAL CASH ACCESS HOLDINGS, INC.

(Exact name of Registrant as specified in its charter)

DELAWARE	**20-0723270**
(State or Other Jurisdiction of Incorporation or Organization)	(I.R.S. Employer I.D. No.)
3525 EAST POST ROAD, SUITE 120 LAS VEGAS, NEVADA	**89120**
(Address of Principal Executive Offices)	(Zip Code)

Registrant's telephone number, including area code:
(800) 833-7110

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Sections 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 ☑ **No** ☐

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

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

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

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).
Yes ☐ **No** ☑

As of May 6, 2008, there were 76,994,761 shares of the Registrant's $0.001 par value per share common stock outstanding.

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ITEM 1. UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

GLOBAL CASH ACCESS HOLDINGS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(amounts in thousands, except par value)
(unaudited)

	March 31, 2008	December 31, 2007
ASSETS		
Cash and cash equivalents	$ 163,234	$ 71,063
Restricted cash and cash equivalents	1,383	1,380
Settlement receivables	40,606	61,066
Other receivables, net	8,483	14,424
Prepaid and other assets	7,545	6,905
Assets held for sale	6,053	12,180
Property, equipment and leasehold improvements, net	23,617	23,516
Goodwill, net	156,855	156,889
Other intangibles, net	12,307	13,652
Deferred income taxes, net	174,282	177,227
Total assets	$ 594,365	$ 538,302
LIABILITIES AND STOCKHOLDERS' EQUITY		
LIABILITIES:		
Settlement liabilities	$ 71,159	$ 93,727
Accounts payable	26,993	22,402
Accrued expenses	15,438	20,262
Borrowings	347,230	263,480
Total liabilities	460,820	399,871
COMMITMENTS AND CONTINGENCIES (NOTE 5)		
MINORITY INTEREST	62	135
STOCKHOLDERS' EQUITY		
Common stock, $0.001 par value, 500,000 shares authorized and 82,986 and 82,981 shares issued at March 31, 2008 and December 31, 2007, respectively	83	83
Preferred stock, $0.001 par value, 50,000 shares authorized and 0 shares outstanding at March 31, 2008 and December 31, 2007, respectively	—	—
Additional paid in capital	165,015	163,070
Retained earnings	15,849	14,103
Accumulated other comprehensive income	2,622	2,708
Treasury stock, at cost, 5,991 and 4,563 shares at March 31, 2008 and December 31, 2007, respectively	(50,086)	(41,668)
Total stockholders' equity	133,483	138,296
Total liabilities and stockholders' equity	$ 594,365	$ 538,302

See notes to unaudited condensed consolidated financial statements.

GLOBAL CASH ACCESS HOLDINGS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME
(amounts in thousands, except per share)
(unaudited)

	Three Months Ended March 31, 2008	2007
REVENUES:		
Cash advance	$ 73,388	$ 77,412
ATM	59,772	60,766
Check services	7,681	7,351
Central Credit and other revenues	2,644	2,648
Total revenues	143,485	148,177
Cost of revenues (exclusive of depreciation and amortization)	(103,374)	(105,705)
Operating expenses	(18,640)	(17,346)
Amortization	(1,362)	(1,281)
Depreciation	(1,855)	(1,431)
OPERATING INCOME	18,254	22,414
INTEREST INCOME (EXPENSE), NET		
Interest income	942	887
Interest expense	(7,664)	(9,643)
Total interest income (expense), net	(6,722)	(8,756)
INCOME FROM CONTINUING OPERATIONS BEFORE INCOME TAX PROVISION AND MINORITY OWNERSHIP LOSS	11,532	13,658
INCOME TAX PROVISION	(5,430)	(5,106)
INCOME FROM CONTINUING OPERATIONS BEFORE MINORITY OWNERSHIP LOSS	6,102	8,552
MINORITY OWNERSHIP LOSS, NET OF TAX	46	64
INCOME FROM CONTINUING OPERATIONS	6,148	8,616
LOSS FROM DISCONTINUED OPERATIONS, NET OF TAX	(4,403)	(716)
NET INCOME	1,745	7,900
Foreign currency translation, net of tax	(85)	56
COMPREHENSIVE INCOME	$ 1,660	$ 7,956
Basic net income per share of common stock:		
Continuing operations	$ 0.08	$ 0.11
Discontinued operations	$ (0.06)	$ (0.01)
Basic net income per share of common stock	$ 0.02	$ 0.10
Diluted net income per share of common stock:		
Continuing operations	$ 0.08	$ 0.11
Discontinued operations	$ (0.06)	$ (0.01)
Basic net income per share of common stock	$ 0.02	$ 0.10

Weighted average number of common shares outstanding		
Basic	76,977	81,764
Diluted	76,979	82,044

See notes to unaudited condensed consolidated financial statements.

GLOBAL CASH ACCESS HOLDINGS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(amounts in thousands)
(unaudited)

	Three Months Ended March 31, 2008	Three Months Ended March 31, 2007
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	$ 1,745	$ 7,900
Adjustments to reconcile net income to cash provided by operating activities:		
Amortization of financing costs	243	243
Amortization of intangibles	1,409	1,326
Depreciation	1,855	1,431
Provision for bad debts	9,092	1,159
Deferred income taxes	2,946	4,352
Minority ownership loss	(73)	(100)
Stock-based compensation	1,945	2,936
Changes in operating assets and liabilities:		
Settlement receivables	20,046	64,592
Other receivables, net	3,674	(3,401)
Prepaid and other assets	(342)	440
Settlement liabilities	(22,616)	(61,314)
Accounts payable	4,568	(205)
Accrued expenses	(5,267)	(3,176)
Net cash provided by operating activities	19,225	16,183
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property, equipment and leasehold improvements	(1,955)	(1,941)
Purchase of other intangibles	(16)	(485)
Changes in restricted cash and cash equivalents	(3)	—
Net cash used in investing activities	(1,974)	(2,426)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Borrowings under credit facility	84,000	—
Repayments under credit facility	(250)	(250)
Debt issuance costs	—	(23)
Proceeds from exercise of stock options	—	341
Purchase of treasury stock	(9,347)	(2,093)
Net cash provided by (used in) financing activities	74,403	(2,025)

(Continued)

GLOBAL CASH ACCESS HOLDINGS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(amounts in thousands)
(unaudited)

	Three Months Ended March 31, 2008	Three Months Ended March 31, 2007
NET EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	$ 517	$ (32)
NET INCREASE IN CASH AND CASH EQUIVALENTS	92,171	11,700
CASH AND CASH EQUIVALENTS—Beginning of period	71,063	40,919
CASH AND CASH EQUIVALENTS—End of period	$ 163,234	$ 52,619
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash paid for interest	$ 11,080	$ 12,848
Cash paid for income taxes, net of refunds	$ 111	$ 449

See notes to unaudited condensed consolidated financial statements.

GLOBAL CASH ACCESS HOLDINGS, INC. AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

1. BUSINESS AND BASIS OF PRESENTATION

Business — Global Cash Access Holdings, Inc. is a holding company, the principal asset of which is the capital stock of Global Cash Access, Inc. (''GCA''). Unless otherwise indicated, the terms ''the Company,'' "Holdings," ''we,'' ''us'' and ''our'' refer to Global Cash Access Holdings, Inc. together with its consolidated subsidiaries. Holdings was formed on February 4, 2004, to hold all of the outstanding capital stock of GCA and to guarantee the obligations under GCA's senior secured credit facilities.

GCA is a financial services company that provides cash access products and services to the gaming industry. The Company's cash access products and services allow gaming patrons to access funds through a variety of methods, including credit card cash advances, point-of-sale debit card cash advances, automated teller machine ("ATM") withdrawals, check cashing transactions and money transfers. These services are provided to patrons at gaming establishments directly by the Company or through one of its consolidated subsidiaries. GCA's subsidiaries are: Global Cash Access (Canada) Inc. (formerly known as CashCall Systems Inc). ("GCA Canada"), Global Cash Access (UK) Ltd. ("GCA UK"), Global Cash Access (BVI), Inc. ("BVI"), Arriva Card, Inc. ("Arriva"), Global Cash Access Switzerland A.G. ("GCA Switzerland"), Global Cash Access (Belgium), S.A. ("GCA Belgium"), Innovative Funds Transfer, LLC ("IFT"), Global Cash Access (HK) Ltd. ("GCA HK"), GCA (Macau), S.A. ("GCA Macau") and Global Cash Access (South Africa) (Pty.) Ltd. ("GCA SA").

The Company also owns and operates a credit reporting agency for the gaming industry through a wholly-owned subsidiary, Central Credit, LLC ("Central"), and provides credit-information services and credit-reporting history on gaming patrons to various gaming establishments. Central operates in both international and domestic gaming markets.

Commencing in the third quarter of 2006, the Company, through Arriva, began marketing a credit card aimed at consumers who perform cash advance transactions in gaming establishments. The Company has since discontinued such marketing efforts and intends to exit the Arriva business. See further discussion in Note 10.

The accompanying unaudited condensed consolidated financial statements include the accounts of Holdings and its consolidated subsidiaries: GCA, GCA Canada, GCA UK, Central, BVI, Arriva, GCA Switzerland, GCA Belgium, IFT, GCA HK, GCA Macau and GCA SA.

Basis of Presentation — The condensed consolidated financial statements included herein have been prepared by the Company, without audit, pursuant to the rules and regulations of the Securities and Exchange Commission. Some of the information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles in the United States have been condensed or omitted pursuant to such rules and regulations, although the Company believes that the disclosures are adequate to make the information presented not misleading. In the opinion of management, all adjustments (which include normal recurring adjustments) necessary for a fair presentation of results for the interim periods have been made. The results for the three and ended March 31, 2008 are not necessarily indicative of results to be expected for the full fiscal year.

These unaudited condensed consolidated financial statements should be read in conjunction with the annual consolidated financial statements and notes thereto included within the Company's Annual Report on Form 10-K for the year ended December 31, 2007.

On February 7, 2008, the Company's Board of Directors approved a plan to exit the Arriva business. The Company has since actively marketed the Arriva business for sale. The assets associated with the Company's Arriva Card operations, have been segregated and reported as held for sale in the accompanying condensed consolidated balance sheet as of December 31, 2007, and the results of operations for the Arriva Card line of business have been reclassified to discontinued operations for the three months ended March 31, 2007.

Use of Estimates — We have made estimates and judgments affecting the amounts reported in these financial statements and the accompanying notes. Our actual results may differ from these estimates. The significant accounting estimates incorporated into our condensed consolidated financial statements include:

- the estimated reserve for warranty expense associated with our check warranty receivables,
- the valuation and recognition of share-based compensation,
- the estimated useful lives for depreciable and amortizable assets,
- the valuation allowance on our deferred tax asset,
- the expected loss on discontinuation of Arriva,
- the estimated cash flows in assessing the recoverability of long-lived assets, and
- the estimated reserve for bad debts on Arriva Card receivables purchased from CIT Bank.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation — The unaudited condensed consolidated financial statements presented for the three months ended March 31, 2008 and 2007 and as of March 31, 2008 and December 31, 2007 include the accounts of Global Cash Access Holdings, Inc. and its subsidiaries.

All significant intercompany transactions and balances have been eliminated in consolidation.

Earnings Applicable to Common Stock — In accordance with the provisions of Statement of Financial Accounting Standards (''SFAS'') No. 128, *Earnings per Share* , basic earnings per share is calculated by dividing net income by the weighted-average number of common shares outstanding for the period. Diluted earnings per share reflect the effect of potential common stock, which consists of non-vested shares of restricted stock outstanding and assumed stock option exercises. The weighted-average number of common shares outstanding used in the computation of basic and diluted earnings per share is as follows (in thousands):

	Three Months Ended March 31,	
	2008	**2007**
Weighted average common shares outstanding — basic	76,977	81,764
Potential dilution from equity grants (1)(2)	2	280
Weighted average common shares outstanding — diluted	76,979	82,044

(1) – The potential dilution excludes the weighted average effect of stock options to acquire 6,667,642 and 3,946,785 shares of common stock for the three months ended March 31, 2008 and 2007, respectively, as the application of the treasury stock method, as required by SFAS No. 128, makes them anti-dilutive.

(2) – The potential dilution excludes the weighted average effect of shares of time-based restricted stock of 341,335 and 1,085,251 shares for the three months ended March 31, 2008 and 2007, respectively, because the application of the treasury stock method, as required by SFAS No. 128, makes them anti-dilutive.

Arriva Card, Inc. — Pursuant to the Receivables Sale Agreement and the Revolving Loan Product Program Agreement and amendments thereto, entered into in March 2006 between CIT Bank ("CIT"), Arriva and GCA, and as amended on December 13, 2007, CIT is the issuer of the credit cards marketed by Arriva (the "Arriva Card"). As of March 31, 2008, CIT had approximately $2,000 in outstanding patron receivables from originated transactions performed on Arriva Cards. CIT is entitled to receive monthly from Arriva a fee based on the average balance of receivables multiplied by an interest rate. As of March 31, 2008, the interest is determined as the average of the Annual Percentage Rates ("APR") assigned to new accounts, or approximately 18.99%. For the three months ended March 31, 2008 and 2007, Arriva paid $12,000 and $0.2 million in interim interest, respectively. See further discussion of discontinuation of Arriva in Note 10.

Central Credit Check Warranty Receivables — In the check services transactions provided by Central, Central warrants check cashing transactions performed at gaming establishments. If a gaming establishment accepts a payroll or personal check from a patron that we warrant, Central is obligated to reimburse the property for the full face value of any dishonored checks. All amounts paid out to the gaming establishment related to these items result in a warranty receivable from the patron. This amount is recorded in other receivables, net on the condensed consolidated balance sheets. On a monthly basis, Central evaluates the collectibility of the outstanding balances and establishes a reserve for the face amount of the expected losses on these receivables. The warranty expense associated with this reserve is included within cost of revenues (exclusive of depreciation and amortization) in the condensed consolidated statements of income. The Company's policy is to write off all warranty receivables that are older than one year in age.

A summary of the activity for the check warranty reserve for the three months ended March 31, 2008, is as follows (amounts in thousands):

	Balance at Beginning of Period	Additions Charged to Expense	Deductions	Balance at End of Period
Quarter ended March 31, 2008	$ 7,422	$ 2,364	$ (1,245)	$ 8,541

Fair Value Measures — In February 2008, the Financial Accounting Standards Board ("FASB") deferred the adoption of SFAS No. 157 for one year as it applies to certain items, including assets and liabilities initially measured at fair value in a business combination, reporting units and certain assets and liabilities measured at fair value in connection with goodwill impairment tests in accordance with SFAS No. 142, *Goodwill and Other Intangible Assets* , and long-lived assets measured at fair value for impairment assessments under SFAS No. 144, *Accounting for the Impairment and Disposal of Long-Lived Assets* . We partially adopted SFAS No. 157 as of January 1, 2008, which, among other things, requires enhanced disclosures about investments that are measured and reported at fair value. SFAS No. 157 establishes a hierarchal disclosure framework that prioritizes and ranks the level of market price observability used in measuring investments at fair value. Market price observability is impacted by a number of factors, including the type of investment and the characteristics specific to the investment. Investments with readily available active quoted prices or for which fair value can be measured from actively quoted prices generally will have a higher degree of market price observability and a lesser degree of judgment used in measuring fair value.

Investments measured and reported at fair value are classified and disclosed in one of the following categories:

Level 1 — Quoted prices are available in active markets for identical investments as of the reporting date. The type of investments included in Level I include listed equities and listed derivatives. As required by SFAS No. 157, we do not adjust the quoted price for these investments, even in situations where we hold a large position and a sale could reasonably impact the quoted price.

Level 2 — Pricing inputs are other than quoted prices in active markets, which are either directly or indirectly observable as of the reporting date, and fair value is determined through the use of models or other valuation methodologies. Investments which are generally included in this category include corporate bonds and loans, less liquid and restricted equity securities and certain over-the-counter derivatives.

Level 3 — Pricing inputs are unobservable for the investment and include situations where there is little, if any, market activity for the investment. The inputs into the determination of fair value require significant management judgment or estimation.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, an investment's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. Our assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the investment.

As of March 31, 2008 the Company maintained as held for sale, a portfolio of revolving credit receivables. These receivables represented the primary asset of Arriva. As discussed in Note 10, these receivables were adjusted to fair value using the expected net present value of future discounted cash flows, a Level 3 input. As a result of this assessment, the Company recorded a pretax valuation adjustment as a charge to income of $5.5 million as of March 31, 2008.

Recently Issued Accounting Pronouncements — In February 2008, FASB issued FASB Staff Position ("FSP") 157-1, *Application of FASB Statement No. 157 to FASB Statement No. 13 and Other Accounting Pronouncements That Address Fair Value Measurements for Purposes of Lease Classification or Measurement under Statement 13* ("FSP 157-1") and FSP 157-2, *Effective Date of FASB Statement No. 157* . FSP 157-1 amends SFAS No. 157 to remove certain leasing transactions from its scope. FSP 157-2 delays the effective date of SFAS No. 157 for all non-financial assets and non-financial liabilities, except for items that are recognized or disclosed at fair value in the financial statements on a recurring basis (at least annually), until the beginning of the first quarter of fiscal 2009. We are currently evaluating the impact that SFAS No. 157 will have on our consolidated financial statements when it is applied to non-financial assets and non-financial liabilities that are not measured at fair value on a recurring basis beginning in the first quarter of 2009.

In February 2007, the FASB issued SFAS No. 159, *The Fair Value Option for Financial Assets and Financial Liabilities* . SFAS No. 159 permits companies to choose to measure certain financial instruments and other items at fair value. The standard requires that unrealized gains and losses are reported in earnings for items measured using the fair value option. SFAS No. 159 is effective for the Company beginning in the first quarter of fiscal year 2008. The adoption of SFAS No. 159 did not have a significant impact on our consolidated financial statements.

In June 2007, the FASB's Emerging Issues Task Force issued Topic No. 06-11 ("EITF 06-11"), *Accounting for Income Tax Benefits of Dividends on Share-Based Payment Awards* . EITF 06-11 requires the realized tax benefit for dividends paid on share-based payment awards expected to vest to be credited to the Company's additional paid-in capital account. The application of EITF 06-11 shall be applied prospectively to income tax benefits of dividends declared on affected securities in fiscal years beginning after December 15, 2007. The adoption of EITF 06-11 did not have a significant impact on our consolidated financial statements.

In December 2007, the FASB issued SFAS No. 141 (revised 2007), *Business Combinations* ("SFAS No. 141(R)"). Under SFAS No. 141(R), an entity is required to recognize the assets acquired, liabilities assumed, contractual contingencies, and contingent consideration at their fair value on the acquisition date. It further requires that acquisition-related costs are recognized separately from the acquisition and expensed as incurred, restructuring costs generally are expensed in periods subsequent to the acquisition date, and changes in accounting for deferred tax asset valuation allowances and acquired income tax uncertainties after the measurement period impact income tax expense. SFAS No. 141(R) is effective for business combinations with an acquisition date in the first quarter of 2009.

In December 2007, the FASB issued SFAS No. 160, *Noncontrolling Interests in Consolidated Financial Statements* ("SFAS No. 160"), which establishes standards for the accounting and reporting of noncontrolling interests in subsidiaries (that is, minority interests) in consolidated financial statements and for the loss of control of subsidiaries. SFAS No. 160 requires: (1) the equity interest of noncontrolling shareholders, partners, or other equity holders in subsidiaries to be accounted for and presented in equity, separately from the parent shareholder's equity, rather than as liabilities or as "mezzanine" items between liabilities and equity; (2) the amount of consolidated net income attributable to the parent and to the noncontrolling interests be clearly identified and presented on the face of the consolidated statement of income; and (3) when a subsidiary is deconsolidated, any retained noncontrolling equity investment in the former subsidiary be initially measured at fair value. The gain or loss on the deconsolidation of the subsidiary is measured using the fair value of any noncontrolling equity investment rather than the carrying amount of that retained investment. SFAS No. 160 is effective beginning on January 1, 2009. Early adoption of the Statement is prohibited. The Company is currently evaluating the potential impact of adopting this statement.

In December 2007, the Securities and Exchange Commission ("SEC") issued Staff Accounting Bulletin No. 110 ("SAB No. 110") to amend the SEC's views discussed in Staff Accounting Bulletin No. 107 regarding the use of the simplified method in developing an estimate of expected life of share options in accordance with SFAS No. 123(R). SAB No. 110 is effective beginning January 1, 2008. Because our stock incentive plan has only been in place since 2005, we will continue to use the simplified method until we have the historical data necessary to provide a reasonable estimate of expected life in accordance with SAB No. 107, as amended by SAB No. 110.

3. ATM FUNDING AGREEMENTS

***Bank of America Amended Treasury Services Agreement* —** On March 13, 2008, the Company entered into an Amendment of the Treasury Services Agreement ("Bank of America ATM Funding Agreement") with Bank of America, N.A. that allowed for the Company to utilize up to $410 million in funds owned by Bank of America to provide the currency needed for normal operating requirements for all the Company's ATMs. The amount provided by Bank of America can be increased above $410 million at the option of Bank of America. For use of these funds, GCA pays Bank of America a cash usage fee equal to the average daily balance of funds utilized multiplied by the one-month LIBOR plus 25 basis points. For the three months ended March 31, 2008 and 2007, $2.3 million and $3.9 million, respectively, of cash usage fees have been included in interest expense in the accompanying condensed consolidated statements of income. At March 31, 2008, the outstanding balance of ATM cash utilized by GCA was $197.4 million and the cash usage interest rate in effect was 3.1%.

***Site Funded ATMs* —** GCA operates some ATMs at customer locations where the customer provides the cash required for ATM operational needs. GCA is required to reimburse the customer for the amount of cash dispensed from these site-funded ATMs. The site-funded ATM liability is included within settlement liabilities in the accompanying balance sheets and was $51.6 million and $58.1 million as of March 31, 2008 and December 31, 2007, respectively. As of March 31, 2008 and December 31, 2007, GCA operated 956 and 944 devices (ATMs and redemption kiosks), respectively, that were site funded.

4. BENEFIT PLANS

***Stock Options* —** The Company has issued stock options to directors, officers and key employees under the 2005 Stock Incentive Plan (the "2005 Plan"). Generally, options under the 2005 Plan (other than those granted to non-employee directors) will vest at a rate of 25% of the shares underlying the option after one year and the remaining shares vest in equal portions over the following 36 months, such that all shares are vested after four years. Stock options are issued at the current market price on the date of grant, with a contractual term of 10 years.

A summary of award activity under the Company's stock option plans as of March 31, 2008 and changes during the three month periods then ended is as follows:

	Options	Weighted Average Exercise Prices	Weighted Average Life Remaining	Aggregate Intrinsic Value (in thousands)
Outstanding — December 31, 2007	4,878,371	$ 12.58	7.7 years	$ 30,560
Granted	4,090,000	6.76		
Exercised	—	—		
Forfeited	(714,068)	9.11		
Outstanding — March 31, 2008	8,254,303	$ 10.00	8.7 years	$ 40,510
Exercisable — March 31, 2008	2,269,907	14.10	6.9 years	$ 16,540

There were stock options granted to acquire 4.1 million shares of common stock during the three months ended March 31, 2008. During the three months ended March 31, 2008, the Company received no proceeds from the exercise of stock options. During the three months ended March 31, 2008, we recorded $1.7 million in non-cash compensation expense related to options granted that are expected to vest. As of March 31, 2008, there was $19.1 million in unrecognized compensation expense related to options expected to vest. This cost is expected to be recognized on a straight-line basis over a weighted average period of 2.5 years.

There were no stock options granted during the three months ended March 31, 2007. During the three months ended March 31, 2007, we received $0.3 million in cash from the exercise of stock options. The total intrinsic value of options exercised during the three months ended March 31, 2007 was $0.2 million . During the three months ended March 31, 2007, we recorded $1.8 million in non-cash compensation expense related to options granted that are expected to vest. As of March 31, 2007, there was $13.8 million in unrecognized compensation expense related to options expected to vest. This cost is expected to be recognized on a straight-line basis over a weighted average period of 1.9 years.

Restricted Stock — The Company began granting restricted stock to employees in the first quarter of 2006. The vesting provisions are similar to those applicable to stock options. Because these restricted shares are issued primarily to employees of the Company, some of the shares issued will be withheld by the Company to satisfy the minimum statutory tax withholding requirements applicable to the restricted stock grants. Therefore, as these awards vest the actual number of shares outstanding as a result of the restricted stock awards is reduced and the number of shares included within treasury stock is increased by the amount of shares withheld. During the three months ended March 31, 2008, the Company withheld 31,000 shares of restricted stock from employees with a cumulative vesting commencement date fair value of $0.2 million. These amounts have been included a part of the total treasury stock repurchased during the period. Prior to vesting, the restricted stock has rights to the dividends declared and voting rights; therefore they are considered issued and outstanding.

A summary of all non-vested share awards for the Company's time-based restricted shares as of March 31, 2008 is as follows:

	Shares Outstanding
Balance — December 31, 2007	396,784
Granted	5,500
Vested	(97,741)
Canceled	(892)
Balance — March 31, 2008	303,651

There were 0.1 million time-based restricted shares vested during the three months ended March 31, 2008. During the three months ended March 31, 2008 and 2007, we recorded $0.3 million and $1.1 million in non-cash compensation expense related to the restricted stock granted that is expected to vest. As of March 31, 2008, there was $5.0 million in unrecognized compensation expense related to time-based restricted shares expected to vest. This cost is expected to be recognized on a straight-line basis over a weighted average period of 2.5 years.

5. COMMITMENTS AND CONTINGENCIES

Litigation Claims and Assessments

Canadian Goods and Services Tax (''GST'') — In April 2004, GCA Canada was notified through one of its customers that the Canadian Revenue Agency (''CRA'') Appeals Division had taken a position, on audit of the customer's two locations, that the customer was liable for GST on commissions it received in connection with the cash advance services provided by GCA Canada. The CRA's position is disputed by both GCA Canada and the customer based upon their interpretation of the Canadian Excise Tax Act (''ETA'').

In December 2004, the Company paid the amount assessed related to the customer, and the customer remitted such amount to the CRA. In February 2005, the Company filed a refund claim for taxes paid in error with CRA. This claim was denied as expected, and the Company is currently defending the rebate claim through the appeals process.

The Company believes the transactions performed in Canada are financial services transactions specifically exempted by the ETA and therefore not subject to GST. As the Company has paid these obligations and as there is uncertainty related to the ability to recover these amounts through the refund claim and appeals process, the Company has deemed it appropriate to expense this payment and accrue for a liability related to future payments for this customer. In the three months ended March 31, 2008 and 2007, the Company has recorded minimal amounts in operating expenses related to this potential tax exposure in the accompanying consolidated income statements.

Commissions Liability — As a result of inquiries made during the internal investigation announced on November 14, 2007, the Company reviewed and considered the application of contract clauses relating to the calculation of commissions payable to certain of the Company's customers in connection with certain types of transactions. In reviewing the commission computation provisions of the customer contracts, the Company has identified issues with the payment of certain commissions to twenty-two of our customers during the period from 2005 through 2007. In the third quarter of 2007, we recorded a liability of $2.9 million for additional commission expense to resolve any commission calculation disputes with the relevant customers. During the three months ended March 31, 2008, we have paid $0.1 million to certain customers in full satisfaction of amounts due and continue to negotiate with other affected customers to resolve the remaining disputes. At March 31, 2008, the liability for commission disputes was $2.8 million.

Compliance Letters from MasterCard International, Inc. and Visa USA — In the normal course of business, the Company routinely receives letters from MasterCard International, Inc. and Visa USA (the ''Associations'') regarding non-compliance with various aspects of the respective Associations' bylaws and regulations as they relate to transaction processing. The Company is periodically involved in discussions with its sponsoring bank and the Associations to resolve these issues. It is the opinion of management that all of the issues raised by the Associations will be resolved in the normal course of business and related changes to the bankcard transaction processing, if any, will not result in material adverse impact to the financial results of the Company.

Derivative Action — On December 12, 2007, a derivative action was filed by a stockholder on behalf of the Company in the United States District Court, District of Nevada against our current directors, two of our former directors, our former chief executive officer and our former chief financial officer, alleging breach of fiduciary duties, waste of corporate assets, unjust enrichment and violations of Sections 10(b) and 20(a) of the Securities Exchange Act of 1934, as amended. On February 8, 2008, an additional derivative action was filed by a separate stockholder on behalf of the Company in the United States District Court, District of Nevada against our current directors, one of our former directors, our former chief executive officer and our former chief financial officer, alleging breach of fiduciary duties, insider trading and waste of corporate assets. On May 5, 2008, the foregoing actions were consolidated and an amended complaint was filed that continues to pursue only state law claims bunt not violations of Sections 10(b) or 20(a) of the Securities Exchange Act of 1934, as amended. The consolidated action seeks , among other things, damages in favor of the Company, certain corporate actions to purportedly improve the Company's corporate governance, and an award of costs and expenses to the plaintiff stockholders including attorneys' fees. The Company has indemnification agreements with each of the individual defendants that may cause the Company to incur expenses associated with the defense of this action and that may also protect such individuals from liability to the Company. The Company also maintains director and officer liability insurance that may provide for reimbursement of some of the expenses associated with this action.

Class Action — On April 11, 2008, a class action was filed by a stockholder in the United States District Court, Southern District of New York against the Company, certain of our current and former directors, M&C International, Summit Partners, L.P., Goldman Sachs & Co., Inc., and J.P. Morgan Securities, Inc, alleging violation of Sections 11, 12(a)(2) and 15 the Securities Act of 1934. The action includes claims for, among other things, damages and rescission. The Company has indemnification agreements with each of the individual defendants and certain of the other defendants that may cause the Company to incur expenses associated with the defense of this action and that may also protect such defendants from liability to the Company. The Company also maintains director and officer liability insurance that may provide for reimbursement of some of the expenses associated with this action.

Other — The Company is threatened with or named as a defendant in various lawsuits in the ordinary course of business. It is not possible to determine the ultimate disposition of these matters; however, management is of the opinion that the final resolution of any threatened or pending litigation is not likely to have a material adverse effect on the financial position, results of operations or cash flows of the Company.

Commitments

Registration Agreement. The Company and some of its stockholders are party to a Registration Agreement. The Registration Agreement provides the stockholders with rights to cause the Company to register their shares of common stock on a registration statement filed with the Securities and Exchange Commission. Under the terms of this agreement, some holders of registration rights may require the Company to file a registration statement under the Securities Act at the Company's expense with respect to their shares of common stock. Under this agreement, the Company has agreed to bear all registration and offering expenses (other than underwriting discounts and commissions and fees), and specific fees and disbursements of counsel of the holders of registration rights. The Company has agreed to indemnify the holders of registration rights against specific liabilities under the Securities Act.

USA Payments Processing Commitments. The Company obtains transaction processing services pursuant to the Amended and Restated Agreement for Electronic Payment Processing from USA Payments, a company controlled by Karim Maskatiya and Robert Cucinotta, the principals of M&C International ("M&C") both of whom were members of our Board of Directors through March 31, 2008. Under terms of this agreement, GCA is obligated to pay USA Payments $2.3 million annually in fixed monthly processing fees and minimum annual transaction volume fees through the termination of this agreement in March 2014.

Fiserv Processing Commitments . Arriva entered into a Letter of Understanding with Fiserv Solutions, Inc. ("Fiserv"), which was effective March 10, 2008, related to the processing of our private label credit card. Under the terms of the agreement with Fiserv, Arriva is committed to pay the greater of 120% of the prevailing prices for the services utilized or $25,000 in monthly minimum processing fees through May 9, 2008 or until the services are no longer utilized.

CIT Receivable Repurchases . Under terms of the First Amendment to the Receivables Sale Agreement entered into on December 13, 2007, Arriva is required to purchase the originated receivable from CIT three business days (the "Holding Period") from the loan settlement date. Arriva is entitled to receive all fees and interest income associated with the receivable.

Innovative Funds Transfer, LLC Required Capital Investment. Pursuant to the terms of our agreement with International Game Technology ("IGT"), we are obligated to invest up to our pro rata share of $10.0 million in capital to IFT. Our obligation to invest additional capital in IFT is conditioned upon capital calls, which are in our sole discretion. As of March 31, 2008, we had invested a total of $4.6 million in IFT, and are committed to invest up to $1.4 million in additional capital investments if required.

First Data Sponsorship Indemnification Agreement. On March 10, 2004, GCA and First Data Corporation ("First Data") entered into a Sponsorship Indemnification Agreement whereby First Data agreed to continue its guarantee of performance by us to Bank of America for our sponsorship as a Bank Identification Number and Interbank Card Association licensee under the applicable VISA and MasterCard rules. GCA has agreed to indemnify First Data and its affiliates against any and all losses and expenses arising from its indemnification obligations pursuant to that agreement. As collateral security for prompt and complete performance of GCA's obligations under this agreement, GCA was required to cause a letter of credit in the amount of $3.0 million to be issued to First Data to cover any indemnified amounts not paid under terms of this agreement. The required amount of this letter of credit will be adjusted annually based upon the underlying cash advance volume covered by the Sponsorship Indemnification Agreement. In March 2008, the $3.2 million letter of credit expired. In April 2008, the letter of credit was reissued for $3.4 million.

6. BORROWINGS

Second Amended and Restated Credit Agreement. On November 1, 2006, GCA and Holdings entered into a Second Amended and Restated Credit Agreement with certain lenders. The Second Amended and Restated Credit Agreement significantly amended and restated the terms of GCA's existing senior secured credit facilities to provide for a $100.0 million term loan facility and a $100.0 million five-year revolving credit facility, with a $25.0 million letter of credit sublimit and a $5.0 million swingline loan sublimit.

On February 19, 2008, the Company borrowed $84.0 million on the revolving portion of the Credit Facility. As of March 31, 2008 and December 31, 2007, the Company had $98.8 million and $99.0 million, respectively, in borrowings under the term loan, $95.7 million and $11.7 million, respectively, under the revolving portion and $50,000 and $3.2 million, respectively, in letters of credit issued and outstanding. The letters of credit issued and outstanding reduce amounts available under the revolving portion of the Second Amended and Restated Credit Agreement. Borrowings under this loan facility bear interest at a specified number of basis points above a specified base interest rate. At March 31, 2008, the weighted average interest rate, inclusive of the applicable margin of 87.5 basis points, was 3.52%.

The Second Amended and Restated Credit Agreement contains customary affirmative and negative covenants, financial covenants, representations and warranties and events of defaults, which are subject to important exceptions and qualifications, as set forth in the Second Amended and Restated Credit Agreement. As of March 31, 2008, the Company is in compliance with the required covenants.

In April 2008, the Company repaid $31.7 million of the revolving credit facility.

Senior Subordinated Notes . On March 10, 2004, GCA completed a private placement offering of $235 million 8.75% Senior Subordinated Notes due March 15, 2012 (the "Notes Offering"). On October 14, 2004, we completed an exchange offer of the notes for registered notes of like tenor and effect. Interest on the notes accrues based upon a 360-day year comprised of twelve 30-day months and is payable semiannually on March 15th and September 15th. All of the Company's existing and future domestic wholly owned subsidiaries are guarantors of the notes on a senior subordinated basis. As of March 31, 2008 and December 31, 2007, the Company had $152.8 million in borrowings outstanding under the Notes Offering.

7. CAPITAL STOCK

Common Stock Repurchase Program. On February 6, 2007, the Company's Board of Directors authorized the repurchase of up to $50.0 million of the Company's issued and outstanding common stock, subject to compliance with any contractual limitations on such repurchases under the Company's financing agreements in effect from time to time, including but not limited to those relating to the Company's senior secured indebtedness and senior subordinated notes. During the three months ended March 31, 2008, the Company repurchased or withheld from restricted stock awards to satisfy the minimum applicable tax withholding obligations incident to the vesting of such restricted stock awards 1.4 million shares of common stock at an aggregate purchase price of $8.4 million. The Company completed the repurchases under this authorization on February 11, 2008.

8. RELATED PARTY TRANSACTIONS

At March 31, 2008, two members of our Board of Directors, Karim Maskatiya and Robert Cucinotta, are the owners of approximately 25.5% of the outstanding equity interests of the Company. The Company made payments for software development costs and system maintenance to Infonox on the Web ("Infonox") pursuant to agreements with Infonox. At the time we entered into these agreements, Infonox was controlled by two members of our Board of Directors and during the period presented, Infonox was controlled by family members of one of those directors. These family members now own a majority of the ownership interests, and hold two of the three director seats, of Infonox. The Company obtains transaction processing services from USA Payments, a company controlled by Messrs. Maskatiya and Cucinotta, pursuant to the Amended and Restated Agreement for Electronic Payment Processing.

The following table represents the transactions with related parties for the three months ended March 31, 2008 and March 31, 2007 (amounts in thousands):

Name of Related Party	Description of Transaction	March 31, 2008	March 31, 2007
M&C Affiliates:			
Infonox on the Web	Software development costs and maintenance expense included in operating expenses and other intangibles, net	$ 575	$ 812
USA Payments	Transaction processing charges included in cost of revenues (exclusive of depreciation and amortization)	950	958
USA Payments	Pass through billing related to gateway fees, telecom and other items included in cost of revenues (exclusive of depreciation and amortization) and operating expenses	278	367

The following table details the amounts receivable from or (liabilities to) these related parties that are recorded as part of other receivables, net, accounts payable or accrued expenses in the unaudited condensed consolidated balance sheets (amounts in thousands):

	March 31, 2008	December 31, 2007
M&C and related companies	$ 21	$ 31
Total included within other receivables, net	$ 21	$ 31
USA Payment Systems	$ (437)	$ (193)
Infonox on the Web	(360)	(372)
Total included within accounts payable and accrued expenses	$ (797)	$ (565)

9. INCOME TAXES

Our effective income tax rate for continuing operations was 46.9% for the three months ended March 31, 2008 compared to 37.7% for the three months ended March 31, 2007. The effective tax rate for the three months ended March 31, 2008 was negatively impacted by the expiration of non-qualified stock options, and shortfall resulting from the vesting of restricted stock options. Due to the amortization of our deferred tax assets for income tax purposes, actual cash taxes paid on pretax income generated in the first quarter of 2008 are expected to be substantially lower than the provision.

The following table presents the recorded income tax expense for the three months ended March 31, (amounts are in thousands):

	Three Months Ended March 31, 2008	Three Months Ended March 31, 2007
Provision for income taxes:		
Provision for income taxes on continuing operations, as reported	$ 5,430	$ 5,106
Provision for income taxes, minority loss	26	36
Income tax benefit, discontinued operations	(2,476)	(392)
Provision for income taxes, consolidated	$ 2,980	$ 4,750

On January 1, 2007, the Company adopted the provisions of FASB Interpretation No. 48, *Accounting for Uncertainty in Income Taxes — an interpretation of FASB Statement No. 109* , (“FIN 48”) with no material effect on the financial statements. As of March 31, 2008, there has been no change to the balance of unrecognized tax benefits reported at December 31, 2007.

10. DISCONTINUED OPERATIONS

On February 7, 2008, the Company’s Board of Directors approved a plan to exit the Arriva business. The Company has since actively marketed the Arriva business for sale and accordingly, has classified the net assets of Arriva as available for sale on the Condensed consolidated Balance Sheets. The Company estimated the fair value of the Arriva net assets as of March 31, 2008 based on preliminary offers the Company had received in connection with its marketing efforts as well as through the application of a net present value methodology. The Company recorded a pre-tax loss of $5.5 million to reduce the net assets of the Arriva business to their estimated fair value at March 31, 2008. The Company currently anticipates completing the sale of Arriva within one year. As of March 31, 2008 and December 31, 2007 the components of assets held for sale is as follows (amounts in thousands):

	March 31, 2008	December 31, 2007
Total assets	$ 6,803	$ 13,201
Total liabilities	(750)	(1,021)
Assets held for sale	$ 6,053	$ 12,180

As a result of the implementation of the plan to dispose of the Arriva business, the operating results of the Arriva business have been removed from continuing operations and reported as discontinued operations in the condensed consolidated statements of income and comprehensive income. Selected financial information that has been reported as discontinued operations for the three months ended March 31, 2007 and 2008 are as follows (amounts in thousands):

	March 31, 2008	March 31, 2007
Revenue	$ 859	$ 567
Pretax loss	$ (6,879)	$ (1,079)

Cash flows from discontinued operations for the quarter ended March 31, 2008 have not been separately identified in the condensed consolidated statement of cash flows.

11. SEGMENT INFORMATION

Operating segments as defined by SFAS No. 131, *Disclosures About Segments of an Enterprise and Related Information* , are components of an enterprise about which separate financial information is available that is evaluated regularly by the chief operating decision maker, or decision-making group, in deciding how to allocate resources and in assessing performance. The Company’s chief operating decision-making group consists of the Chief Executive Officer and Chief Financial Officer. The operating segments are reviewed separately because each represents products or services that can be, and often are, marketed and sold separately to our customers.

The Company operates in four distinct business segments: (i) cash advance, (ii) ATM, (iii) check services and (iv) credit reporting services. These segments are monitored separately by management for performance against its internal forecast and are consistent with the Company's internal management reporting.

Other lines of business, none of which exceed the established materiality for segment reporting, include Arriva, Western Union, direct marketing and IFT, among others.

The Company's business is predominantly domestic, with no specific regional concentrations.

Major customers — For the three months ended March 31, 2008 and 2007, the combined revenues from all segments from our largest customer was approximately $28.0 million and $28.2 million, respectively representing 19.4% and 19.2% of the Company's total consolidated revenues, respectively.

For the three months ended March 31, 2008 and 2007, the combined revenues from all segments for our second largest customer was approximately $15.0 million and $15.1 million, respectively, representing 10.4% and 10.3%, of the Company's total consolidated revenues.

The accounting policies of the operating segments are the same as those described in the summary of significant accounting policies. The tables below present the results of operations by operating segment for the three months ended March 31, 2008 and 2007 and total assets by operating segment as of March 31, 2008 and December 31, 2007 (amounts in thousands):

	Cash Advance	ATM	Check Services	Credit Reporting	Other	Corporate	Total
Three Months Ended March 31, 2008							
Revenues	$ 73,388	$ 59,772	$ 7,681	$ 2,202	$ 442	$ —	$143,485
Operating income exclusive of depreciation and amortization (1)	17,501	10,941	3,121	1,664	301	(15,274)	18,254
Three Months Ended March 31, 2007							
Revenues	$ 77,412	$ 60,766	$ 7,351	$ 2,267	$ 273	$ 108	$148,177
Operating income exclusive of depreciation and amortization (1)	18,499	11,811	3,123	1,551	43	(12,613)	22,414

(1) Depreciation and amortization expense for segment presentation purposes has been included within the Corporate segment, and has not been allocated to individual operating segments.

Total Assets	**March 31, 2008**	**December 31, 2007**
Cash advance	$ 140,248	$ 153,444
ATM	60,633	68,627
Check services	29,572	29,749
Credit reporting	21,057	21,204
Other	1,318	6,552
Discontinued operations	7,371	18,731
Corporate	334,166	239,995
Total assets	$ 594,365	$ 538,302

12. SUBSEQUENT EVENTS

Acquisition of Certegy Gaming Services — On April 1, 2008, the Company completed its acquisition of all of the issued and outstanding shares (the "Shares") of Certegy Gaming Services, Inc. ("CGS"), pursuant to a Stock Purchase Agreement (the "Stock Purchase Agreement") with Fidelity National Transaction Services, Inc. and CGS.

In connection with the acquisition, GCA purchased the Shares from Seller for an aggregate purchase price of $25,000,000 in cash. Additionally at closing GCA was obligated to pay $57.3 million for the estimate of cash and cash equivalents owned by CGS at closing and an additional $1.4 million for working capital surplus, severance and commission payments to certain employees not retained by Seller following the closing of the acquisition. The estimated cash and cash equivalents and working capital surplus amounts paid are subject to a post closing adjustment for differences identified between the amounts paid at closing and actual amounts identified. In April 2008, the Company has received a refund of some of the estimate of cash and cash equivalents owned by CGS at closing

Borrowings on Senior Secured Credit Facility — In April 2008, the Company repaid $31.7 million of the outstanding balance on the revolving portion of the Credit Facility.

Class Action — On April 11, 2008, a class action was filed by a stockholder in the United States District Court, Southern District of New York against the Company, certain of our current and former directors, M&C International, Summit Partners, L.P., Goldman Sachs & Co., Inc., and J.P. Morgan Securities, Inc, claiming violation of Sections 11, 12(a)(2) and 15 the Securities Act of 1934. The action includes claims for, among other things, damages and rescission. The Company has indemnification agreements with each of the individual defendants and certain of the other defendants that may cause the Company to incur expenses associated with the defense of this action and that may also protect such individuals from liability to the Company. The Company also maintains director and officer liability insurance that may provide for reimbursement of some of the expenses associated with this action.

Derivative Action — On May 5, 2008, the two separate derivative actions filed by stockholders on behalf of the Company in the United States District Court, District of Nevada against our current directors, two of our former directors, our former chief executive officer and our former chief financial officer were consolidated. The amended complaint alleges breach of fiduciary duties, waste of corporate assets, and unjust enrichment. The action includes claims for, among other things, damages in favor of the Company, certain corporate actions to purportedly improve the Company's corporate governance, and an award of costs and expenses to the plaintiff stockholders including attorneys' fees. The Company has indemnification agreements with each of the individual defendants that may cause the Company to incur expenses associated with the defense of this action and that may also protect such individuals from liability to the Company. The Company also maintains director and officer liability insurance that may provide for reimbursement of some of the expenses associated with this action.

Board of Directors Appointment — On May 7, 2008, Patrick Olson has been appointed to the Board of the Company as a Class I director, whose term shall expire at the annual meeting of stockholders to be held in 2009. Mr. Olson was also appointed to the Audit Committee and to the Compensation Committee of the Company.

In connection with his appointment to the Board of Directors of the Company, Mr. Olson will receive an option to purchase 100,000 shares of Common Stock of the Company pursuant to the Company's 2005 Stock Incentive Plan, at an exercise price of $5.93 per share. Subject to Mr. Olson's continuous service to the Company, which includes service as a member of the Board of Directors of the Company, one-eighth of the shares subject to the option shall vest after six months of service, and the remainder will vest ratably in equal monthly installments over the succeeding forty-two months, provided, however, that the option will vest in its entirety upon a change of control in the Company. In addition, as a member of the Board of Directors of the Company, Mr. Olson is expected to receive an annual fee of $20,000, an additional annual fee of $5,000 for his service as a member of the Audit Committee of the Company, and an additional annual fee of $5,000 for his service as a member of the Compensation Committee.

On May 7, 2008, Karim Maskatiya resigned from the Board of Directors and E. Miles Kilburn was appointed to the office of sole Chairman.

TeleCheck Marketing Agreement — On May 13, 2008, GCA and TRS Recovery Services, Inc. entered into an agreement to extend the term of the TeleCheck Marketing Agreement dated as of July 9, 1998, between TRS Recovery Services, Inc. and Global Cash Access, Inc. on behalf of itself and its affiliates, as amended, through September 30, 2008.

13. GUARANTOR INFORMATION

In March 2004, GCA issued $235 million in aggregate principal amount of 8 $^{3}/_{4}$% senior subordinated notes due 2012 (the "Notes"). At March 31, 2008 and December 31, 2007 there were $152.8 million in Notes outstanding. The Notes are guaranteed by all of GCA's existing domestic 100% owned subsidiaries. In addition, effective upon the closing of the Company's initial public offering of common stock, Holdings guaranteed, on a subordinated basis, GCA's obligations under the Notes. These guarantees are full, unconditional, joint and several. GCA Canada, GCA UK, BVI, GCA

Switzerland, GCA Belgium, GCA HK, GCA Macau and GCA SA, which are 100% owned non-domestic subsidiaries, and IFT, which is a consolidated joint venture, do not guaranty the Notes. The following consolidating schedules present separate unaudited condensed financial statement information on a combined basis for the parent only, the issuer, as well as the Company's guarantor subsidiaries and non-guarantor subsidiaries and affiliate, as of March 31, 2008 and December 31, 2007, and for the three months ended March 31, 2008 and 2007:

GLOBAL CASH ACCESS HOLDINGS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATING SCHEDULE — BALANCE SHEET INFORMATION
MARCH 31, 2008
(amounts in thousands)
(unaudited)

	Parent	Issuer	Combined Guarantors	Combined Non-Guarantors	Elimination Entries *	Consolidated
ASSETS						
Cash and cash equivalents	$ —	$ 152,764	$ 422	$ 10,048	$ —	$ 163,234
Restricted cash and cash equivalents	—	383	1,000	—	—	1,383
Settlement receivables	—	35,754	—	4,906	(54)	40,606
Other receivables, net	—	17,979	47,013	679	(57,188)	8,483
Prepaid and other assets	—	7,411	6	128	—	7,545
Investment in subsidiaries	133,483	88,667	—	—	(222,150)	—
Assets held for sales	—	—	6,053	—	—	6,053
Property, equipment and leasehold improvements, net	—	22,396	144	1,077	—	23,617
Goodwill, net	—	116,574	39,471	810	—	156,855
Other intangibles, net	—	12,003	46	258	—	12,307
Deferred income taxes, net	—	174,252	—	30	—	174,282
TOTAL	$ 133,483	$ 628,183	$ 94,155	$ 17,936	$ (279,392)	$ 594,365
LIABILITIES AND STOCKHOLDERS' EQUITY						
LIABILITIES:						
Settlement liabilities	$ —	$ 64,754	$ —	$ 6,459	$ (54)	$ 71,159
Accounts payable	—	26,669	2	322	—	26,993
Accrued expenses	—	55,985	12,083	4,558	(57,188)	15,438
Borrowings	—	347,230	—	—	—	347,230
Total liabilities	—	494,638	12,085	11,339	(57,242)	460,820
COMMITMENTS AND CONTINGENCIES						
MINORITY INTEREST	—	62	—	—	—	62
STOCKHOLDERS' EQUITY	133,483	133,483	82,070	6,597	(222,150)	133,483
TOTAL	$ 133,483	$ 628,183	$ 94,155	$ 17,936	$ (279,392)	$ 594,365

* Eliminations include intercompany investments and management fees

GLOBAL CASH ACCESS HOLDINGS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATING SCHEDULE — BALANCE SHEET INFORMATION
DECEMBER 31, 2007
(amounts in thousands)
(unaudited)

	Parent	Issuer	Combined Guarantors	Combined Non-Guarantors	Elimination Entries *	Consolidated
ASSETS						
Cash and cash equivalents	$ —	$ 54,411	$ 5,411	$ 11,241	$ —	$ 71,063
Restricted cash and cash equivalents	—	380	1,000	—	—	1,380
Settlement receivables	—	56,344	635	4,722	(635)	61,066
Other receivables, net	928	18,010	44,324	121	(48,959)	14,424
Prepaid and other assets	—	6,786	3	116	—	6,905
Investment in subsidiaries	138,296	97,306	—	—	(235,602)	—
Assets held for sale	—	—	12,180	—	—	12,180
Property, equipment and leasehold improvements, net	—	22,213	165	1,138	—	23,516
Goodwill, net	—	116,574	39,471	844	—	156,889
Other intangibles, net	—	13,290	55	307	—	13,652
Deferred income taxes, net	—	177,199	—	28	—	177,227
TOTAL	$ 139,224	$ 562,513	$ 103,244	$ 18,517	$ (285,196)	$ 538,302
LIABILITIES AND STOCKHOLDERS' EQUITY						
LIABILITIES:						
Settlement liabilities	$ —	$ 85,751	$ 635	$ 7,976	$ (635)	$ 93,727
Accounts payable	—	21,947	107	348	—	22,402
Accrued expenses	928	52,904	11,856	3,533	(48,959)	20,262
Borrowings	—	263,480	—	—	—	263,480
Total liabilities	928	424,082	12,598	11,857	(49,594)	399,871
COMMITMENTS AND CONTINGENCIES						
MINORITY INTEREST	—	135	—	—	—	135
STOCKHOLDERS' EQUITY	138,296	138,296	90,646	6,660	(235,602)	138,296
TOTAL	$ 139,224	$ 562,513	$ 103,244	$ 18,517	$ (285,196)	$ 538,302

* Eliminations include intercompany investments and management fees

GLOBAL CASH ACCESS HOLDINGS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATING SCHEDULE — STATEMENT OF INCOME INFORMATION
THREE MONTHS ENDED MARCH 31, 2008
(amounts in thousands)
(unaudited)

	Parent	Issuer	Combined Guarantors	Combined Non-Guarantors	Eliminations *	Consolidated
REVENUES:						
Cash advance	$ —	$ 70,542	$ —	$ 2,846	$ —	$ 73,388
ATM	—	59,499	—	273	—	59,772
Check services	—	3,373	4,308	—	—	7,681
Central Credit and other revenues	1,745	(865)	2,202	14	(452)	2,644
Total revenues	1,745	132,549	6,510	3,133	(452)	143,485
Cost of revenues (exclusive of depreciation and amortization)	—	(98,507)	(2,784)	(2,083)	—	(103,374)
Operating expenses	—	(17,136)	(804)	(830)	130	(18,640)
Amortization	—	(1,303)	(9)	(50)	—	(1,362)
Depreciation	—	(1,761)	(16)	(78)	—	(1,855)
OPERATING INCOME	1,745	13,842	2,897	92	(322)	18,254
INTEREST INCOME (EXPENSE), NET						
Interest income	—	871	8	63	—	942
Interest expense	—	(7,645)	—	(19)	—	(7,664)
Total interest income (expense) , net	—	(6,774)	8	44	—	(6,722)
INCOME BEFORE INCOME TAX PROVISION AND MINORITY OWNERSHIP LOSS	1,745	7,068	2,905	136	(322)	11,532
INCOME TAX PROVISION	—	(5,369)	—	(61)	—	(5,430)
INCOME (LOSS) FROM CONTINUING OPERATIONS BEFORE MINORITY OWNERSHIP LOSS	1,745	1,699	2,905	75	(322)	6,102
MINORITY OWNERSHIP LOSS, NET OF TAX	—	46	—	—	—	46
INCOME FROM CONTINUING OPERATIONS	1,745	1,745	2,905	75	(322)	6,148
LOSS ON DISCONTINUED OPERATIONS, NET OF TAX	—	—	(4,403)	—	—	(4,403)
NET INCOME (LOSS)	$ 1,745	$ 1,745	$ (1,498)	$ 75	$ (322)	$ 1,745

* Eliminations include earnings on subsidiaries and management fees

GLOBAL CASH ACCESS HOLDINGS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATING SCHEDULE — STATEMENT OF INCOME INFORMATION
THREE MONTHS ENDED MARCH 31, 2007
(amounts in thousands)
(unaudited)

	Parent	Issuer	Combined Guarantors	Combined Non-Guarantors	Eliminations *	Consolidated
REVENUES:						
Cash advance	$ —	$ 75,992	$ —	$ 1,420	$ —	$ 77,412
ATM	—	60,766	—	—	—	60,766
Check services	—	4,061	3,290	—	—	7,351
Central Credit and other revenues	7,900	2,920	2,267	28	(10,467)	2,648
Total revenues	7,900	143,739	5,557	1,448	(10,467)	148,177
Cost of revenues (exclusive of depreciation and amortization)	—	(103,564)	(1,450)	(691)	—	(105,705)
Operating expenses	—	(15,987)	(884)	(618)	143	(17,346)
Amortization	—	(1,233)	(19)	(29)	—	(1,281)
Depreciation	—	(1,390)	(3)	(38)	—	(1,431)
OPERATING INCOME	7,900	21,565	3,201	72	(10,324)	22,414
INTEREST INCOME (EXPENSE), NET						
Interest income	—	844	—	43	—	887
Interest expense	—	(9,643)	—	—	—	(9,643)
Total interest income (expense), net	—	(8,799)	—	43	—	(8,756)
INCOME (LOSS) BEFORE INCOME TAX PROVISION AND MINORITY OWNERSHIP LOSS	7,900	12,766	3,201	115	(10,324)	13,658
INCOME TAX PROVISION	—	(4,930)	—	(176)	—	(5,106)
INCOME (LOSS) FROM CONTINUING OPERATIONS BEFORE MINORITY OWNERSHIP LOSS	7,900	7,836	3,201	(61)	(10,324)	8,552
MINORITY OWNERSHIP LOSS, NET OF TAX	—	64	—	—	—	64
INCOME FROM CONTINUING OPERATIONS	7,900	7,900	3,201	(61)	(10,324)	7,900
LOSS ON DISCONTINUED OPERATIONS, NET OF TAX	—	—	(716)	—	—	(716)
NET INCOME (LOSS)	$ 7,900	$ 7,900	$ 2,485	$ (61)	$ (10,324)	$ 7,900

* Eliminations include earnings on subsidiaries and management fees

GLOBAL CASH ACCESS HOLDINGS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATING SCHEDULE — STATEMENT OF CASH FLOWS
THREE MONTHS ENDED MARCH 31, 2008
(amounts in thousands)
(unaudited)

	Parent	Issuer	Combined Guarantors	Combined Non-Guarantors	Eliminations *	Consolidated
CASH FLOWS FROM OPERATING ACTIVITIES:						
Net income (loss)	$ 1,745	$ 1,745	$ (1,499)	$ 75	$ (321)	$ 1,745
Adjustments to reconcile net income (loss) to cash (used in) provided by operating activities:						
Amortization of financing costs	—	243	—	—	—	243
Amortization of intangibles	—	1,303	56	50	—	1,409
Depreciation	—	1,761	17	77	—	1,855
Provision for bad debts	—	—	9,092	—	—	9,092
Deferred income taxes	—	2,946	—	—	—	2,946
Equity income in subsidiaries	(1,745)	1,424	—	—	321	—
Minority ownership loss	—	(73)	—	—	—	(73)
Stock-based compensation	—	1,945	—	—	—	1,945
Changes in operating assets and liabilities:						
Settlement receivables	—	20,590	(428)	(170)	54	20,046
Other receivables, net	929	3,101	(8,022)	(563)	8,229	3,674
Prepaid and other assets	—	(867)	540	(15)	—	(342)
Settlement liabilities	—	(20,996)	54	(1,620)	(54)	(22,616)
Accounts payable	—	4,722	(137)	(17)	—	4,568
Accrued expenses	(929)	3,082	(66)	875	(8,229)	(5,267)
Net cash (used in) provided by operating activities	—	20,926	(393)	(1,308)	—	19,225

* Eliminations include intercompany investments and management fees

(Continued)

GLOBAL CASH ACCESS HOLDINGS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED SCHEDULE — STATEMENT OF CASH FLOWS
THREE MONTHS ENDED MARCH 31, 2008
(amounts in thousands)
(unaudited)

	Parent	Issuer	Combined Guarantors	Combined Non-Guarantors	Eliminations *	Consolidated
CASH FLOWS FROM INVESTING ACTIVITIES:						
Purchase of property, equipment and leasehold improvements	$ —	$ (1,943)	$ 4	$ (16)	$ —	$ (1,955)
Purchase of other intangibles	—	(16)	—	—	—	(16)
Changes in restricted cash and cash equivalents	—	(3)	—	—	—	(3)
Investments in subsidiaries	9,347	4,600	—	—	(13,947)	—
Net cash provided by (used in) investing activities	9,347	2,638	4	(16)	(13,947)	(1,974)
CASH FLOWS FROM FINANCING ACTIVITIES:						
Borrowings under credit facility	—	84,000	—	—	—	84,000
Repayments under credit facility	—	(250)	—	—	—	(250)
Purchase of treasury stock	(9,347)	—	—	—	—	(9,347)
Minority capital contributions	—	—	—	—	—	—
Capital contributions	—	(9,347)	(4,600)	—	13,947	—
Net cash (used in) provided by financing activities	(9,347)	74,403	(4,600)	—	13,947	74,403
NET EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	—	386	—	131	—	517
NET INCREASE IN CASH AND CASH EQUIVALENTS	—	98,353	(4,989)	(1,193)	—	92,171
CASH AND CASH EQUIVALENTS—Beginning of period	—	54,411	5,411	11,241	—	71,063
CASH AND CASH EQUIVALENTS—End of period	$ —	$152,764	$ 422	$ 10,048	$ —	$ 163,234

* Eliminations include intercompany investments and management fees

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GLOBAL CASH ACCESS HOLDINGS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATING SCHEDULE — STATEMENT OF CASH FLOWS
THREE MONTHS ENDED MARCH 31, 2007
(amounts in thousands)
(unaudited)

	Parent	Issuer	Combined Guarantors	Combined Non-Guarantors	Eliminations *	Consolidated
CASH FLOWS FROM OPERATING ACTIVITIES:						
Net income	$ 7,900	$ 7,900	$ 2,485	$ (61)	$ (10,324)	$ 7,900
Adjustments to reconcile net income to cash provided by operating activities:						
Amortization of financing costs	—	243	—	—	—	243
Amortization of intangibles	—	1,232	65	29	—	1,326
Depreciation	—	1,390	3	38	—	1,431
Gain on disposal of assets	—	—	—	—	—	—
Provision for bad debts	—	—	1,159	—	—	1,159
Deferred income taxes	—	4,352	—	—	—	4,352
Equity income in subsidiaries	(7,900)	(2,424)	—	—	10,324	—
Minority ownership loss	—	(100)	—	—	—	(100)
Stock-based compensation	—	2,936	—	—	—	2,936
Changes in operating assets and liabilities:						
Settlement receivables	—	66,860	174	2,257	(4,699)	64,592
Other receivables, net	2,104	(864)	(8,803)	156	4,006	(3,401)
Prepaid and other assets	—	486	(22)	(24)	—	440
Settlement liabilities	—	(61,330)	(4,699)	16	4,699	(61,314)
Accounts payable	—	174	13	(392)	—	(205)
Accrued expenses	—	(9,456)	9,903	383	(4,006)	(3,176)
Net cash provided by operating activities	2,104	11,399	278	2,402	—	16,183

* Eliminations include intercompany investments and management fees

(Continued)

GLOBAL CASH ACCESS HOLDINGS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED SCHEDULE — STATEMENT OF CASH FLOWS
THREE MONTHS ENDED MARCH 31, 2007
(amounts in thousands)
(unaudited)

	Parent	Issuer	Combined Guarantors	Combined Non-Guarantors	Eliminations *	Consolidated
CASH FLOWS FROM INVESTING ACTIVITIES:						
Purchase of property, equipment and leasehold improvements	$ —	$ (1,927)	$ (12)	$ (2)	$ —	$ (1,941)
Purchase of other intangibles	—	(419)	(35)	(31)	—	(485)
Investments in subsidiaries	(352)		—	—	352	—
Net cash used in investing activities	(352)	(2,346)	(47)	(33)	352	(2,426)
CASH FLOWS FROM FINANCING ACTIVITIES:						
Repayments under credit facility	—	(250)	—	—	—	(250)
Debt issuance costs	—	(23)	—	—	—	(23)
Exercise of stock options	341	—	—	—	—	341
Minority capital contributions	(2,093)	—	—	—	—	(2,093)
Capital contributions	—	352	—	—	(352)	—
Net cash provided by (used in) financing activities	(1,752)	79	—	—	(352)	(2,025)
NET EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	—	(82)	—	50	—	(32)
NET INCREASE IN CASH AND CASH EQUIVALENTS	—	9,050	231	2,419	—	11,700
CASH AND CASH EQUIVALENTS—Beginning of period	—	35,022	2,176	3,721	—	40,919
CASH AND CASH EQUIVALENTS—End of period	$ —	$ 44,072	$ 2,407	$ 6,140	$ —	$ 52,619

* Eliminations include intercompany investments and management fees

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

This Quarterly Report on Form 10-Q contains forward-looking statements within the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995. All statements included in this Quarterly Report, other than statements that are purely historical, are forward-looking statements. Words such as "anticipate," "contemplate," "expect," "intend," "plan," "believe," "seek," "estimate," "will," "will continue to be," or the negative of the foregoing and similar expressions regarding beliefs, plans, expectations or intentions regarding the future also identify forward-looking statements. Forward-looking statements in this Quarterly Report include, without limitation: in Part I, Item 1, (1) our intention to exit the Arriva business; (2) our use of estimates (e.g. for warranty expense, useful lives of assets, deferred tax asset, loss on Arriva, cash flows and reserve for bad debt) incorporated into our condensed consolidated financial statements; (3) our expectations relative to the vesting of stock options and restricted stock and the time periods over which we expect to be recognize the costs associated therewith; (4) our expectations relative to the withholding of shares of restricted stock to satisfy tax withholding obligations; (5) our belief that transactions performed in Canada are not taxable for purposes of the Canadian GST; (6) our belief that all issues raised by the card associations will be resolved in the normal course of business and that any related changes to our processing procedures will not result in a material adverse impact to our financial results; (7) our opinion that the final resolution of pending or threatened litigation in the aggregate is not likely to have a material adverse effect on our business, cash flows, results of operations or financial position; (8) our expectation that actual cash taxes paid on pretax income generated in the first quarter of 2008 will be substantially lower than the provision therefore due to the amortization of our deferred tax asset; in Part I, Item 2, (9) statements regarding our recognition and enjoyment of a net tax asset in connection with our conversion to a taxable corporate entity and the pro forma effect of such conversion; (10) our expectation that overall revenue is expected to increase in the remaining quarters of 2008 due to the CGS acquisition; (11) our expectation that cost of revenues as a percentage of revenue will increase during the remainder of 2008 due to the CGS acquisition; (12) our expectation that actual cash taxes paid on pretax income generated in the first quarter of 2008 will be substantially lower than the provision therefore due to the amortization of our deferred tax asset; (13) our belief that the senior secured credit facilities will continue to be guaranteed by the Company and all of its wholly-owned domestic subsidiaries other than Arriva; (14) statements regarding our estimate of the effective tax rate for the full year; (15) our belief that borrowings under our secured credit facilities, together with our anticipated operating cash flows, will be adequate to meet our anticipated future requirements for working capital, capital expenditures and scheduled interest payments on the senior subordinated notes and under our senior secured credit facility for the next 12 months and for the foreseeable future; (16) our plan, if necessary or otherwise advisable, to seek additional financing through bank borrowings or public or private debt or equity financings; (17) our belief that replacement costs of equipment, furniture and leasehold improvements will not materially affect our operations; in Part I, Item 3, (18) our expectation that we will continue to pay interest on borrowings under our senior secured credit facilities based on LIBOR of various maturities; in Part II, Item 1, (19) our opinion that the final resolution of any threatened or pending litigation, individually or in the aggregate, is not likely to have a material adverse effect on our business, cash flows, results of operations or financial position; in Part II, Item 1A, (20) our expectation that competition in the market for cash access products and related services will increase and intensify in the future; (21) our belief that it is probably that we will incur $2.9 million in costs to resolve any commission issues identified as a result of inquiries made during our internal investigation; (22) our belief that our success depends on developing and protecting our intellectual property; (23) that prior to the termination of our agreement with IPS we will need to either enter in an agency relationship with another third-party that holds the required money transmitter licenses or obtain our own money transmitter licenses; (24) that upon the expiration of our agreement with Bank of America we will need to obtain an adequate supply of cash for our ATMs from an alternate source; (25) that in connection with the Recapitalization and Private Equity Restructuring that occurred in 2004, we expect to pay a significantly lower amount in United States federal income taxes than we provide for in our income statements; (26) our belief that our ability to maintain and grow our business will depend upon our ability to introduce successful new products and services in a timely manner; (27) our expectation that we will continue to engage in joint development projects with third parties in the future; (28) our belief that effectively managing the expansion of our operations will enable us to execute our growth strategy of entering into new markets, expanding in existing markets and introducing new products and services; (29) our belief that attracting, training and retaining key managers involved in the development, operation and marketing of our products and services to gaming establishments will enable us to achieve future success; (30) that we intend to provide our services in international markets; (31) our expectation that the demographic profile of gaming patrons changes over time;

(32) our belief that our future success will depend, in part, upon our ability to successfully anticipate, develop and introduce new cash access services based on emerging financial services and payment methods and to enhance our existing products and services to respond to changes in technology and industry standards on a timely basis; (33) our expectation that a substantial portion of our future growth will result from the general expansion of the gaming industry; (34) our expectation that consumer and data privacy laws will be broadened in their scope and application, impose additional requirements and restrictions on gathering and using patron information or narrow the types of information that may be collected or used for marketing or other purposes or require patrons to “opt-in” to the use of their information for specific purposes, which will hamper the value of our patron marketing services; (35) our intention to vigorously defend ourselves in any lawsuits filed by problem gamers; and (36) our expectation that in the future we will also issue additional shares or options to purchase additional shares to our employees, directors and consultants, in connection with corporate alliances or acquisitions, and in follow-on offerings to raise additional capital.

Our expectations, beliefs, objectives, anticipations, intentions and strategies regarding the future, including, without limitation, those concerning expected operating results, revenues and earnings are not guarantees of future performance and are subject to risks and uncertainties that could cause actual results to differ materially from results contemplated by the forward-looking statements including, but not limited to: (1) our inability to find a third party willing to assume the assets and liabilities associated with the Arriva business on acceptance terms or an unexpected change in the fundamentals of the Arriva business; (2) our limited ability to predict future circumstances that are the subject of accounting estimates (e.g. our limited ability to predict warranty expense, useful lives of assets, deferred tax asset, loss on Arriva, cash flows and bad debt expenses); (3) our limited ability to control and predict the cessation of employment of recipients of our stock options and our restricted stock; (4) our inability to predict how recipients of restricted stock grants will choose in the future to satisfy the statutory withholding requirements applicable to the restricted stock grants; (5) our inability to predict the CRA’s ultimate disposition of our disputed rebate claim; (6) our inability to predict the severity of issues raised by card associations, our limited ability to make changes to the bankcard transaction processing, and our reliance on third parties for bankcard transaction processing; (7) the uncertainty of the outcome of any pending or threatened litigation; (8) changes in our tax position, including changes in the amortization of our tax asset as a result of an audit or otherwise; (9) unanticipated changes to applicable tax rates or laws or changes in our tax position, including changes in the amortization of our tax asset as a result of an audit or otherwise; (10) difficulties integrating the CGS business into our business or the loss of CGS customers as a result of the CGS acquisition; (11) an unexpected achievement of cost savings synergies as a result of the CGS acquisition; (12) changes in our tax position, including changes in the amortization of our tax asset as a result of an audit or otherwise; (13) the amendment of the senior secured credit facilities releasing one or more wholly-owned domestic subsidiaries from its obligation to guarantee the senior secured credit facilities or designation of a wholly-owned domestic subsidiary as an unrestricted subsidiary; (14) unanticipated changes to applicable tax rates or laws or changes in our tax position, including changes in the amortization of our tax asset as a result of an audit or otherwise; (15) unanticipated needs for working capital, capital expenditures, our inability to satisfy conditions precedent to our ability to borrow additional funds under our senior secured credit facilities or our failure to accurately estimate our operating cash flows as a result of competitive pressures or otherwise; (16) our inability to obtain additional financings through bank borrowings or debt or equity financing at all or on terms that are favorable to us; (17) unanticipated loss of or damage to our equipment or the need to replace our equipment as a result of unanticipated obsolescence, regulatory changes or otherwise; (18) changes in applicable interest rates that result in interest rates lower than LIBOR becoming available to us; (19) our inability to predict the final resolution of any threatened or pending litigation, individually or in the aggregate; (20) the possibility that saturation in the market for cash access products and related services may deter subsequent market entrants; (21) customers may refuse to resolve their commission disputes with us for the proposed amounts or other customers may dispute our commission calculations; (22) that we may be successful notwithstanding our inability to protect our intellectual property or that we may be unsuccessful notwithstanding the development and protection of our intellectual property; (23) we may be unsuccessful in entering into an agency relationship with another third-party that holds the required money transmitter licenses and we may fail to obtain our own money transmitter licenses; (24) we may be unsuccessful in obtaining an adequate supply of cash for our ATMs from an alternative source on favorable terms or at all; (25) unanticipated changes to applicable tax rates or laws or changes in our tax position, including changes in the amortization of our tax asset as a result of an audit or otherwise; (26) that we may fail to introduce new products or services due to resource constraints, that we may succeed in growing our business notwithstanding the failure to introduce new products or services or that we may fail to grow our business notwithstanding our success in introducing new products and services; (27) the unwillingness of third parties to enter into joint development projects with us or insufficient business rationales for entering into potential joint development projects with third parties in the future; (28) our failure to execute our growth strategy notwithstanding our effective management of the expansion of our operations, due to competitive forces, regulatory restrictions or resource limitations;

(29) the possibility that we may fail in the future notwithstanding our attraction, training and retention of key managers; (30) our failure to enter into international markets due to regulatory restrictions, operational limitations or resource constraints; (31) the inherent difficulty in predicting changes in gaming patron demographic profiles; (32) the inherent difficulty in predicting and taking advantage of emerging financial services and payment methods and the possibility that may fail notwithstanding our implementation of new products and services based upon emerging financial services and payment methods; (33) the gaming industry may contract in the future, and we may fail to realize growth from general expansion of the gaming industry due to competitive forces, changing patron preferences and cash carrying habits or resource limitations; (34) easing of consumer and data privacy laws that enable competitors to obtain and exploit marketing information; (35) the possible settlement of lawsuits by problem gamers through operational modifications that do not materially impair our operations; and (36) we may not enter into corporate alliances or acquisitions, we may not conduct follow-on offerings to raise additional capital and we may choose to replace equity-based compensation with cash-based compensation.

We assume no obligation to update any forward-looking statements. Readers are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date of this Quarterly Report on Form 10-Q. Readers should also review the cautionary statements and discussion of the risks of our business set forth elsewhere herein under the heading "Risk Factors" under Part II, Item 1A and our other filings with the Securities and Exchange Commission ("SEC"), including our Annual Report on Form 10-K (No. 001-32622) filed on March 17, 2008 and our Current Reports on Form 8-K.

Overview

We are a provider of cash access products and related services to the gaming industry in the United States and several international markets. Our products and services provide gaming establishment patrons access to cash through a variety of methods, including ATM cash withdrawals, credit card cash advances, point-of-sale debit cash advances, check cashing and money transfers. In addition, we also provide products and services that improve credit decision-making, automate cashier operations and enhance patron marketing activities for gaming establishments.

Commencing in the third quarter of 2006, the Company, through Arriva, began marketing a private-label revolving credit card aimed at consumers who perform cash advance transactions in gaming establishments. The Company announced on February 28, 2008 that it intended to exit Arriva. The Company has since began marketing Arriva for sale and accordingly, has classified the net assets of Arriva as available for sale on the Company's Condensed Consolidated Balance Sheet for the period ended March 31, 2008 and has reclassified the operating results of Arriva to discontinued operations for all periods presented in the condensed consolidated statement of income for the three months in the periods ended March 31, 2008 and 2007 and 2007, respectively.

We began our operations as a Delaware limited liability company owned by M&C International and entities affiliated with Bank of America Corporation and First Data Corporation in July 1998. In September 2000, Bank of America Corporation sold its entire ownership interest in us to M&C International and First Data Corporation. In March 2004, Global Cash Access, LLC issued $235 million in aggregate principal amount of 8 3/4% senior subordinated notes due 2012 (the "Notes") and borrowed $260 million under senior secured credit facilities. Global Cash Access Holdings, LLC was formed to hold all of the outstanding capital stock of Global Cash Access, Inc. and to guarantee the obligations under the senior secured credit facilities. A substantial portion of the proceeds of these senior subordinated notes and senior secured credit facilities were used to redeem all of First Data Corporation's interest in us and a portion of M&C International's interest in us through a recapitalization (the "Recapitalization''), in which Bank of America Corporation reacquired an ownership interest in us. In May 2004, we completed a private equity restructuring (the "Private Equity Restructuring'') in which M&C International sold a portion of its ownership interest in us to a number of private equity investors, including entities affiliated with Summit Partners, and we converted from a limited liability company to a Delaware corporation. In September 2005, Holdings completed an initial public offering of common stock. In connection with that offering, the various equity securities of Holdings that had been outstanding prior to the offering were converted into common stock. In addition, Holdings became a guarantor, on a subordinated basis, of the Notes.

In connection with our conversion from a limited liability company to a corporation for United States federal income tax purposes, we recognized deferred tax assets and liabilities from the expected tax consequences of differences between the book basis and tax basis of our assets and liabilities at the date of conversion into a taxable entity. Prior to our conversion to a corporation, we operated our business as a limited liability company that was treated as a pass through entity for United States federal income tax purposes, making our owners responsible for taxes on their respective share of our earnings.

Three months ended March 31, 2008 compared to three months ended March 31, 2007

The following table sets forth the unaudited condensed consolidated results of operations for the three months ended March 31, 2008 and 2007 (dollars in thousands):

	Three Months Ended			
	March 31, 2008		March 31, 2007	
	$	%	$	%
REVENUES:				
Cash advance	$ 73,388	51.1%	$ 77,412	52.2%
ATM	59,772	41.7%	60,766	41.0%
Check services	7,681	5.4%	7,351	5.0%
Central Credit and other revenues	2,644	1.8%	2,648	1.8%
Total revenues	143,485	100.0%	148,177	100.0%
Cost of revenues (exclusive of depreciation and amortization)	(103,374)	(72.0)%	(105,705)	(71.3)%
Operating expenses	(18,640)	(13.0)%	(17,346)	(11.7)%
Amortization	(1,362)	(0.9)%	(1,281)	(0.9)%
Depreciation	(1,855)	(1.3)%	(1,431)	(1.0)%
OPERATING INCOME	18,254	12.7%	22,414	15.1%
INTEREST INCOME (EXPENSE), NET				
Interest income	942	0.7%	887	0.6%
Interest expense	(7,664)	(5.3)%	(9,643)	(6.5)%
Total interest income (expense), net	(6,722)	(4.7)%	(8,756)	(5.9)%
INCOME FROM CONTINUING OPERATIONS BEFORE INCOME TAX PROVISION AND MINORITY OWNERSHIP LOSS	11,532	8.0%	13,658	9.2%
INCOME TAX PROVISION	(5,430)	(3.8)%	(5,106)	(3.4)%
INCOME FROM CONTINUING OPERATIONS BEFORE MINORITY OWNERSHIP LOSS	6,102	4.3%	8,552	5.8%
MINORITY OWNERSHIP LOSS, NET OF TAX	46	0.0%	64	0.0%
INCOME FROM CONTINUING OPERATIONS	6,148	4.3%	8,616	5.8%
LOSS FROM DISCONTINUED OPERATIONS, NET OF TAX	(4,403)	(3.1)%	(716)	(0.5)%
NET INCOME	$ 1,745	1.2%	$ 7,900	5.3%
OTHER DATA:				
Aggregate dollar amount processed (in billions):				
Cash advance	$ 1.5		$ 1.6	
ATM	3.3		3.4	
Check warranty	$ 0.3		$ 0.3	
Number of transactions completed (in millions):				
Cash advance	2.7		2.8	
ATM	16.2		17.2	
Check warranty	1.3		1.3	

Total Revenues

Total revenues for the quarter ended March 31, 2008 were $143.5 million, a decrease of $4.7 million, or 3.2%, as compared to the quarter ended March 31, 2007.

The decrease in revenues from the first quarter of 2007 to the first quarter of 2008 was primarily due to the reasons described below.

Cash Advance. Cash advance revenue for the quarter ended March 31, 2008 was $73.4 million, a decrease of $4.0 million, or 5.2%, as compared to the quarter ended March 31, 2007. In September 2007, all of the Company's casino customers in the United Kingdom ("UK") chose to discontinue the provision of the Company's credit card cash advance services as a result of the UK Gambling Act 2005 (the "Gambling Act") becoming effective. The most significant single driver of decreased revenue in cash advance relates to the suspension of service in the UK. During the three months ended March 31, 2007, the Company generated an aggregate of $1.7 million in revenues through the provision of debit card and credit card cash advance services in casinos in the UK. The Company had no such revenue during the three months ended March 31, 2008. The total amount of cash disbursed decreased 3.2% from $1.6 billion to $1.5 billion and the number of transactions completed decreased 4.3% from 2.8 million to 2.7 million. Revenue per cash advance transaction decreased 0.9% from $27.56 to $27.30.

ATM. ATM revenue for the quarter ended March 31, 2008 was $59.8 million, a decrease of $1.0 million, or 1.6%, as compared to the quarter ended March 31, 2007. The decrease was primarily attributable to a 5.5% decrease in the number of transactions from 17.2 million to 16.2 million. Revenue per ATM transaction increased 4.1% from $3.54 to $3.69. There was a 1.7% decrease in the total amount of cash disbursed from $3.4 billion to $3.3 billion.

Check Services. Check services revenue for the quarter ended March 31, 2008 was $7.7 million, an increase of $0.3 million, or 4.5%, as compared to the quarter ended March 31, 2007. Check services revenue increased primarily due to the addition of customers in the latter part of 2007. The face amount of checks warranted increased 1.4% from $340.0 million to $344.8 million. The number of checks warranted decreased 2.0% from 1.29 million to 1.27 million, while the average face amount per check warranted increased from $263.12 to $272.21. Check warranty revenue as a percent of face amount warranted was 2.03% in the 2008 quarter as compared to 1.98% for the quarter ended March 31, 2007, and revenue per check warranty transaction increased 6.1% from $5.21 to $5.53.

Central Credit and Other. Central Credit and other revenues for the quarter ended March 31, 2008 were $2.6 million, essentially flat with the prior year quarter.

Overall revenue is expected to increase in the remaining quarters of 2008 as compared to the quarter ended March 31, 2008 due to the integration of the CGS acquisition which closed on April 1, 2008.

Costs and Expenses

Cost of Revenues (Exclusive of Depreciation and Amortization). Cost of revenues (exclusive of depreciation and amortization) decreased 2.2% from $105.7 million to $103.4 million. Cost of revenue (exclusive of depreciation and amortization) as a percentage of revenue increase from 71.3% to 72.0%. The largest component of cost of revenues (exclusive of depreciation and amortization) is commissions, which decreased 3.0% in the 2008 quarter but as a percentage of total revenue commissions increased 10 basis points compared to the prior year quarter. Contracts have been signed or renewed at higher commission rates than experienced in the 2007 quarter . The second-largest component of cost of revenues (exclusive of depreciation and amortization) is interchange expense, which decreased 1.8% but as a proportion of revenue, interchange increased 30 basis points. The third major component of cost of revenues (exclusive of depreciation and amortization) is warranty expense which increased 8.3%.

We expect that cost of revenues (exclusive of depreciation and amortization) as a percentage of revenue will increase during the balance of 2008 as compared to the first quarter of 2008 due to the integration of the CGS acquisition as that business has higher cost of revenues (exclusive of depreciation and amortization) as a percentage of revenue than does the remainder of GCA's business.

Operating Expenses. Operating expenses for the quarter ended March 31, 2008 were $18.6 million, an increase of $1.3 million or 7.5%, as compared to the quarter ended March 31, 2007. The primary drivers of this increase include (1) increases in payroll and related costs of approximately $0.9 million due to both an increase in employees and a severance payment made to a former executive, (2) an increase in audit and audit related fees of approximately $0.6 million due to increased external audit fees, and (3) an increase in legal fees of approximately $0.8 million due to the derivative suits filed against the Company as well as other general litigation matters. These increases were offset by a decrease in non-cash compensation expenses of $1.0 million due to options being issued in late 2007 and early 2008 with fair values significantly below those values in prior periods.

Depreciation and Amortization. Depreciation expense for the quarter ended March 31, 2008 was $1.9 million, an increase of $0.4 million, or 29.6% compared to the 2007 quarter. Amortization expense, which relates principally to computer software, customer contracts and our 3-in-1 rollover patent, increased $0.1 million to $1.4 million, or an increase of 6.3%.

Primarily as a result of the factors described above, operating income for the quarter ended March 31, 2008 was $18.3 million, a decrease of $4.2 million, or 18.6%, as compared to the quarter ended March 31, 2007.

Interest Income (Expense), Net. Interest income was $0.9 million in the first quarter of 2008, an increase of 6.2% from the first quarter of 2007 due to higher invested cash balances offset somewhat by lower investment return on that cash.

Interest expense for the quarter ended March 31, 2008 was $7.7 million, a decrease of $2.0 million, or 20.5%, as compared to the quarter ended March 31, 2007. This decrease is principally related to lower average interest rates and average outstanding balances on our senior secured credit facilities and a decrease in the average outstanding vault cash balances under our vault cash agreement. The average amount of outstanding ATM cash decreased from $280.3 million in the first quarter of 2007 to $254.4 million in the first quarter of 2008, while the effective interest rate for the quarter decreased from 5.7% to 3.6% for the same periods, respectively.

Primarily as a result of the foregoing, income from continuing operations before income tax provision and minority ownership loss was $11.5 million for the quarter ended March 31, 2008, a decrease of $2.1 million, or 15.6%, as compared to the 2007 quarter.

Income Tax. The provision for income taxes in the first quarter of 2008 reflects an effective tax rate of approximately 47% as compared to an effective tax rate in the first quarter of 2007 of 37.7%. This increase is primarily the result of the expiration of certain stock options that had previously been expensed for book purposes but not for tax purposes. This event increased our tax rate by approximately 6.1% in the current quarter. Due to the amortization of our deferred tax assets for income tax purposes, actual cash taxes paid on pretax income generated in the first quarter of 2008 are expected to be substantially lower than the provision.

Primarily as a result of the foregoing, income from continuing operations before minority ownership loss was $6.1 million for the quarter ended March 31, 2008, a decrease of $2.5 million, or 28.6%, as compared to the 2007 quarter.

Minority Ownership Loss, Net of Tax. Minority ownership loss, net of tax attributable to Innovative Funds Transfer, LLC (“IFT”) for the quarter ended March 31, 2008 was $46,000 as compared to $64,000 in the comparable period of 2007.

Loss from Discontinued Operations, Net of Tax. Net loss from discontinued operations increased from $0.7 million in the first quarter of 2007 to $4.4 million in the first quarter of 2008. This increase is primarily due to the increase in valuation allowance against the Arriva receivable by $5.5 million on a pretax basis and $3.5 million on an after tax basis that was required to reduce the carrying value of the net assets associated with the Arriva business to their estimated fair value at March 31, 2008.

LIQUIDITY AND CAPITAL RESOURCES

Cash Flows

The following table summarizes our cash flows for the three months ended March 31, 2008 and 2007, respectively (amounts in thousands):

	Three Months Ended	
	March 31, 2008	March 31, 2007
Net cash provided by operating activities	$ 19,225	$ 16,183
Net cash used in investing activities	(1,974)	(2,426)
Net cash provided by (used in) financing activities	74,403	(2,025)
Net effect of exchange rate changes on cash and cash equivalents	517	(32)
Net increase in cash and cash equivalents	92,171	11,700
Cash and cash equivalents, beginning of period	71,063	40,919
Cash and cash equivalents, end of period	$ 163,234	$ 52,619

Our principal source of liquidity is cash flows from operating activities, which were $19.2 million and $16.2 million for the three months ended March 31, 2008 and 2007, respectively. Changes in operating assets and liabilities accounted for a net increase of $9.0 million in cash flow from operating activities. Offsetting this is the net decrease in settlement receivables and liabilities of $5.8 million and a decrease of $0.6 million from decreases in net income, the add back of non-cash compensation expense to net income, the add back of the provision for bad debts, and the net increase in cash tax savings added back to the deferred income tax asset.

Net cash used in investing activities totaled $2.0 million and $2.4 million for the three months ended March 31, 2008 and 2007, respectively. Included in net cash used in investing activities for the three months ended March 31, 2008 and 2007, respectively, were funds spent on purchased software and software development in the amounts of $16,000 and $0.5 million and funds spent on the procurement of cash access equipment, computer and other hardware in the amounts of $2.0 million and $2.0 million. We have met our capital requirements to date through cash flows from operating activities.

Net cash provided by financing activities was $74.4 million for the three months ended March 31, 2008 compared to net cash used in financing activities of $2.0 million for the three months ended March 31, 2007, respectively. In the three months ended March 31, 2008, we borrowed $84.0 million under the revolving portion of our credit facility to finance the acquisition of Certegy Gaming Services, which was completed on April 1, 2008. We repaid $250,000 of scheduled principal on the term loan in the three months ended March 31, 2008 and 2007. In the three months ended March 31, 2007, the net cash used also includes payments for debt issuance costs of $23,000. In 2007, the Company’s Board of Directors authorized the repurchase of up to $50 million of common stock. During the three months ended March 31, 2008, we completed this repurchase authorization and acquired $9.3 million worth of common stock in open market purchases and employee tax withholding transactions from vesting of restricted shares under the Company’s equity incentive programs. Offsetting the cash used was $0.3 million in proceeds from the exercise of stock options by our employees in the first three months of 2007.

Borrowings

On November 1, 2006, GCA and Holdings entered into a Second Amended and Restated Credit Agreement with certain lenders, Bank of America, N.A., as Administrative Agent (the “Second Amended and Restated Credit Agreement”), which amended and restated the terms of the First Amended and Restated Credit Agreement. The Second Amended and Restated Credit Agreement amended and restated the terms of GCA’s existing senior secured credit facilities to provide for a $100.0 million term loan facility and a $100.0 million five-year revolving credit facility, with a $25.0 million letter of credit sublimit and a $5.0 million swingline loan sublimit. The Second Amended and Restated Credit Agreement also contains an increase option permitting GCA to arrange with existing lenders and/or new lenders for them to provide up to an aggregate of $150.0 million in additional term loan or revolving credit commitments.

The Second Amended and Restated Credit Agreement significantly amended and restated the terms of the First Amended and Restated Credit Agreement to, among other things, reduce the rate at which interest accrues on certain borrowings under the senior secured credit facilities and modify certain other terms, conditions, provisions and covenants in connection with the senior secured credit facilities.

Principal, together with accrued interest, is due on the maturity date, November 1, 2011. GCA may prepay the loans and terminate the commitments at any time, without premium or penalty, subject to certain qualifications set forth in the Second Amended and Restated Credit Agreement. Furthermore, the Second Amended and Restated Credit Agreement contains mandatory prepayment provisions which, under certain circumstances, obligate GCA to apply defined portions of its cash flow to prepayment of the senior secured credit facilities.

Pursuant to the Second Amended and Restated Credit Agreement, the senior secured credit facilities continue to be secured by substantially all of the assets of the Company, GCA and GCA’s wholly-owned domestic subsidiaries other than Arriva, and will continue to be guaranteed by the Company and all of GCA’s wholly-owned domestic subsidiaries other than Arriva.

The Second Amended and Restated Credit Agreement contains customary affirmative and negative covenants, financial covenants, representations and warranties and events of defaults, which are subject to important exceptions and qualifications, as set forth in the Second Amended and Restated Credit Agreement. At March 31, 2008, the Company is in compliance with the required covenants.

On March 10, 2004, we completed a private placement offering of the Notes. All of GCA’s existing and future domestic wholly owned subsidiaries are guarantors of the Notes on a senior subordinated basis. In addition, effective upon the closing of the Company’s initial public offering of common stock, Holdings guaranteed, on a subordinated basis, GCA’s obligations under the Notes.

Interest on the Notes accrues based upon a 360-day year comprised of twelve 30-day months and is payable semiannually on March 15th and September 15th. On October 31, 2005, $82.25 million or 35% of these Notes were redeemed at a price of 108.75% of face, out of the net proceeds from our initial public offering. The Company may redeem all or a portion of the Notes at redemption prices of 104.375% on or after March 15, 2008, 102.188% on or after March 15, 2009 or 100.000% on or after March 15, 2010.

Deferred Tax Asset

At March 31, 2008, we had a net deferred income tax asset of $174.3 million. We recognized a deferred tax asset upon our conversion from a limited liability company to a corporation on May 14, 2004. Prior to that time, all tax attributes flowed through to the members of the limited liability company. The principal component of the deferred tax asset is a difference between our assets for financial accounting and tax purposes. This difference results from a significant balance of Acquired Goodwill (approximately $686 million), which is recorded for tax purposes but not for accounting purposes. This asset is amortized over 15 years for tax purposes, resulting in annual pretax income being $45.7 million lower for tax purposes than for financial accounting purposes. At an estimated blended domestic effective tax rate of 36.0%, this results in tax payments being approximately $16.5 million less than the provision for income taxes shown on the income statement for financial accounting purposes. This is an expected aggregate of $182.5 million in cash savings over the remaining life of the portion of our deferred tax asset related to the conversion.

Other Liquidity Needs and Resources

Bank of America, N.A. supplies us with currency needed for normal operating requirements of our ATMs pursuant to the Amendment of the Treasury Services Agreement. Under the terms of this agreement, we pay a monthly cash usage fee based upon the product of the average daily dollars outstanding in all ATMs multiplied by average LIBOR for one-month United States dollar deposits for each day that rate is published in that month plus a margin of 25 basis points. We are therefore exposed to interest rate risk to the extent that the applicable LIBOR rate increases. As of March 31, 2008, the rate in effect, inclusive of the 25 basis points margin, was 3.1%, and the currency supplied by Bank of America, N.A. pursuant to this agreement was $197.4 million.

We need supplies of cash to support our foreign operations that involve the dispensing of currency. For some foreign jurisdictions, applicable law and cross-border treaties allow us to transfer funds between our domestic and foreign operations efficiently. The income from the United Kingdom branch operation is taxed as earned in the United States and United Kingdom. This double taxation is removed through tax treaty and the subsequent use of the United States foreign tax credit. As a result, transfer of funds between our domestic and United Kingdom operations can be handled efficiently with no restrictive repatriation considerations.

For other foreign jurisdictions, we must rely on the supply of cash generated by our operations in those foreign jurisdictions, as the costs of repatriation are prohibitive. For example, GCA Canada, the subsidiary through which we operate in Canada, generates a supply of cash that is sufficient to support its operations, and all cash generated through such operations is retained by GCA Canada. As we expand our operations into new foreign jurisdictions, we must rely on treaty-favored cross-border transfers of funds, the supply of cash generated by our operations in those foreign jurisdictions or alternate sources of working capital.

Pursuant to the terms of our agreement with IGT, we are obligated to invest up to our pro rata share of $10.0 million in capital to IFT. Our obligation to invest additional capital in IFT is conditioned upon capital calls, which are in our sole discretion. As of March 31, 2008, we had invested a total of $4.6 million in IFT, and are committed to invest up to $1.4 million in additional capital investments if required.

We believe that borrowings available under our senior secured credit facilities, together with our anticipated operating cash flows, will be adequate to meet our anticipated future requirements for working capital, capital expenditures and scheduled interest payments on the Notes and under our senior secured credit facilities for the next 12 months and for the foreseeable future. Although no additional financing is currently contemplated, we may seek, if necessary or otherwise advisable and to the extent permitted under the indenture governing the Notes and the terms of the senior secured credit facilities, additional financing through bank borrowings or public or private debt or equity financings. We cannot ensure that additional financing, if needed, will be available to us, or that, if available, the financing will be on terms favorable to us. The terms of any additional debt or equity financing that we may obtain in the future could impose additional limitations on our operations and/or management structure. We also cannot ensure that the estimates of our liquidity needs are accurate or that new business developments or other unforeseen events will not occur, resulting in the need to raise additional funds.

Off-Balance Sheet Arrangements

Bank of America Amended Treasury Services Agreement. We obtain currency to meet the normal operating requirements of our domestic ATMs and automated cashier machines (“ACM”) pursuant to the Amendment of Treasury Services Agreement with Bank of America, N.A. Under this agreement, all currency supplied by Bank of America, N.A. remains the sole property of Bank of America, N.A. at all times until it is dispensed, at which time Bank of America, N.A. obtains an interest in the corresponding settlement receivable. Because it is never an asset of ours, supplied cash is not reflected on our balance sheet. At March 31, 2008, the total currency obtained from Bank of America, N.A. pursuant to this agreement was $197.4 million. Because Bank of America, N.A. obtains an interest in our settlement receivables, there is no liability corresponding to the supplied cash reflected on our balance sheet. The fees that we pay to Bank of America, N.A. for cash usage pursuant to the Amendment of the Treasury Services Agreement are reflected as interest expense in our financial statements.

On March 13, 2008, GCA entered into an Agreement to Amend the Amendment of Treasury Services Agreement with Bank of America, N.A. that increased the limit on the aggregate allowed currency that Bank of America would provide to the Company from $360 million to $410 million. All other terms and conditions of the Amendment to the Treasury Services Agreement remain in full force and effect.

Arriva Card, Inc. Pursuant to the Receivables Sale Agreement and the Revolving Loan Product Program Agreement and amendments thereto, entered into in March 2006 between CIT Bank (“CIT”) and Arriva and as amended on December 13, 2007, CIT is the issuer of the Arriva Cards marketed by Arriva. The Arriva Card is a private-label revolving credit card that provides gaming patrons with access to credit in gaming establishments.

When a customer uses the Arriva Card for a transaction, CIT extends credit to the patron for the face amount of transaction and the fee charged and acquires the receivable from the customer. Arriva is entitled to receive all fees and interest income associated with the receivable. The other fees are included within other revenues in the condensed consolidated statements of income and the receivables from the patrons for this revenue is recorded as part of other receivables, net in the condensed consolidated balance sheets.

As of March 31, 2008, CIT had approximately $2,000 in outstanding patron receivables from originated transactions performed on Arriva Cards. Arriva is required to purchase the originated receivable from CIT three business days (the "Holding Period") from the date CIT acquires the receivable. For the three months ended March 31, 2008, Arriva has purchased $6.5 million of receivables from CIT. CIT is entitled to receive monthly from Arriva a fee based on the average balance of receivables multiplied by an interest rate. The interest rate is computed based upon the Holding Period. As of March 31, 2008, the interest is determined as the average of the Annual Percentage Rates ("APR") assigned to new accounts, or approximately 18.99%.

Senior Secured Credit Facility — As of March 31, 2008, we had $50,000 in standby letters of credit issued and outstanding as collateral on surety bonds for certain licenses held related to our Nevada check cashing licenses.

Effects of Inflation

Our monetary assets, consisting primarily of cash and receivables, are not significantly affected by inflation. Our non-monetary assets, consisting primarily of our deferred tax asset, goodwill and other intangible assets, are not affected by inflation. We believe that replacement costs of equipment, furniture and leasehold improvements will not materially affect our operations. However, the rate of inflation affects our operating expenses, such as those for salaries and benefits, armored carrier expenses, telecommunications expenses and equipment repair and maintenance services, which may not be readily recoverable in the financial terms under which we provide our cash access products and services to gaming establishments and their patrons.

Critical Accounting Policies

The preparation of our financial statements in conformity with accounting principles generally accepted in the United States of America requires us to make estimates and assumptions that affect our reported amounts of assets and liabilities, revenues and expenses, and related disclosures of contingent assets and liabilities in our consolidated financial statements. The SEC has defined a company's critical accounting policies as the ones that are most important to the portrayal of the financial condition and results of operations, and which require management to make its most difficult and subjective judgments, often as a result of the need to make estimates about matters that are inherently uncertain.

We partially adopted SFAS No. 157 as of January 1, 2008, which, among other things, requires enhanced disclosures about investments that are measured and reported at fair value. On February 7, 2008, the Company's Board of Directors approved a plan to exit the Arriva business. Pursuant to the provisions of SFAS No. 157, the Company estimated the fair value of the Arriva net assets as of March 31, 2008 based on preliminary offers the Company had received in connection with its marketing efforts as well as through the application of a net present value methodology. The Company recorded a pre-tax loss of $5.5 million to reduce the net assets of the Arriva business to their estimated fair value at March 31, 2008.

There were not any material changes to the critical accounting policies and estimates discussed in the Company's audited consolidated financial statements for the year ended December 31, 2007, included in the Company's Annual Report on Form 10-K (No. 001-32622) filed on March 17, 2008.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

In the normal course of business, we are exposed to foreign currency exchange risk. We operate and conduct business in foreign countries and, as a result, are exposed to movements in foreign currency exchange rates. Our exposure to foreign currency exchange risk related to our foreign operations is not material to our results of operations, cash flows or financial position. At present, we do not hedge this risk, but continue to evaluate such foreign currency translation risk exposure. At present, we do not hold any derivative securities of any kind.

Bank of America, N.A. supplies us with currency needed for normal operating requirements of our domestic ATMs and ACMs pursuant to the Amendment of the Treasury Services Agreement. Under the terms of this agreement, we pay a monthly cash usage fee based upon the product of the average daily dollars outstanding in all ATMs and ACMs multiplied by the average LIBOR for one-month United States dollar deposits for each day that rate is published in that month plus a margin of 25 basis points. We are therefore exposed to interest rate risk to the extent that the applicable LIBOR increases. As of March 31, 2008, the rate in effect, inclusive of the 25 basis points margin, was 3.1% and the currency supplied by Bank of America, N.A. pursuant to this agreement was $197.4 million. Based upon the average outstanding amount of currency to be supplied by Bank of America, N.A. pursuant to this agreement during the first three months of 2008, which was $254.4 million, each 1% increase in the applicable LIBOR would have a $2.5 million impact on income before taxes and minority ownership loss over a 12-month period. Foreign gaming establishments supply the currency needs for the ATMs located on their premises.

Our senior secured credit facilities bear interest at rates that can vary over time. We have the option of having interest on the outstanding amounts under these credit facilities paid based on a base rate (equivalent to the prime rate) or based on the Eurodollar rate (equivalent to LIBOR). We have historically elected to pay interest based on the one month United States dollar LIBOR, and we expect to continue to pay interest based on LIBOR of various maturities. At March 31, 2008, the weighted average interest rate, inclusive of the applicable margin of 87.5 basis points, was 3.52%. Based upon the outstanding balance on the senior secured credit facility of $194.5 million on March 31, 2008, each 1% increase in the applicable LIBOR would add an additional $1.9 million of interest expense over a 12-month period.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

The Company’s management, with the participation of the Chief Executive Officer (“CEO”) and Chief Financial Officer (“CFO”), evaluated the effectiveness of the Company’s disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) as of the end of the period covered by this report. Based on this evaluation, the CEO and CFO concluded that the Company’s disclosure controls and procedures are effective, in that they provide a reasonable level of assurance that information required to be disclosed by the Company in the reports we file or submit under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the SEC’s rules and forms. The Company’s disclosure controls and procedures are designed to provide reasonable assurance that information required to be disclosed by the Company in such reports is accumulated and communicated to the Company’s management, including our CEO and CFO, as appropriate, to allow timely decisions regarding required disclosure.

Notwithstanding the foregoing, there can be no assurance that the Company’s disclosure controls and procedures will detect or uncover all failures of persons within the Company and its consolidated subsidiaries to disclose material information otherwise required to be set forth in the Company’s periodic reports. Management adjusts internal controls when it believes such adjustments are warranted. There are inherent limitations to the effectiveness of any system of disclosure controls and procedures, including the possibility of human error and the circumvention or overriding of the controls and procedures. Accordingly, even effective disclosure controls and procedures can only provide reasonable, not absolute, assurance of achieving their control objectives.

Changes in Internal Control over Financial Reporting

No change in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) occurred during the fiscal quarter ended March 31, 2008 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

On December 12, 2007, a derivative action was filed by a stockholder on behalf of the Company in the United States District Court, District of Nevada against our current directors, two of our former directors, our former chief executive officer and our former chief financial officer, alleging breach of fiduciary duties, waste of corporate assets, unjust enrichment and violations of Sections 10(b) and 20(a) of the Securities Exchange Act of 1934, as amended. On February 8, 2008, an additional derivative action was filed by a separate stockholder on behalf of the Company in the United States District Court, District of Nevada against our current directors, one of our former directors, our former chief executive officer and our former chief financial officer, alleging breach of fiduciary duties, insider trading and waste of corporate assets. On May 5, 2008, the foregoing actions were consolidated and an amended complaint was filed that continues to pursue only state law claims but not violations of Sections 10(b) or 20(a) of the Securities Exchange Act of 1934, as amended. The consolidated action seeks , among other things, damages in favor of the Company, certain corporate actions to purportedly improve the Company's corporate governance, and an award of costs and expenses to the plaintiff stockholders including attorneys' fees. The Company has indemnification agreements with each of the individual defendants that may cause the Company to incur expenses associated with the defense of this action and that may also protect such individuals from liability to the Company. The Company also maintains director and officer liability insurance that may provide for reimbursement of some of the expenses associated with this action.

On April 11, 2008, a class action was filed by a stockholder in the United States District Court, Southern District of New York against the Company, certain of our current and former directors, M&C International, Summit Partners, L.P., Goldman Sachs & Co., Inc., and J.P. Morgan Securities, Inc, alleging violation of Sections 11, 12(a)(2) and 15 the Securities Act of 1934. The action includes claims for, among other things, damages and rescission. The Company has indemnification agreements with each of the other defendants that may cause the Company to incur expenses associated with the defense of this action and that may also protect such defendants from liability to the Company. The Company also maintains director and officer liability insurance that may provide for reimbursement of some of the expenses associated with this action.

We are threatened with or named as a defendant in various lawsuits in the ordinary course of business, such as personal injury claims and employment-related claims. It is not possible to determine the ultimate disposition of these matters; however, we are of the opinion that the final resolution of any such threatened or pending litigation, individually or in the aggregate, is not likely to have a material adverse effect on our business, cash flows, results of operations or financial position.

ITEM 1A. RISK FACTORS

The risk factors set forth below captioned "Competition in the market for cash access services ...," "Because of significant concentration among our top customers ...," "Our indebtedness could materially adversely affect ...," "Because of our dependence on a few providers ...," "Certain providers upon whom we are dependent ...," "We may make acquisitions or strategic investments ...," "A material increase in market interest rates ...," "An unexpected increase in check warranty expenses ..." and "Messrs. Maskatiya and Cucinotta and entities affiliated with Summit Partners possess significant voting power ..." have been materially modified from prior versions of these risk factors set forth in our Annual Report on Form 10-K for the year ended December 31, 2007. The risk factor set forth below captioned "Securities litigation involving the Company ..." has been added to the risk factors set forth in our Annual Report on Form 10-K for the year ended December 31, 2007.

Risks Related to Our Business

If we are unable to maintain our current customers on terms that are favorable to us, our business, financial condition and operating results may suffer a material adverse effect.

We enter into contracts with our gaming establishment customers to provide our cash access products and related services. Our contracts have a term ranging from one to five years in duration and provide that we are the only provider of cash access products to these establishments during the term of the contract. However, some of our contracts are terminable upon 30 days advance notice and some of our contracts either become nonexclusive or terminable by our gaming establishment customers in the event that we fail to satisfy specific covenants set forth in the contracts, such as covenants related to our ongoing product development. We are typically required to renegotiate the terms of our customer contracts upon their expiration, and in some circumstances we may be forced to modify the terms of our contracts before they expire. When we have successfully renewed these contracts, these negotiations have in the past resulted in, and in the future may result in, financial and other terms that are less favorable to us than the terms of the expired contracts. In particular, we are often required to pay a higher commission rate to a gaming establishment than we previously paid in order to renew the relationship. Assuming constant transaction volume, increases in commissions or other incentives paid to gaming establishments would reduce our operating results. We may not succeed in renewing these contracts when they expire, which would result in a complete loss of revenue from that customer, either for an extended period of time or forever. As our contracts are often executed by one corporation for the provision of services at multiple gaming establishments, the loss of a single contract often results in the loss of multiple gaming establishments. If we are required to pay higher commission rates or agree to other less favorable terms to retain our customers or we are not able to renew our relationships with our customers upon the expiration of our contracts, our business, financial condition and operating results would be harmed.

Competition in the market for cash access services is intense, which could result in higher commissions or loss of customers to our competitors.

The market for cash access products and related services is intensely competitive, and we expect competition to increase and intensify in the future. We compete with other providers of cash access products and services such as Global Payment Systems (operating as Cash & Win) and Cash Systems, Inc. We compete with financial institutions such as U.S. Bancorp and other regional and local banks that operate ATMs on the premises of gaming establishments. In markets outside North America, we encounter competition from banks and other financial service companies established in those markets. We face potential competition from gaming establishments that may choose to operate cash access systems on their own behalf rather than outsource to us. We may in the future also face competition from traditional transaction processors, such as First Data, that may choose to enter the gaming patron cash services market. In connection with our redemption of First Data's interest in us, First Data agreed not to compete with us prior to March 10, 2007. Given its familiarity with our specific industry and business and operations as a result of being our majority owner from inception until March 10, 2004, First Data could be a significant competitive threat now that this covenant not to compete has expired. In addition, we may in the future face potential competition from new entrants into the market for cash access products and related services and, subject to certain covenants made by some of the banks that sponsor us into the card associations, competition from such banks during and after expiration of our contracts with such banks. Some of our competitors and potential competitors have significant advantages over us, including greater name recognition, longer operating histories, pre- existing relationships with current or potential customers including pre-existing relationships relating to other financial services, significantly greater financial, marketing and other resources and more ready access to capital which allow them to respond more quickly to new or changing opportunities. In addition, some providers of cash access products and services to gaming establishments have established cooperative relationships with financial institutions in order to expand their service offerings.

Other providers of cash access products and services to gaming establishments have in the past increased, and may in the future continue to increase, the commissions or other incentives they pay to gaming establishments in order to win those gaming establishments as customers and to gain market share. To the extent that competitive pressures force us to increase commissions or other incentives to establish or maintain relationships with gaming establishments, our business and operating results could be adversely affected.

Under our agreements with NRT, Western Money Systems and Glory (U.S.A.) Inc. ("Glory"), these companies are subject to certain prohibitions related to providing their cash handling services on any device that provides cash access services of other providers. We may face competition from these companies or other providers of cash access services to the extent that NRT, Western Money Systems or Glory enters the market to provide these services or establishes cooperative relationships with other cash access service providers.

Because of significant concentration among our top customers, the loss of a top customer could have a material adverse effect on our revenues and profitability.

For the three months ended March 31, 2008 and year ended December 31, 2007, our five largest customers accounted for approximately 41.1% and 40.6% of our revenues, respectively. Our largest customer accounted for 19.4% and 19.5% of our revenues in the three months ended March 31, 2008 and year ended December 31, 2007, respectively. The loss of, or a substantial decrease in revenues from, any one of our top customers could have a material adverse effect on our business and operating results.

Consolidation among operators of gaming establishments may also result in the loss of a top customer to the extent that customers of ours are acquired by our competitors' customers.

We depend on key personnel and they would be difficult to replace .

We depend upon the ability and experience of key members of management who have substantial experience with our operations and the gaming patron cash access industry. In 2007, certain key members of our management team, including our former Chief Executive Officer, our former Chief Financial Officer, and a former member of our Board of Directors, left the Company voluntarily or were terminated. We relied heavily on these individuals for the operations and management of the Company. In October 2007, Scott Betts was employed by us in the roles of President and Chief Executive Officer. He also assumed the role of Chief Financial Officer on an interim basis. On February 25, 2008, we hired George Gresham as our Chief Financial Officer. While Mr. Gresham has a background in the payments processing industry, he may not be able to immediately understand our unique operations. During the transition of this role from Mr. Betts to Mr. Gresham, there could be significant inefficiencies in our operations and management. Mr. Gresham is in the process of familiarizing himself with the processes, systems and procedures that are necessary to understand our operations.

Other than Mr. Betts; Mr. Gresham; Kathryn Lever, our General Counsel; Mari Ellis, our Senior Vice President, Technology and Development; and Udai Puramsetti, our Executive Vice President, Operations, none of our executive officers have employment agreements with us.

Our future success depends upon our ability to attract, train and retain key managers involved in the development, operation and marketing of our products and services to gaming establishments. We may need to increase the number of key managers as we further develop our products and services and as we enter new markets and expand in existing markets. Our ability to enter into contracts with gaming establishments depends in large part on the relationships that our key managers have formed with management-level personnel of gaming establishments. Competition for individuals with such relationships is intense, and we may not be successful in recruiting such personnel. Our employees are subject to certain noncompetition covenants following their departure from the Company, which noncompetition covenants could be rendered unenforceable in whole or in part. As such, we may not be able to retain such individuals as they may leave our Company and go to work for our competitors. Our sales efforts would be particularly hampered by the defection of personnel with long-standing relationships with management-level personnel of gaming establishments. We also suffered attrition in several non-management positions during 2007, which has placed an additional burden on our remaining personnel. This additional burden has made the retention of existing personnel and recruitment of additional personnel more difficult. If we are unable to attract or retain key personnel, our business, financial condition, operating results and liquidity could be materially adversely affected.

Failure to maintain an effective system of internal control over financial reporting may lead to our inability to accurately report our financial results. As a result, current and potential stockholders could lose confidence in our financial reporting, which would harm our business, our reputation and the trading price of our stock.

Effective internal control over financial reporting is necessary for us to provide reliable financial reports. If we cannot provide reliable financial reports, our business and operating results could be harmed. The Sarbanes-Oxley Act of 2002, as well as related rules and regulations implemented by the SEC, the New York Stock Exchange and the Public Company Accounting Oversight Board, have required changes in the corporate governance practices and financial reporting standards for public companies. These laws, rules and regulations, including compliance with Section 404 of the Sarbanes-Oxley Act of 2002 (“Section 404”), have increased our legal and financial compliance costs and made many activities more time-consuming and more burdensome.

The Company was required for the first time to comply with Section 404 in connection with our Annual Report filed on Form 10-K for the fiscal year ended December 31, 2006. As a result of our internal reviews in connection with Section 404, we identified material weaknesses in our internal control over financial reporting. As is described more fully in our Annual Report filed on Form 10-K for the year ended December 31, 2007, we have remediated each of those material weaknesses.

Although we have remediated previously identified material weaknesses, new material weaknesses may arise in the future. Any material weaknesses could cause us to fail to meet our reporting obligations, cause investors to lose confidence in our reported financial information, cause a decline or volatility in our stock prices, cause a reduction in our credit ratings or tarnish our public perception. Also, increased expenses due to remediation costs and increased regulatory scrutiny are also possible. Failure to remediate the prior material weaknesses in full or the need to remediate a future material weakness could adversely affect our financial condition or results of operations. Inadequate internal control over financial reporting could also cause investors to lose confidence in our reported financial information, which could have a negative effect on the trading price of our stock and our reputation.

We may be required to make payments to certain of our customers to resolve disputes over our calculation of commissions for certain types of transactions.

As a result of inquiries made during the internal investigation announced on November 14, 2007, the Company reviewed and considered the application of contract clauses relating to the calculation of commissions payable to certain of the Company’s customers in connection with certain types of transactions. In reviewing the commission computation provisions of the customer contracts, the Company has identified issues with the payment of certain commissions to twenty-two of our customers during the period from 2005 through 2007. We believe that it is probable we will incur $2.9 million in costs to resolve any commission calculation disputes with the relevant customers. During the three months ended March 31, 2008, we have paid $0.1 million to certain customers in full satisfaction of amounts due and continue to negotiate with other affected customers to resolve disputes. To the extent that other customers dispute our commission calculations, or customers refuse to resolve their commission calculation disputes with us for the amounts we propose, we may be required to make payments in excess of the $2.9 million commission liability originally recorded to resolve such disputes. If we are unable to resolve these disputes, we may lose customers or become subject to costly litigation.

We are subject to extensive rules and regulations of card associations, including MasterCard International, Visa International and Visa U.S.A., that are always subject to change, which may harm our business.

A substantial portion of our revenues during the period covered by this report were derived from transactions subject to the extensive rules and regulations of the leading card associations, Visa International and Visa U.S.A. (collectively “VISA”), and MasterCard International (“MasterCard”). From time to time, we receive correspondence from these card associations regarding our compliance with their rules and regulations. In the ordinary course of our business, we engage in discussions with the card associations, and the banks that sponsor us into the card associations, regarding our compliance with their rules and regulations. The rules and regulations do not expressly address some of the contexts and settings in which we process cash access transactions, or do so in a manner subject to varying interpretations.

For example, neither of the major card associations has determined that our ability to process credit card cash advance transactions using biometric technology at an unmanned machine and without cashier involvement through our ACM complies with its regulations. One association has allowed us to conduct these transactions as long as we assume chargeback liability for any transaction in which we do not obtain a contemporaneous cardholder signature. An increase in the level of chargebacks could have a material adverse effect on our business or results of operations. Therefore, patrons still must complete these transactions at the cashier, which is less convenient to patrons and prevents gaming establishments from realizing potential cashier labor cost savings. As another example, in 2003, one of the major card associations informed our sponsoring bank that authorization requests originating from our systems needed to be encoded to identify our transactions as gambling transactions, even though our services do not directly involve any gambling activity. This resulted in a large number of card issuing banks declining all transactions initiated through our services. We resolved this issue by encoding the authorization requests with an alternative non-gambling indicator that the card association agreed was applicable. As another example, we and certain of our providers must continue to comply with the PCI Data Security Standard. The failure by any of such providers to comply with such standards could result in our being fined or losing certain “safe harbor” protections. These examples only illustrate some of the ways in which the card association rules and regulations have affected us in the past or may affect us in the future; there are many other ways in which these rules and regulations may adversely affect us beyond the examples provided in this document.

The card associations’ rules and regulations are always subject to change, and the card associations may modify their rules and regulations from time to time. Given the recent ownership changes in the card associations, the possibility of changes in their rules and regulations may increase. Our inability to anticipate changes in rules, regulations or the interpretation or application thereof may result in substantial disruption to our business. In the event that the card associations or our sponsoring banks determine that the manner in which we process certain types of card transactions is not in compliance with existing rules and regulations, or if the card associations adopt new rules or regulations that prohibit or restrict the manner in which we process certain types of card transactions, we may be forced to pay a fine, modify the manner in which we operate our business or stop processing certain types of cash access transactions altogether, any of which could have a material negative impact on our business and operating results.

In both our credit card and POS debit card cash advance businesses, patrons are generally issued a negotiable instrument, which is surrendered to the gaming establishment in exchange for cash. These transactions are classified by the card associations as “quasi-cash” transactions, and are identified to the card associations as such by the use of a specific merchant processing code. These merchant processing codes are unique to the respective card associations and the issuing banks use these codes as one of the factors they consider in determining whether to authorize such transactions. EDITH is a product that we have developed to dispense a bar-coded slot ticket based on a POS debit authorization. It has not yet been determined whether the card associations will deem the slot ticket a negotiable instrument or not. If they do not, we may be required to route such transactions using a different merchant processing code, and the use of a different merchant processing code may result in lower approval rates and higher interchange expense than we experience with quasi-cash transactions. If approval rates for EDITH transactions are lower than approval rates for quasi-cash transactions, gaming establishment patrons may be dissuaded from using EDITH, resulting in the failure of our EDITH product to gain commercial acceptance.

We also process transactions involving the use of the proprietary credit cards such as those offered by Discover Card and American Express as well as other regional card issues in certain international markets. The rules and regulations of the proprietary credit card networks that service these cards present risks to us that are similar to those posed by the rules and regulations of VISA and MasterCard.

Changes in interchange rates and other fees may affect our cost of revenues (exclusive of depreciation and amortization) and net income.

We pay credit card associations fees for services they provide in settling transactions routed through their networks, called interchange fees. In addition, we pay fees to participate in various ATM or POS debit card networks as well as processing fees to process our transactions. The amounts of these interchange fees are fixed by the card associations and networks in their sole discretion, and are subject to increase at any time. VISA and MasterCard both increased applicable interchange fees in April 2007. Also, in 2004, VISA’s Interlink network, through which we process a substantial portion of our POS debit card transactions, materially increased the interchange rates for those transactions. Since that date, the proportion of our POS debit card transactions that are routed on the Interlink network has increased, resulting in a decrease in profitability of our POS debit card business. Certain of our contracts enable us to pass through increases in interchange or processing fees to our customers, but competitive pressures might prevent us from passing all or some of these fees through to our customers in the future. To the extent that we are unable to pass through to our customers all or any portion of any increase in interchange or processing fees, our cost of revenues (exclusive of depreciation and amortization) would increase and our net income would decrease, assuming no change in transaction volumes. Any such decrease in net income could have a material adverse effect on our financial condition and operating results. Additionally, the transformation of the ownership structure of Visa and MasterCard from private associations of issuing banks to publicly traded corporations may negatively impact the manner in which these card associations manage and determine interchange rates. This could have a material adverse effect on our business and operating results.

We receive fees from the issuers of ATM cards that are used in our ATMs, called reverse interchange fees. The amounts of these reverse interchange fees are fixed by electronic funds transfer networks, and are subject to decrease in their discretion at any time. Our contracts with gaming operators do not enable us to pass through to our customers the amount of any decrease in reverse interchange fees. To the extent that reverse interchange fees are reduced, our net income would decrease, assuming no change in transaction volumes, which may result in a material adverse effect on our operating results.

Our indebtedness could materially adversely affect our operations and financial results and prevent us from obtaining additional financing, if necessary.

As of March 31, 2008, we had total indebtedness of $347.2 million in principal amount (of which $152.8 million consisted of senior subordinated notes and $194.4 million consisted of senior secured debt). Our substantial indebtedness could have important consequences. For example, it:

- makes it more difficult for us to satisfy our obligations with respect to either our senior secured debt or our senior subordinated notes, which, if we fail to do, could result in the acceleration of all of our debt;
- increases our vulnerability to general adverse economic and industry conditions;
- may require us to dedicate a substantial portion of our cash flow from operations to payments on our indebtedness, which would reduce the availability of our cash flow to fund working capital, capital expenditures, expansion efforts and other general corporate purposes;
- limits our flexibility in planning for, or reacting to, changes in our business and the industry in which we operate;
- restricts our ability to pay dividends or repurchase our common stock;
- places us at a competitive disadvantage compared to our competitors that have less debt;
- restricts our ability to acquire businesses or technologies that would benefit our business;
- restricts our ability to engage in transactions with affiliates or create liens or guarantees; and
- limits, along with the financial and other restrictive covenants in our other indebtedness, among other things, our ability to borrow additional funds.

In addition, our senior secured credit facilities and the indenture for the Notes contain financial and other restrictive covenants that limit our ability to engage in activities that we may believe to be in our long-term best interests. These financial covenants require, among other things, delivery of financial statements and the filing of periodic reports with the SEC, each on prescribed timeframes. These restrictive covenants include, among other things, limits on our ability to make investments, pay dividends, incur debt, sell assets, or merge with or acquire another entity. Our failure to comply with those covenants could result in an event of default, which if not cured or waived, could result in the acceleration of all of our debt. Certain matters may arise that require us to get waivers or modifications of these covenants. For example, as described more fully below, we may seek to obtain our own money transmitter licenses. These licenses may require us to provide letters of credit or surety bonds in excess of the amounts currently allowed under the credit facilities. We may address these risks by seeking modifications or waivers of our existing agreements, by refinancing those agreements, or both. If we are unable to get these matters waived, modified or refinanced, an event of default could occur, which if not cured or waived, could result in the acceleration of all of our debt.

Our senior secured debt currently bears interest at a rate that is based on LIBOR, and is adjusted periodically to reflect changes in LIBOR. We are therefore exposed to the risk of increased interest expense in the event of any increase in LIBOR. The substantial amount of our senior secured debt magnifies this risk.

To service our indebtedness we will require a significant amount of cash, and our ability to generate cash flow depends on many factors beyond our control.

Our ability to generate cash flow from operations depends on general economic, financial, competitive, legislative, regulatory and other factors that are beyond our control. Due to these factors, it is possible that our business will not generate sufficient cash flow from operations to enable us to pay our indebtedness as it matures and to fund our other liquidity needs. This would cause us to have to borrow money to meet these needs and future borrowing may not be available to us at all or in an amount sufficient to satisfy these needs. In such events, we will need to refinance all or a portion of our indebtedness on or before maturity. We may not be able to refinance any of our indebtedness on commercially reasonable terms or at all. We could have to adopt one or more alternatives, such as reducing or delaying planned expenses and capital expenditures, selling assets, restructuring debt or obtaining additional equity or debt financing or joint venture partners. We may not be able to affect any of these financing strategies on satisfactory terms, if at all. Our failure to generate sufficient cash flow to satisfy our debt obligations or to refinance our obligations on commercially reasonable terms would have a material adverse effect on our business and our ability to satisfy our obligations with respect to our indebtedness.

The terms of our senior secured debt may require us to dedicate a substantial portion of our cash flow from operations to payments on our indebtedness, which will reduce the availability of our cash flow to fund working capital, capital expenditures, expansion efforts and other general corporate purposes.

Because of our dependence on a few providers, or in some cases one provider, for some of the financial services we offer to patrons, the loss of a provider could have a material adverse effect on our business or our financial performance.

We depend on a few providers, or in some cases one provider, for some of the financial services that we offer to patrons. The loss of any of these providers could have a material adverse effect on our business and financial performance.

Money Order Instruments . We currently rely on IPS to issue the negotiable instruments that are used to complete credit card cash advance and POS debit card transactions. Most states require a money transmitter license in order to issue the negotiable instruments that are used to complete credit card cash advance and POS debit card transactions. We do not hold any money transmitter licenses, but currently issue negotiable instruments as an agent of IPS, which holds the required money transmitter licenses. On November 27, 2006, we entered into an agreement with IPS for a term of approximately three years. Under terms of this agreement, subject to limited exceptions, IPS is our sole and exclusive provider of money order instruments. On February 22, 2007, IPS' parent company, First Data, announced that it had decided to gradually exit the business of issuing money order instruments over the next two to three years. We have been advised that our agreement will be honored until the expiration of the agreement in accordance with its terms on December 31, 2009. Prior to such date we will either be required to enter in an agency relationship with another third-party that holds the required money transmitter licenses or obtain our own money transmitter licenses. We may not be able to enter into an agreement for such an agency relationship on terms that are favorable to us prior to the expiration of our agreement with IPS or at all. If we are unable to enter into such agreement, we may be unable to provide our cash advance services which would have a material adverse effect on our business and financial performance.

We are also considering obtaining our own money transmitter licenses. Many of the regulatory authorities that issue money transmitter licenses would require the posting of letters of credit or surety bonds to guaranty our obligations with respect to the negotiable instruments we would issue to gaming establishments to consummate credit card cash advance and POS debit card transactions. To post these letters of credit or surety bonds, we may need to obtain certain amendments or waivers of the terms of our senior secured credit facilities and we may need to partially secure our obligations under our senior subordinated notes. We may not be able to obtain our own money transmitter licenses. If we are unable to obtain such licenses prior to the expiration of our contract with IPS, we may be unable to complete credit card cash advance and POS debit card transactions, which would have a material adverse effect on our business and financial performance.

Check Warranty Services. We rely on TeleCheck to provide many of the check warranty services that our gaming establishment customers contract with us to use when cashing patron checks. Unless extended pursuant to its terms, our contract with TeleCheck expires on September 30, 2008 and we are currently negotiating the terms of a new contract with TeleCheck. Unless we and TeleCheck mutually agree to a new contract, we will need to make alternative arrangements for the provision of check warranty services and we may not have any continuing interest in those contracts that are executed directly between the gaming establishments and TeleCheck, which may have a significant impact on revenues derived from check services. We may not be able to make such alternative arrangements on terms that are as favorable to us as the terms of our contract with TeleCheck, or on any terms at all. In addition, our Central Credit check warranty service, as currently deployed, uses risk analytics provided by third-party providers.

Authorizations and Settlement . We rely on USA Payments and USA Payment Systems, each of which is affiliated with or controlled by Messrs. Maskatiya and Cucinotta, to obtain authorizations for credit card cash advances, POS debit card transactions, ATM cash withdrawal transactions and to provide settlement transaction files to card associations and Arriva for some of these transactions. Additionally, USA Payments and USA Payment Systems may in some cases be dependent upon a single access point to connect to the various transaction processing networks. Service outages experienced by these access points may inhibit the ability of USA Payments and USA Payment Systems to process our transactions, which would have a material adverse effect on our business and financial performance

Card Association Sponsorship . We rely on Bank of America Merchant Services ("BAMS"), which is affiliated with Bank of America Corporation, for sponsorship into the Visa U.S.A. and MasterCard card associations for domestic transactions at no cost to us through September 2010. We also rely on a foreign bank in each foreign jurisdiction in which we operate, for example Banco Weng Hang in Macau SAR, to process transactions conducted in these jurisdictions through the Visa International and MasterCard card associations.

ATM Cash Supply . We rely exclusively on Bank of America to supply cash for substantially all of our ATMs. Under our agreement, Bank of America is not obligated to supply us with more than $410 million in cash at any given time; however, to satisfy our ATM cash supply needs, Bank of America has regularly provided us with cash in excess of this limit. If Bank of America ever refuses to provide cash in excess of this $410 million limit, we would have an inadequate supply of cash for our ATMs. Our inability to increase the limit of amounts available to us under the agreement with Bank of America or the ability to obtain an adequate supply of cash from an alternate source would have a material adverse effect on our business and financial performance.

Our agreement with Bank of America for the supply of ATM cash expires on December 19, 2010. Upon the expiration of this agreement we need to obtain an adequate supply of cash for our ATMs from Bank of America pursuant to a new agreement or from an alternate source. We may not be able to obtain such adequate supply of cash on terms that are favorable to us or at all. Our inability to obtain such adequate supply of cash from an alternate source would have a material adverse effect on our business and financial performance.

Software Development and System Support . We generally rely on Infonox, which is controlled by family members of our former director Karim Maskatiya, and USA Payments and USA Payment Systems, each of which is affiliated with or controlled by Messrs. Maskatiya and Cucinotta, for software development and system support. In addition, we rely on NRT, Western Money Systems and Glory for software development and system support related to their self-service slot ticket and player point redemption kiosks that incorporate our cash access services.

Product Development . We rely on our joint venture partner and strategic partners for some of our product development. For example, we are developing cashless gaming products through IFT, our joint venture with IGT. With our strategic partners NRT, Western Money Systems and Glory, we have jointly developed and are marketing self-service slot ticket and player point redemption kiosks that incorporate our cash access services. These activities have risks resulting from unproven combinations of disparate products and services, reduced flexibility in making design changes in response to market changes, reduced control over product completion schedules and the risk of disputes with our joint venture partners and strategic partners. In addition, if our cashless gaming products are unsuccessful or do not receive necessary approvals for operation, we could lose our entire investment in IFT.

Money Transfers . We rely on Western Union Financial Services, Inc. ("Western Union") to facilitate money transfers. We have provided Western Union with notice of termination of our Amended and Restated Western Union North America Network Agency Agreement. In the event that we do not enter into a new agreement with Western Union or another entity to facilitate money transfers, we may not be able to continue the provision of money transfer services.

Arriva Card. Although we have decided to discontinue offering the Arriva Card, until we dispose of our portfolio of cardholder accounts, we will continue to rely on CIT and Fiserv for the issuance, underwriting and processing of our private label credit card. Our contracts with these providers are for varying terms and provide early termination rights in the event of our breach of or the occurrence of an event of default under these contracts. Replacing any of these or other products and services we obtain from third parties could be materially disruptive to our operations. We may not be able to enter into contracts or arrangements with alternate providers on terms and conditions as beneficial to us as the contracts or arrangements with our current providers, or at all. A change in our business relationships with any of these third-party providers or the loss of their services or failed execution on their part could adversely affect our business, financial condition, results of operations or cash flows.

The loss of our sponsorship into the Visa U.S.A., Visa International and MasterCard card associations would have a material adverse effect on our business.

We cannot provide cash access services involving VISA cards and MasterCard cards in the United States without sponsorship into the Visa U.S.A. and MasterCard card associations. BAMS currently sponsors us into the card associations at no cost to us. BAMS began this sponsorship of us into the card associations in 1998 when it held a significant ownership interest in us. When BAMS sold its interest in us in 2000, BAMS agreed to continue its sponsorship of us at no cost to us conditioned upon First Data’s continued indemnification of BAMS for any losses it may suffer as a result of such sponsorship. When we redeemed First Data’s ownership interest in us in 2004, First Data agreed to continue to indemnify BAMS for any losses it may suffer as a result of sponsoring us into the card associations through September 2010. First Data will have the right to terminate its indemnification obligations prior to September 2010 in the event that we breach indemnification obligations that we owe to First Data, in the event that we incur chargebacks in excess of specified levels, in the event that we are fined in excess of specified amounts for violating card associations’ operating rules, or in the event that we amend the sponsorship agreement without First Data’s consent.

In the event that First Data terminates its indemnification obligations and as a result we lose our sponsorship by BAMS into the card associations, we would need to obtain sponsorship into the card associations through another member of the card associations that is capable of supporting our transaction volume. We would not be able to obtain such alternate sponsorship on terms as favorable to us as the terms of our current sponsorship by BAMS, which is at no cost to us. We may not be able to obtain alternate sponsorship at all. Our inability to obtain alternate sponsorship on favorable terms or at all would have a material adverse effect on our business, operating results and liquidity.

We cannot provide cash access services involving VISA cards and MasterCard cards outside of the United States without a processing agreement with or sponsorship into the Visa International and MasterCard card associations by a bank in each foreign jurisdiction in which we conduct cash access transactions. We are currently a party to processing agreements or sponsored into these card associations by foreign banks in each of the foreign jurisdictions in which we conduct cash access transactions. In the event that any foreign bank that currently is a party to such processing agreement or sponsors us into these card associations terminates such processing agreement or its sponsorship of us, we would need to obtain a processing agreement or sponsorship into the card associations through another foreign bank that is capable of supporting our transaction volume in the relevant jurisdiction. For example, in early 2005 we were notified that Bank of America is not authorized to sponsor us in some Caribbean markets. We paid a $25,000 fine to one of the card associations in connection with this non-compliant practice and entered into an alternate processing arrangement. We may not be able to obtain alternate sponsorship or processing arrangements in any region on terms as favorable to us as the terms of our current sponsorship by or processing arrangements with foreign banks, or at all. Our inability to obtain alternate sponsorship or processing arrangements on favorable terms or at all could have a material adverse effect on our business and operating results.

Changes by M&C International and First Data to certain of their tax returns may have an impact on the value of a component of our deferred tax asset. In addition, changes in tax laws, regulations and interpretations may adversely affect our business.

In connection with the Recapitalization and Private Equity Restructuring that occurred in 2004, we recorded a deferred tax asset of $247.0 million. In connection with this deferred tax asset, we expect to pay a significantly lower amount in United States federal income taxes than we provide for in our income statements. Our calculation of the starting balance of the deferred tax asset is based upon information we received from M&C International and First Data about the gains they recorded in the Recapitalization and the Private Equity Restructuring. If M&C International or First Data change their calculation of the gains and file amended tax returns, we may be required to recalculate the starting balance of the deferred tax asset and the annual amortization thereof.

Unanticipated changes in applicable income tax rates or laws or changes in our tax position could adversely impact our future results of operations. Our future effective tax rates could be affected by changes in the valuation of our deferred tax asset as a result of an audit or otherwise. Additionally, changes in tax laws or interpretations of such laws by domestic and foreign tax authorities could affect our results of operations.

Certain providers upon whom we are dependent are controlled by Karim Maskatiya and Robert Cucinotta, the loss of which could have a material adverse effect on our business.

We depend on services provided by USA Payments and USA Payment Systems, each of which is controlled by or affiliated with Messrs. Maskatiya and Cucinotta, to provide many of the financial services that we offer to patrons. The interests of Messrs. Maskatiya and Cucinotta may not coincide with the interests of the holders of our common stock and Messrs. Maskatiya and Cucinotta may take action that benefits themselves or these entities to our detriment. For example, Messrs. Maskatiya and Cucinotta could cause any of these entities to take actions that impair the ability of these entities to provide us with the services they provide today or that reduce the importance of us to them in the future. Messrs. Maskatiya and Cucinotta could dispose of their interests in these entities at any time and the successor owner or owners of such interests may not cause such entities to treat us with the same importance as they treat us today. Any loss of the services of these entities could adversely impact our business. During the three months ended March 31, 2008 and year ended December 31, 2007, we incurred costs and expenses from USA Payments and USA Payment Systems of an aggregate of $1.2 million and $4.4 million, respectively. We also depend on services provided by Infonox, which is controlled by family members of our former director Karim Maskatiya. These familial relationships may provide Mr. Maskatiya with influence over Infonox, presenting the same risks with respect to Infonox as those described above with respect to USA Payments and USA Payment Systems. Mr. Maskatiya resigned from our board of directors in May 2008.

If we are unable to protect our intellectual property adequately, we may lose a valuable competitive advantage or be forced to incur costly litigation to protect our rights.

Our success depends on developing and protecting our intellectual property. We have entered into license agreements with other parties for intellectual property that is critical to our business. We rely on the terms of these license agreements, as well as copyright, patent, trademark and trade secret laws to protect our intellectual property. We also rely on other confidentiality and contractual agreements and arrangements with our employees, affiliates, business partners and customers to establish and protect our intellectual property and similar proprietary rights. We hold two issued patents and have three patent applications pending. These patent applications may not become issued patents. If they do not become issued patents, our competitors would not be prevented from using these inventions.

We have also entered into license agreements with other parties for the exclusive use of their technology and intellectual property rights in the gaming industry, such as our license to use portions of the software infrastructure upon which our systems operate from Infonox. We rely on these other parties to maintain and protect this technology and the related intellectual property rights. If our licensors fail to protect their intellectual property rights in material that we license and we are unable to protect such intellectual property rights, the value of our licenses may diminish significantly and our business could be significantly harmed. It is possible that third parties may copy or otherwise obtain and use our information and proprietary technology without our authorization or otherwise infringe on our intellectual property rights or intellectual property rights that we exclusively license. In addition, we may not be able to deter current and former employees, consultants, and other parties from breaching confidentiality agreements with us and misappropriating proprietary information from us or other parties. If we are unable to adequately protect our intellectual property or our exclusively licensed rights, or if we are unable to continue to obtain or maintain licenses for proprietary technology from other parties, including in particular Infonox, it could have a material adverse effect on the value of our intellectual property, our reputation, our business and our operating results.

We may have to rely on costly litigation to enforce our intellectual property rights and contractual rights. For example, from 2004 to 2006 we pursued a claim against competitors of ours alleging the infringement of the patented “3-in-1 rollover”. By pursuing this type of litigation, we become exposed to the risk that defendants will attempt to invalidate our right to the subject intellectual property or otherwise limit its scope. If litigation that we initiate is unsuccessful, we may not be able to protect the value of our intellectual property and our business could be adversely affected. In addition, in the litigation we do initiate, the defendants may assert various counterclaims that may subject us to liability. In addition to losing the ability to protect our intellectual property, we may also be liable for damages. We may also face difficulty enforcing our rights in the QuikCash trademark because of the timing and sequence of some of the assignment and renewal actions relating to the trademark.

In addition, we may face claims of infringement that could interfere with our ability to use technology or other intellectual property rights that are material to our business operations. In the event a claim of infringement against us is successful, we may be required to pay royalties to use technology or other intellectual property rights that we had been using or we may be required to enter into a license agreement and pay license fees, or we may be required to stop using the technology or other intellectual property rights that we had been using. We may be unable to obtain necessary licenses from third parties at a reasonable cost or within a reasonable time. Any litigation of this type, whether successful or unsuccessful, could result in substantial costs to us and diversions of our resources.

We may make acquisitions or strategic investments, which involve numerous risks that we may not be able to address without substantial expense, delay or other operational or financial problems.

In order to obtain new customers in existing markets, expand our operations into new markets, or grow our business through the introduction of new products and services, we may consider acquiring additional businesses, technologies, products and intellectual property. For example, in April 2008, we acquired Certegy Gaming Services, Inc. (formerly known as Game Financial Corporation), a subsidiary of Fidelity National Information Services Inc. operating as GameCash ("CGS"). Additionally, we may consider acquiring or forming a bank or other financial services company for the purpose of, among other things, issuing our own credit cards and/or using that bank's vault cash to supply cash to our ATMs.

Acquisitions and strategic investments involve various risks, such as:

- difficulty integrating the technologies, operations and personnel from the acquired business;
- overestimation of potential synergies or a delay in realizing those synergies;
- disruption to our ongoing business, including the diversion of management's attention and of resources from our principal business;
- inability to obtain the desired financial and strategic benefits from the acquisition or investment;
- loss of customers of an acquired business;
- assumption of unanticipated liabilities;
- loss of key employees of an acquired business; and
- entering into new markets in which we have limited prior experience.

Acquisitions and strategic investments could also result in substantial cash expenditures, the dilutive issuance of our equity securities, the incurrence of additional debt and contingent liabilities, and amortization expenses related to other intangible assets that could adversely affect our business, operating results and financial condition. Acquisitions and strategic investments may also be highly dependent upon the retention and performance of existing management and employees of acquired businesses for the day-to-day management and future operating results of these businesses. Our ability to consummate acquisitions may be impaired by a number of factors, including decreases in the trading price of our common stock, our inability to comply with covenants relating to our existing debt or our inability to incur additional debt that is required to consummate acquisitions or finance the post closing operation of acquired businesses.

Our business depends on our ability to introduce new, commercially viable products and services in a timely manner.

Our ability to maintain and grow our business will depend upon our ability to introduce successful new products and services in a timely manner. Our product development efforts are based upon a number of complex assumptions, including assumptions relating to gaming patron habits, changes in the popularity and prevalence of certain types of payment methods, anticipated transaction volumes, the costs and time required to bring new products and services to market, and the willingness and ability of both patrons and gaming establishment personnel to use new products and services and bear the economic costs of doing so. Our new products and services may not achieve market acceptance if any of our assumptions are wrong, or for other reasons.

Our ability to introduce new products and services may also require regulatory approvals, which may significantly increase the costs associated with developing a new product or service and the time required to introduce a new product or service into the marketplace. In order to obtain these regulatory approvals we may need to modify our products and services which would increase our costs of development and may make our products or services less likely to achieve market acceptance.

For example, the commercial success of EDITH depends upon the continued viability of the cashless gaming market segment. A curtailment in the prevalence of cashless gaming opportunities as a result of legislative action, responsible gaming pressures or other factors beyond our control would threaten the commercial success of our cashless gaming products and services. EDITH required extensive laboratory testing and certification and to-date, has only been approved for use in one gaming establishment. This product has been expressly disapproved for use in Nevada.

Our ability to grow our business through the introduction of new products and services depends in part on our joint development activities with third parties over whom we have little or no control. We have engaged in joint development projects with third parties in the past and we expect to continue doing so in the future. Joint development can magnify several risks for us, including the loss of control over development of aspects of the jointly developed products and disputes with our joint venture partners.

We may suffer significant expense in our exit from the consumer credit business through the discontinuance of the Arriva Card.

In 2006, through our wholly-owned subsidiary, Arriva, and together with CIT, a licensed banking institution, and Fiserv, a credit processing service organization, we entered the consumer credit business through the issuance of the Arriva Card, a private label credit card. We have entered into an agreement with CIT whereby it issues the card, extends the credit to the cardholder, and maintains a revolving credit account for the cardholder. When a customer uses the Arriva Card for a transaction, CIT extends credit to the patron for the face amount of transaction and the fee charged by the gaming establishment and acquires the receivable from the customer. Through Arriva, we are required to purchase the originated receivable from CIT three business days from the date the of the loan settlement from CIT. This means that we bear the credit risk of any cardholders' non-payment.

The rate of defaults in consumer credit is influenced by many factors, most of which are beyond our ability to control and some of which are beyond our ability to forecast. Changes in economic measures, including but not limited to unemployment rates, interest rates, exchange rates, real estate market performance, consumer confidence, and inflation may affect cardholders' ability and willingness to repay amounts borrowed using the card. The fact that a consumer is or has been a creditworthy borrower in the past does not guarantee that he or she will continue to be so in the future. Cardholders who fail to repay their receivables could reduce the amounts we are able to collect through the discontinuance of the Arriva Card, which could have a material adverse effect upon our business, cash flows or results of operations.

By providing the Arriva Card to consumers, we also have become subject to a variety of state and federal laws governing collection practices, and such collection regulations may impede or even prevent our ability to collect amounts owed to us. These regulations include, but are not limited to, the Federal Truth in Lending Act (Regulation Z) and the Equal Credit Opportunity Act (Regulation B). In addition, by providing the Arriva Card to consumers, we have become subject to an extensive array of federal and state statutes and regulations applicable to consumer lending including, but not limited to, the Fair Debt Collection Practices Act, the Fair Credit Reporting Act and the Fair and Accurate Credit Transactions Act. If our collection practices while we exit the consumer business are deemed to be in violation of these rules and regulations we could be subject to fines and penalties which could have a material adverse effect upon our business, cash flows or results of operations.

On February 28, 2008, we announced that we would discontinue offering the Arriva Card. As part of this discontinuance, we may experience significant losses from consumers who are unwilling or unable to pay their balances or from the loss we may experience from selling a portion or all of the receivable balance to another entity.

We may experience increased delinquencies and credit losses from Arriva Card cardholders whose accounts we have purchased.

Because Arriva is required to purchase the receivables three days from acquisition, we face the risk that customers who carry a balance on the Arriva Card will not repay their balances. Rising losses or leading indicators of rising losses (higher delinquencies or bankruptcy rates) may require us to increase our liability to repurchase accounts from CIT and our allowance for bad debt on the accounts we have purchased and may increase our operating losses from Arriva if we are unable to raise revenue or reduce costs to compensate for these higher losses.

In particular, we face the following risks in this area:

- *Missed Payments* . We face the risk that customers will miss payments. Receivable charge-offs (including from bankruptcies) are generally preceded by missed payments or other indications of worsening financial condition. Customers may be more likely to miss payments in the event of an economic downturn. In addition, we face the risk that consumer behavior may change (i.e. an increased willingness to fail to repay debt), causing a long-term rise in delinquencies and charge-offs.

- *Estimates of future losses* . We face the risk that we may underestimate our future losses and fail to hold a bad debt allowance sufficient to account for these losses. Incorrect assumptions could lead to material underestimates of future losses and inadequate allowance for bad debt. In addition, our estimate of future losses impacts the amount of reserves we build to account for those losses. The build or release of reserves impacts our current financial results.

- *Underwriting* . We face the risk that our ability to assess the credit worthiness of our customers may diminish. If the models and approaches we use to select, manage, and underwrite our customers become less predictive of future charge-offs (due, for example, to changes in the competitive environment or in the economy), our credit losses and returns may deteriorate.

- *Industry practices* . We face the risk that our charge-off and delinquency rates may be impacted by industry developments.

Our products and services are complex, depend on a myriad of complex networks and technologies and may be subject to software or hardware errors or failures that could lead to an increase in our costs, reduce our revenues or damage our reputation.

Our products and services, and the networks and third-party services upon which our products and services are based, are complex and may contain undetected errors or may suffer unexpected failures. We are exposed to the risk of failure of our proprietary computer systems, many of which are deployed, operated, monitored and supported by Infonox, which we do not control. We rely on Infonox to detect and respond to errors and failures in our proprietary computer systems. We rely on NRT, Western Money Systems and Glory for software development and system support of the self-service slot ticket and player point redemption kiosks that incorporate our cash access services. We are exposed to the risk of failure of the computer systems that are owned, operated and managed by USA Payments Systems, which we do not control. USA Payment Systems owns the data centers through which most of our transactions are processed, and we rely on USA Payment Systems to maintain the security and integrity of our transaction data, including backups thereof. We also are exposed to the risk of failure of card association and electronic funds transfer networks that are used to process and settle our transactions. These networks, which are owned and operated by others, are subject to planned and unplanned outages and may suffer degradations in performance during peak processing times. Finally, we are subject to the risk of disruption to, or failure of, the telecommunications infrastructure upon which the interfaces among these systems are based. All of these systems and networks, upon which we rely to provide our services, are potentially vulnerable to computer viruses, physical or electronic break-ins, natural disasters and similar disruptions, which could lead to interruptions, delays, loss of data, public release of confidential data or the inability to complete patron transactions. The occurrence of these errors or failures, disruptions or unauthorized access could adversely affect our sales to customers, diminish the use of our cash access products and services by patrons, cause us to incur significant repair costs, result in our liability to gaming establishments or their patrons, divert the attention of our development personnel from product development efforts, and cause us to lose credibility with current or prospective customers or patrons.

We may not successfully enter new markets, which could lead to an increase in our costs.

If and as new and developing domestic markets develop, competition among providers of cash access products and services will intensify. If we attempt to enter these markets, we will have to expand our sales and marketing presence in these markets. In competitive bidding situations, we may not enjoy the advantage of being the incumbent provider of cash access products and services to gaming establishments in these new markets and developers and operators of gaming establishments in these new markets may have pre-existing relationships with our competitors. We may also face the uncertainty of compliance with new or developing regulatory regimes with which we are not currently familiar and oversight by regulators that are not familiar with us, or our business. Each of these risks could materially impair our ability to successfully expand our operations into these new and developing domestic markets.

Attempting to enter international markets in which we have not previously operated may expose us to political, economic, tax, legal and regulatory risks not faced by businesses that operate only in the United States. The legal and regulatory regimes of foreign markets and their ramifications on our business are less certain. Our international operations will be subject to a variety of risks, including different regulatory requirements and interpretations, trade barriers, difficulties in staffing and managing foreign operations, higher rates of fraud, fluctuations in currency exchange rates, difficulty in enforcing or interpreting contracts or legislation, political and economic instability and potentially adverse tax consequences. For example, our entry into Macau SAR was subject to receipt of approvals, licenses or waivers by or from the Monetary Authority of Macau, the Macau Gaming Commission and the Macau Gaming Inspection and Coordination Bureau, as applicable or deemed necessary by such authorities. If all of such approvals, licenses or waivers were not received, we would not have been able to undertake all of our operations in Macau SAR. Similar difficulties in obtaining approvals, licenses or waivers from the monetary and gaming authorities of other jurisdictions, in addition to other potential regulatory and quasi-regulatory issues that we have not yet ascertained, may arise in other international jurisdictions into which we attempt to enter. In these new markets, our operations will rely on an infrastructure of financial services and telecommunications facilities that may not be sufficient to support our business needs, such as the authorization and settlement services that are required to implement electronic payment transactions and the telecommunications facilities that would enable us to reliably connect our networks to our products at gaming establishments in these new markets. In these new markets, we may additionally provide services based upon interpretations of applicable law, which interpretation may be subject to regulatory or judicial review. These risks, among others, could materially adversely affect our business and operating results. In connection with our expansion into new international markets, we may forge strategic relationships with business partners to assist us. The success of our expansion into these markets therefore may depend in part upon the success of the business partners with whom we forge these strategic relationships. If we do not successfully form strategic relationships with the right business partners or if we are not able to overcome cultural differences or differences in business practices, our ability to penetrate these new international markets will suffer.

We are also subject to the risk that the domestic or international markets that we attempt to enter or expand into may not develop as quickly as anticipated, or at all. The development of new gaming markets is subject to political, social, regulatory and economic forces beyond our control. The expansion of gaming activities in new markets can be very controversial and may depend heavily on the support and sponsorship of local government. Changes in government leadership, failure to obtain requisite voter support in referendums, failure of legislators to enact enabling legislation and limitations on the volume of gaming activity that is permitted in particular markets may inhibit the development of new markets.

Our estimates of the potential future transaction volumes in new markets are based on a variety of assumptions, which may prove to be inaccurate. To the extent that we overestimate the potential of a new market, incorrectly gauge the timing of the development of a new market, or fail to anticipate the differences between a new market and our existing markets, we may fail in our strategy of growing our business by expanding into new markets. Moreover, if we are unable to meet the needs of our existing customers as they enter markets that we do not currently serve; our relationships with these customers could be harmed.

We may encounter difficulties managing our growth, which could adversely affect our operating results.

We will need to effectively manage the expansion of our operations in order to execute our growth strategy of entering into new markets, expanding in existing markets and introducing new products and services. Growth will strain our existing resources. It is possible that our management, employees, systems and facilities currently in place may not be adequate to accommodate future growth. In this situation, we will have to improve our operational, financial and management controls, reporting systems and procedures. If we are unable to effectively manage our growth, our operations, financial results and liquidity may be adversely affected.

An unexpectedly high level of chargebacks, as the result of fraud or otherwise, could adversely affect our cash advance business.

When patrons use our cash access services, we either dispense cash or produce a negotiable instrument that can be exchanged for cash. If a completed cash access transaction is subsequently disputed and if we are unsuccessful in establishing the validity of the transaction, we may not be able to collect payment for such transaction and such transaction becomes a chargeback. One of the major credit card associations has allowed us to complete credit card cash advance transactions at our ACMs so long as we assume chargeback liability for any transaction in which we do not obtain a contemporaneous cardholder signature, which may result in increased chargeback liability. An increased level of chargebacks could have a material adverse effect on our business or results of operations. Moreover, in the event that we incur chargebacks in excess of specified levels, First Data will have the right to terminate its indemnification obligations to BAMS, and we could lose our no-cost sponsorship into the card associations. In addition, in the event that we incur chargebacks in excess of specified levels, we could be censured by the card associations by way of fines or otherwise.

In certain foreign regions in which we currently operate or may operate in the future, new card security features have been developed as a fraud deterrent. An example of such feature is known as chip-and-pin, which requires merchant terminals to be capable of obtaining an authorization through a chip-and-pin entry mode in addition to traditional magnetic stripe and keyed entry modes. Currently, we are in the process of upgrading our devices in certain international jurisdictions to accept these new technologies. In the interim, we are exposed to potential additional chargeback risks arising from our inability to fully integrate these new card security features in certain of the international jurisdictions in which we operate. The card associations have mandated that in all jurisdictions other than the United States and Canada, chargeback liability for those transactions authorized through non-chip-and-pin entry modes where chip-and-pin should be supported will be borne by the applicable merchant, i.e. us, effective January 1, 2007. The card associations have similarly mandated that such chargeback liability for those transactions that occur in Canada will be borne by the applicable merchant, i.e. us, effective January 4, 2010. Additionally, we intend to provide our services in international markets in which we have not previously operated and have no experience as to chargebacks. Accordingly, we may be exposed to higher than anticipated chargeback liability, which could have a material adverse effect upon our business, cash flows or results of operations.

A material increase in market interest rates or changing regulations could adversely affect our ATM business.

We obtain a supply of cash for our ATMs from Bank of America. Pursuant to our contract with Bank of America, we are obligated to pay a monthly fee that is based upon the amount of cash used to supply our ATMs and a market interest rate. Assuming no change in the amount of cash used to supply our ATMs, an increase in market interest rates will result in an increase in the monthly fee that we must pay to obtain this supply of cash, thereby increasing our ATM operating costs. Any increase in the amount of cash required to supply our ATMs would magnify the impact of an increase in market interest rates. An increase in interest rates may result in a material adverse effect on our financial condition and operating results. For the three months ended March 31, 2008 and year ended December 31, 2007, we incurred approximately $2.3 million and $15.9 million, respectively, in aggregate fees to Bank of America for this supply of cash.

Our ATM services are subject to the applicable state banking regulations in each jurisdiction in which we operate ATMs. Our ATM services may also be subject to local regulations relating to the imposition of daily limits on the amounts that may be withdrawn from ATMs, the location of ATMs and our ability to surcharge cardholders who use our ATMs. These regulations may impose significant burdens on our ability to operate ATMs profitably in some locations, or at all. Moreover, because these regulations are subject to change, we may be forced to modify our ATM operations in a manner inconsistent with the assumptions upon which we relied when entering into contracts to provide ATM services at gaming establishments.

An unexpected increase in check warranty expenses could adversely affect our check warranty business.

We currently rely on TeleCheck to provide check warranty services to many of our customers. When a gaming establishment obtains an authorization from TeleCheck pursuant to its check warranty service, TeleCheck warrants payment on the patron’s check. If the patron’s check is subsequently dishonored upon presentment for payment, TeleCheck purchases the dishonored check from the gaming establishment for its face amount. Pursuant to the terms of our contract with TeleCheck, we share a portion of the loss associated with these dishonored checks. Although this contract limits the loss percentage of the dishonored checks to which we are exposed, there is no limit on the aggregate dollar amount to which we are exposed, which is a function of the face amount of checks warranted. TeleCheck manages and mitigates these dishonored checks through the use of risk analytics and collection efforts, including the additional fees that it is entitled to collect from check writers of dishonored checks. During the three months ended March 31, 2008 and year ended December 31, 2007, our warranty expenses with respect to TeleCheck’s check warranty service were $1.0 million and $5.7 million, respectively. We have no control over TeleCheck’s decision to warrant payment on a particular check and we have limited visibility into TeleCheck’s collection activities. As a result, we may incur an unexpectedly high level of check warranty expenses at any time, and if we do, we may suffer a material adverse effect to our business or results of operations.

As an alternative to TeleCheck's check warranty service, we have developed our own Central Credit check warranty service that is based upon our own proprietary information, data from third-party databases, and third-party risk analytics and actuarial assumptions. If these risk analytics or actuarial assumptions are ineffective, we may incur an unexpectedly high level of check warranty expenses which may have a material adverse effect on our business or operating results.

We operate our business in regions subject to natural disasters, including hurricanes. We may suffer casualty losses as a result of a natural disaster, and any interruption to our business resulting from a natural disaster will adversely affect our revenues and results of operations.

We operate our business primarily through equipment, including CasinoCash Plus 3-in-1 ATMs, ACMs and QuikCash kiosks, which we install on the premises of gaming establishments and that patrons use to access cash for gaming. Accordingly, a substantial portion of our physical assets are located in locations beyond our direct control. Our business may be adversely affected by any damage to or loss of equipment that we install at gaming establishments or the cash contained therein resulting from theft, vandalism, terrorism, flood, fire or any other natural disaster. Any losses or damage that we suffer may not be subject to coverage under our insurance policies.

In addition to these casualty losses, our business is exclusive to gaming establishments and is dependent on consumer demand for gaming. In the event of a natural disaster, the operations of gaming establishments could be negatively impacted or consumer demand for gaming could decline, or both, and as a result, our business could be disrupted. For example, we believe that our revenues and results of operations in Louisiana and Mississippi were reduced in 2006 from what we would otherwise have expected as a result of Hurricanes Katrina and Rita, and that reduction may continue in the future. Any interruption to our business resulting from a natural disaster will adversely affect our revenues and results of operations. We do not carry any business interruption insurance.

We may incur penalties in connection with the administration of our benefit plans.

Certain of the health, welfare and retirement plans that we maintain for the benefit of our employees obligate us to file certain reports with the Department of Labor, Internal Revenue Service and the Pension Benefit Guaranty Corporation. Although we have filed the required reports for some of our benefit plans, we have not filed the required reports for others. As a result, we may incur penalties.

Risks related to the industry

Economic downturns, a decline in the popularity of gaming or changes in the demographic profile of gaming patrons could reduce the number of patrons that use our services or the amounts of cash that they access using our services.

We provide our cash access products and related services exclusively to gaming establishments for the purpose of enabling their patrons to access cash. As a result, our business depends on consumer demand for gaming. Gaming is a discretionary leisure activity, and participation in discretionary leisure activities has in the past and may in the future decline during economic downturns because consumers have less disposable income. Therefore, during periods of economic contraction, our revenues may decrease while some of our costs remain fixed, resulting in decreased earnings. Gaming activity may also decline based on changes in consumer confidence related to general economic conditions or outlook, fears of war, future acts of terrorism, or other factors. A reduction in tourism could also result in a decline in gaming activity. Finally, a legislature or regulatory authority may prohibit or significantly restrict gaming activities in its jurisdiction. A decline in gaming activity as a result of these or any other factors would have a material adverse effect on our business and operating results. Changes in consumer preferences could also harm our business. Gaming competes with other leisure activities as a form of consumer entertainment and may lose popularity as new leisure activities arise or as other leisure activities become more popular. In addition, gaming in traditional gaming establishments competes with Internet-based gaming for gaming patrons, which is currently not lawful in the United States of America. The popularity and acceptance of gaming is also influenced by the prevailing social mores and changes in social mores could result in reduced acceptance of gaming as a leisure activity. To the extent that the popularity of gaming in traditional gaming establishments declines as a result of either of these factors, the demand for our cash access services may decline and our business may be harmed.

Aside from the general popularity of gaming, the demographic profile of gaming patrons changes over time. The gaming habits and use of cash access services varies with the demographic profile of gaming patrons. For example, a local patron may visit a gaming establishment regularly but limit his or her play to the amount of cash that he or she brings to the gaming establishment. In contrast, a vacationing gaming patron that visits the gaming establishment infrequently may play much larger amounts and have a greater need to use cash access services. To the extent that the demographic profile of gaming patrons in the markets we serve either narrows or migrates towards patrons who use cash access services less frequently or for lesser amounts of cash, the demand for our cash access services may decline and our business may be harmed.

Changes in consumer willingness to pay a fee to access their funds could reduce the demand for our cash access products and services.

Our business depends upon the willingness of patrons to pay a fee to access their own funds on the premises of a gaming establishment. In most retail environments, consumers typically do not pay an additional fee for using non-cash payment methods such as credit cards; POS debit cards, or checks. In order to access cash in a gaming establishment, however, patrons must pay service charges to access their funds. Gaming patrons could bring more cash with them to gaming establishments, or access cash outside of gaming establishments without paying a fee for the convenience of not having to leave the gaming establishment. To the extent that gaming patrons become unwilling to pay these fees for convenience or lower cost cash access alternatives become available, the demand for cash access services within gaming establishments will decline and our business could suffer.

We are subject to extensive governmental gaming regulation, which may harm our business.

We are subject to a variety of regulations in the jurisdictions in which we operate. Most of the gaming regulators in jurisdictions in which we operate distinguish between gaming-related suppliers and vendors, such as manufacturers of slot machine or other gaming devices, and non-gaming suppliers and vendors, such as food and beverage purveyors, construction contractors and laundry and linen suppliers. In these jurisdictions, we are generally characterized as a non-gaming supplier or vendor and we must obtain a non-gaming supplier’s or vendor’s license, qualification or approval. The obtaining of these licenses, qualifications or approvals and the regulations imposed on non-gaming suppliers and vendors are typically less stringent than for gaming related suppliers and vendors. However, a few of the gaming regulators in jurisdictions in which we do business do not distinguish between gaming-related and non-gaming related suppliers and vendors, and in those jurisdictions we currently are subject to the same stringent licensing, qualification and approval requirements and regulations that are imposed upon vendors and suppliers that would be characterized as gaming-related in other jurisdictions. Such requirements include licensure or finding of suitability for some of our officers, directors and beneficial owners of our securities. If gaming regulatory authorities were to find any such officer, director or beneficial owner unsuitable, or if any such officer, director, or beneficial owner fails to comply with any licensure requirements, we would be required to sever our relationship with that person. Severing our relationship with a person may require such individual ceasing to provide services to us in any capacity, including as an officer, director, employee or consultant, such person divesting himself, herself or itself of all or substantially all of its equity interest in us, and we refraining from conducting any business or maintaining any business relationship with such person or any entity that such person is a director, officer or stockholder of or otherwise affiliated with. Any of the foregoing could be costly to the Company and materially disruptive of its management and operations. Any loss or denial of licensure or finding of unsuitability in any one jurisdiction would likely result in similar adverse regulatory actions in several other jurisdictions, resulting in a domino effect of adverse regulatory actions. The effects of the internal investigation that we announced on November 14, 2007 have resulted in heightened scrutiny from gaming regulators and an increased risk of regulatory intervention.

Some public issuances of securities and other transactions by us also require the approval of regulatory authorities.

If we must obtain a gaming-related supplier’s or vendor’s license, qualification or approval because of the introduction of new products (such as products related to cashless gaming) or services or because of a change in the laws or regulations, or interpretation thereof, our business could be materially adversely affected. This increased regulation over our business could include, but is not limited to: requiring the licensure or finding of suitability in many jurisdictions of any officer, director, key employee or beneficial owner of our securities; the termination or disassociation with any officer, director, key employee or beneficial owner of our securities that fails to file an application or to obtain a license or finding of suitability; the submission of detailed financial and operating reports; submission of reports of material loans, leases and financing; and, requiring regulatory approval of some commercial transactions such as the transfer or pledge of equity interests in us.

Prior changes in our ownership, management and corporate structure, including the recapitalization of our ownership and our conversion from a limited liability company to a corporation in 2004, required us to notify many of the state and tribal gaming regulators under whose jurisdiction we operate. In many cases, those regulators have asked us for further information and explanation of these changes. To date, we have satisfied some of these inquiries, and are continuing to cooperate with those that are ongoing. Given the magnitude of the changes in our ownership that resulted from recapitalization, we were required to reapply for new permits or licenses in many jurisdictions but we were not required to discontinue our operation during the period of re-application.

Any new gaming license or related approval that may be required in the future may not be granted, and our existing licenses may be revoked, suspended, limited or may not be renewed. In some jurisdictions we are in the process of obtaining licenses and have yet to receive final approval of such licenses from the applicable regulatory authority. In these jurisdictions, we operate under temporary licenses or without a license. We may not be issued a license in these jurisdictions.

Regulatory authorities at the federal, state, local and tribal levels have broad powers with respect to the licensing of gaming-related activities and may revoke, suspend, condition or limit our licenses, impose substantial fines and take other actions against us or the gaming establishments that are our customers, any one of which could have a material adverse effect on our business, financial condition and operating results. Any new gaming license or related approval that may be required in the future may not be granted, and our existing licenses may not be renewed or may be revoked, suspended or limited. If additional gaming regulations are adopted in a jurisdiction in which we operate, such regulations could impose restrictions or costs that could have a material adverse effect on our business. From time to time, various proposals are introduced in the legislatures of some of the jurisdictions in which we have existing or planned operations that, if enacted, could adversely affect the tax, regulatory, operational or other aspects of the gaming industry or cash access in the gaming industry. Legislation of this type may be enacted in the future.

In addition, some of the new products and services that we may develop cannot be offered in the absence of regulatory approval of the product or service or licensing of us, or both. For example, as a result of the UK Gambling Act, we ceased processing credit card cash advance transactions in UK casinos as of September 1, 2007. As another example, our EDITH cashless gaming product has to date only been approved by the gaming regulators for use at one gaming establishment, has been expressly disapproved for use in Nevada and cannot be used at any other location unless and until we receive approval from the appropriate authority in such additional location. These approvals could require that we and our officers, directors or ultimate beneficial owners obtain a license or be found suitable and that the product or service be approved after testing and review. We may fail to obtain any such approvals in the future. When contracting with tribal owned or controlled gaming establishments, we become subject to tribal laws and regulations that may differ materially from the non-tribal laws and regulations under which we generally operate. In addition to tribal gaming regulations that may require us to provide disclosures or obtain licenses or permits to conduct our business on tribal lands, we may also become subject to tribal laws that govern our contracts. These tribal governing laws may not provide us with processes, procedures and remedies that enable us to enforce our rights as effectively and advantageously as the processes, procedures and remedies that would be afforded to us under non-tribal laws, or to enforce our rights at all. Many tribal laws permit redress to a tribal adjudicatory body to resolve disputes; however, such redress is largely untested in our experience. We may be precluded from enforcing our rights against a tribal body under the legal doctrine of sovereign immunity. A change in tribal laws and regulations or our inability to obtain required licenses or licenses to operate on tribal lands or enforce our contract rights under tribal law could have a material adverse effect on our business, financial condition and operating results.

The cash access industry is subject to change, and we must keep pace with the changes to successfully compete.

The demand for our products and services is affected by new and evolving technology and industry standards. Cash access services are based on existing financial services and payment methods, which are also continually evolving. Our future success will depend, in part, upon our ability to successfully anticipate, develop and introduce new cash access services based on emerging financial services and payment methods. Stored value cards, Internet-based payment methods and the use of portable consumer devices such as personal digital assistants and mobile telephones are examples of evolving payment technologies that could impact our business. Our future success will depend, in part, upon our ability to successfully develop and introduce new cash access products and services and to enhance our existing products and services to respond to changes in technology and industry standards on a timely basis. The products or services that we choose to develop may not achieve market acceptance or obtain any necessary regulatory approval. In addition, alternative products, services or technologies may replace our products and services or render them obsolete. If we are unable to develop new products or services or enhance existing products or services in a timely and cost-effective manner in response to technological or market changes, our business, financial condition and operating results may be materially adversely affected.

The cash access industry also changes based on changing consumer preferences. Our failure to recognize or keep pace with changing preferences could have a material adverse effect on our business, financial condition and operating results. For example, we have observed a decline in the volume of check cashing at gaming establishments over time as patron familiarity and comfort with credit card cash advances, POS debit card transactions and ATM cash withdrawal transactions has increased. To the extent that we continue to rely on check warranty services for a substantial portion of our business, a continued decline in check cashing volume could have a material adverse effect on our business, financial condition and operating results.

Growth of the gaming industry in any market is subject to political and regulatory developments that are difficult to anticipate.

We expect a substantial portion of our future growth to result from the general expansion of the gaming industry. The expansion of gaming activities in new markets can be very controversial and may depend heavily on the support of national and local governments. Changes in government leadership, failure to obtain requisite voter support in referenda, failure of legislators to enact enabling legislation and limitations on the volume of gaming activity that is permitted in particular markets may prevent us from expanding our operations into new markets. A failure by the gaming industry to expand at the rate that we expect could have a material adverse effect on our business, growth rates, financial condition, operating results and cash flows.

The United Kingdom (“UK”) Gambling Act 2005 (the “Gambling Act”) entered into force as law on September 1, 2007. The UK Gambling Act may be interpreted as prohibiting our provision of credit card cash advance services in UK casinos. Because of this interpretation by the UK Gambling Commission and their regulatory body, the Department of Culture, Media and Sport, we ceased processing credit card cash advance transactions in UK casinos as of September 1, 2007. If a similar position is taken by gaming regulators in other jurisdictions, we could be subject to material adverse effects on our business, financial condition and operating results. Undertaking judicial review of such determinations or interpretations, whether successful or unsuccessful, could result in substantial costs to us, and diversions of our resources. Finally, if we were to resume providing credit card cash advance transactions in gaming establishments in the UK following a judicial interpretation or regulatory action that prohibits us from doing so, we could be subject to prosecution that results in harm to our reputation and the imposition of penalties or fines.

A governmental shutdown of a gaming regulatory body in a jurisdiction where we operate may cause a disruption in our business and harm our operating results.

On July 5, 2006, Atlantic City casinos were forced to suspend their gaming operations due to the shutdown of the New Jersey Casino Control Commission. The New Jersey State government stopped non-essential governmental functions because the legislature had not adopted a new budget by the constitutional deadline. One such non-essential governmental function was the operation of the New Jersey Casino Control Commission, which regulates gaming in Atlantic City’s casinos. New Jersey State law prohibits the operation of casinos without the supervision of New Jersey Casino Control Commission employees, so the casinos were forced to suspend their gaming operations. Another shutdown of the New Jersey Casino Control Commission or a similar shutdown of a regulatory gaming body in another jurisdiction where we do business may disrupt our ability to do business and adversely affect our revenue and results of operations.

Many of the financial services that we provide are subject to extensive rules and regulations, which may harm our business.

Our Central Credit gaming patron credit bureau services are subject to the Fair Credit Reporting Act, the Fair and Accurate Credit Transactions Act of 2003 and similar state laws. Our QuikCredit service and TeleCheck’s and our collection practices in connection with dishonored checks with respect to which TeleCheck or Central Credit has issued authorizations pursuant to TeleCheck’s or Central Credit’s check warranty service, are subject to the Fair Debt Collections Practices Act and applicable state laws relating to debt collection. All of our cash access services and patron marketing services are subject to the privacy provisions of state and federal law, including the Gramm-Leach-Bliley Act. Our POS debit card transactions and ATM withdrawal services are subject to the Electronic Fund Transfer Act. Our ATM services are subject to the applicable state banking regulations in each jurisdiction in which we operate ATMs. Our ATM services may also be subject to local regulations relating to the imposition of daily limits on the amounts that may be withdrawn from ATMs, the location of ATMs and our ability to surcharge cardholders who use our ATMs. The cash access services we provide are subject to recordkeeping and reporting obligations under the Bank Secrecy Act and the USA PATRIOT Act of 2001. In most gaming establishments, our cash access services are provided through gaming establishment cashier personnel, in which case the gaming establishments are required to file CTRs SAR.

In a limited number of gaming establishments, we provide our cash access services directly to patrons at satellite cashiers or booths that we staff and operate, in which case we are required to file CTRs and SARs on a timely basis. Additionally, as of December 31, 2006, IPS commenced required notification of FINCen as to our agency relationship with IPS, which relationship was not previously reported to FINCen. As a result of such notification, we are required to commence the filing of SARs with respect to transactions completed at all gaming establishments at which our cash access services are provided and may be required to additionally file SARs with respect to transactions completed during the previous nine month period at all such gaming establishments. If we are found to be noncompliant in any way with these laws, we could be subject to substantial civil and criminal penalties. In jurisdictions in which we serve as a check casher or offer our QuikCredit service, we are subject to the applicable state licensing requirements and regulations governing check cashing activities and deferred deposit service providers. Banking regulators in Rhode Island have previously questioned whether our provision of check verification and guarantee services to gaming establishments in Rhode Island required us to hold a check cashing license and currently question whether our provision of cash access services to gaming establishments in Rhode Island require us to hold a check cashing license. It is our position that our check verification and guarantee services merely support a gaming establishment's check cashing activities, but do not themselves constitute check cashing and that we therefore do not need a check cashing license to provide such services. It is also our position that our cash access services, which involve the purchase and sale of a negotiable instrument, do not constitute check cashing and that we therefore do not need a check cashing license to provide such services. Our entry into the consumer credit business through the provision of the Arriva Card requires us to maintain a relationship with a licensed banking institution to issue Arriva Cards and subjects us to compliance with numerous state and federal laws governing consumer lending, debt collection practices and credit reporting. In addition, our relationship with IPS expires on December 31, 2009. On February 22, 2007, IPS' parent company, First Data, announced that it will be exiting the official check and money order business over the course of the next two to three years. We are considering obtaining money transmitter licenses in many states, which would cause us to become subject to state licensing requirements and regulations governing money transmitters.

We are subject to formal or informal audits, inquiries or reviews from time to time by the regulatory authorities that enforce these financial services rules and regulations. In the event that any regulatory authority determines that the manner in which we provide cash access services, patron marketing services, gaming patron credit bureau services or private label credit cards is not in compliance with existing rules and regulations, or the regulatory authorities adopt new rules or regulations that prohibit or restrict the manner in which we provide cash access services, patron marketing services, gaming patron credit bureau services or private label credit cards, we may be forced to modify the manner in which we operate, or stop processing certain types of cash access transactions, providing patron marketing services, gaming patron credit bureau services or private label credit cards altogether. We may also be required to pay substantial penalties and fines if we fail to comply with applicable rules and regulations. For example, if we fail to file CTRs or SARs on a timely basis or if we are found to be noncompliant in any way with either the Bank Secrecy Act or the USA PATRIOT Act of 2001, we could be subject to substantial civil and criminal penalties. In addition, our failure to comply with applicable rules and regulations could subject us to private litigation. Any such actions could have a material adverse effect on our business, financial condition and operating results.

Following the events of September 11, 2001, the United States and other governments have imposed and are considering a variety of new regulations focused on the detection and prevention of money laundering and money transmitting to or from terrorists and other criminals. Compliance with these new regulations may impact our business operations or increase our costs.

As we develop new products and services, we may become subject to additional regulations. For example, in the event that we form or acquire a bank or industrial loan company, we would become subject to a number of additional banking and financial institution regulations, which may include the Bank Holding Company Act. These additional regulations could substantially restrict the nature of the business in which we may engage and the nature of the businesses in which we may invest. In addition, changes in current laws or regulations and future laws or regulations may restrict our ability to continue our current methods or operation or expand our operations and may have a material adverse effect on our business, results of operations and financial condition.

Consumer privacy laws may change, requiring us to change our business practices or expend significant amounts on compliance with such laws.

Our patron marketing services depend on our ability to collect and use non-public personal information relating to patrons who use our products and services and the transactions they consummate using our services. We are required by federal and state privacy laws and rules to safeguard and protect the privacy of such information, to make disclosures to patrons regarding our privacy and information sharing policies and, in some cases, to provide patrons an opportunity to "opt out" of the use of their information for certain purposes. The failure or circumvention of the means by which we safeguard and protect the privacy of information we gather may result in the dissemination of non-public personal information, which may harm our reputation and may expose us to liability to the affected individuals and regulatory enforcement proceedings or fines. Regulators reviewing our policies and practices may require us to modify our practices in a material or immaterial manner or impose fines or other penalties if they believe that our policies and practices do not meet the necessary standard. To the extent that our patron-marketing services have in the past failed or now or in the future fail to comply with applicable law, our privacy policies or the notices that we provide to patrons, we may become subject to actions by a regulatory authority or patrons which cause us to pay monetary penalties or require us to modify the manner in which we provide patron-marketing services. To the extent that patrons exercise their right to "opt out," our ability to leverage existing and future databases of information would be curtailed. Consumer and data privacy laws are evolving, and due to recent high profile thefts and losses of sensitive consumer information from protected databases, such laws may be broadened in their scope and application, impose additional requirements and restrictions on gathering, encrypting and using patron information or narrow the types of information that may be collected or used for marketing or other purposes or require patrons to "opt-in" to the use of their information for specific purposes, or impose additional fines or potentially costly compliance requirements which will hamper the value of our patron-marketing services.

Responsible gaming pressures could result in a material adverse effect on our business and operating results.

Responsible gaming pressures can have a similar effect on us as governmental gaming regulation. Our ability to expand our business and introduce new products and services depends in part on the support of, or lack of opposition from, social responsibility organizations that are dedicated to addressing problem gaming. If we are unable to garner the support of responsible gaming organizations or if we face substantial opposition from responsible gaming organizations, we may face additional difficulties in sustaining our existing customer relationships, establishing new customer relationships, obtaining required regulatory approvals for new products or services, or providing our services into new markets, each of which could have a material adverse effect on our business, financial condition and operating results.

Lawsuits could be filed against gaming establishments and other gaming related product and service providers on behalf of problem gamblers. We may be named in such litigation because we provide patrons the ability to access their cash in gaming establishments. This litigation could develop as individual complaints or as mass tort or class action claims. We would vigorously defend ourselves in any such litigation, and this defense could result in substantial expense to us, and distraction of our management. The outcome of any such litigation would be substantially uncertain, and it is possible that our business, financial condition and operating results could be materially affected by an unfavorable outcome against either us, or our gaming establishment customers.

Risks related to our capital structure

Our common stock has only been publicly traded since September 22, 2005 and we expect that the price of our common stock will fluctuate substantially.

There has been a public market for our common stock since September 22, 2005. The market price of our common stock may fluctuate significantly in response to a number of factors, some of which are beyond our control, including those described above under "— Risks related to our business," "— Risks related to the industry" and the following:

- our failure to maintain our current customers, including because of consolidation in the gaming industry;
- increases in commissions paid to gaming establishments as a result of competition;
- increases in interchange rates or processing or other fees paid by us or decreases in reverse interchange rates;
- actual or anticipated fluctuations in our or our competitors' revenue, operating results or growth rate;
- our inability to adequately protect or enforce our intellectual property rights;

- any adverse results in litigation initiated by us or by others against us;
- our inability to make payments on our outstanding indebtedness as they become due or our inability to undertake actions that might otherwise benefit us based on the financial and other restrictive covenants contained in our senior secured credit facilities and the indenture for our senior subordinated notes;
- the loss of a significant supplier or strategic partner, or the failure of a significant supplier or strategic partner to provide the goods or services that we rely on them for;
- our inability to introduce successful, new products and services in a timely manner or the introduction of new products or services by our competitors that reduce the demand for our products and services;
- our failure to successfully enter new markets or the failure of new markets to develop in the time and manner that we anticipate;
- announcements by our competitors of significant new contracts or contract renewals or of new products or services;
- changes in general economic conditions, financial markets, the gaming industry or the payments processing industry;
- the trading volume of our common stock;
- sales of common stock or other actions by our current officers, directors and stockholders;
- acquisitions, strategic alliances or joint ventures involving us or our competitors;
- future sales of our common stock or other securities;
- the failure of securities analysts to cover our common stock or changes in financial estimates or recommendations by analysts;
- our failure to meet the revenue, net income or earnings per share estimates of securities analysts or investors;
- additions or departures of key personnel;
- terrorist acts, theft, vandalism, fires, floods or other natural disasters; and
- rumors or speculation as to any of the above which we may be unable to confirm or deny due to disclosure restrictions imposed on us by law or which we otherwise deem imprudent to comment upon.

In addition, the stock market in general has experienced price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of particular businesses. These broad market and industry factors may materially reduce the market price of our common stock, regardless of our operating performance.

Securities litigation involving the Company may be time consuming, expensive, distracting and result in an adverse resolution that materially adversely affects us.

Following our public announcement on November 14, 2007 of an internal investigation by an independent committee of our Board of Directors and the delay in filing our Quarterly Report on Form 10-Q for the quarter ended September 30, 2007, the trading price of our common stock suffered a significant decline. Securities class action litigation is often brought against a company following a decline in the market price of its securities. The announcement of the investigation and decline in trading price of our common stock have exposed us to greater risks associated with securities class action litigation, which could be time consuming, expensive, and may distract management from the conduct of our business. Any adverse resolution of such litigation could have a material adverse effect on our business, financial condition and results of operations.

On December 12, 2007, a derivative action was filed by a stockholder on behalf of the Company in the United States District Court, District of Nevada, against our current directors, one of our former directors, our former chief executive officer and our former chief financial officer, alleging breach of fiduciary duties, waste of corporate assets, unjust enrichment and violations of Sections 10(b) and 20(a) of the Securities Exchange Act of 1934, as amended. On February 8, 2008, an additional derivative action was filed by a stockholder on behalf of the Company in the United States District Court, District of Nevada, against our current directors, one of our former directors, our former chief executive officer and our former chief financial officer, alleging breach of fiduciary duties, insider trading and waste of corporate assets. These cases have been consolidated and an amended complaint has been filed that continues to pursue only state law claims. The amended complaint claims for, among other things, damages in favor of the Company, certain corporate actions to purportedly improve the Company's corporate governance, and an award of costs and expenses to the plaintiff stockholders including attorneys' fees. The Company has indemnification agreements with each of the individual defendants that may cause the Company to incur expenses associated with the defense of these actions and that may also protect such individuals from liability to the Company. These derivative actions could be time consuming, expensive, and may distract management from the conduct of our business. Any adverse resolution of these derivative actions could have a material adverse effect on our business, financial condition and results of operations.

On April 11, 2008, a class action complaint was filed in the United States District Court, Southern District of New York on behalf of a class of all persons who purchased or acquired shares of our common stock pursuant or traceable to our initial public offering against us, our current directors, one of our former directors, M&C International, Summit Partners and Goldman Sachs & Co., Inc. and JP Morgan Securities, Inc. as the lead underwriters of our initial public offering, alleging, among other things, that the Company's cost of revenues during 2005 prospectus used in that offering were understated. The Company has indemnification agreements with each of the other defendants that may cause the Company to incur expenses associated with the defense of this action and that may also protect such other defendants from liability. This class action could be time consuming, expensive, and may distract management from the conduct of our business. Any adverse resolution of this class actions could have a material adverse effect on our business, financial condition and results of operations.

Future sales of our common stock may cause the market price of our common stock to drop significantly, even if our business is doing well.

The market price of our common stock could decline as a result of sales of additional shares of our common stock by us or our stockholders or the perception that these sales could occur. Certain stockholders have the right to require us to register their shares of our common stock. If we propose to register any of our securities under the Securities Act of 1933 either for our own account or for the accounts of other stockholders, subject to some conditions and limitations, the holders of registration rights will be entitled to include their shares of common stock in the registered offering. In addition, holders of registration rights may require us on not more than five occasions to file a registration statement under the Securities Act of 1933 with respect to their shares of common stock. Further, the holders of registration rights may require us to register their shares on Form S-3 if and when we are eligible to use this form. We are required to pay the costs and expenses of the registration (other than underwriting discounts and commissions and fees) and sale of all such shares of common stock.

In the future, we will also issue additional shares or options to purchase additional shares to our employees, directors and consultants, in connection with corporate alliances or acquisitions, and in follow-on offerings to raise additional capital. Based on all of these factors, sales of a substantial number of shares of our common stock in the public market could occur at any time. These sales could reduce the market price of our common stock. In addition, future sales of our common stock by our stockholders could make it more difficult for us to sell additional shares of our common stock or other securities in the future.

Messrs. Maskatiya and Cucinotta and entities affiliated with Summit Partners possess significant voting power and may take actions that are not in the best interests of our other stockholders.

As of March 31, 2008, Messrs. Maskatiya and Cucinotta and entities affiliated with Summit Partners owned or controlled shares representing, in the aggregate, approximately 46.9% of the outstanding shares of our common stock. Accordingly, Messrs. Maskatiya and Cucinotta and these entities affiliated with Summit Partners will exert substantial influence over all matters requiring approval of our stockholders, including the election and removal of directors and the approval of mergers or other business combinations. Mr. Maskatiya's and Mr. Cucinotta's and these entities' ownership may have the effect of delaying or preventing a change of control of our company or discouraging others from making tender offers for our shares, which could prevent stockholders from receiving a premium for their shares. These actions may be taken even if other stockholders oppose them and even if they are not in the interests of other stockholders.

Conflicts of interest may arise because some of our directors are also directly or indirectly our controlling stockholders.

Two of our directors are principals of M&C International and two of our other directors are partners and members of various entities affiliated with Summit Partners. We depend on services provided by entities affiliated with M&C International or its principals to provide many of the financial services that we offer to patrons. Summit Partners and its affiliates may invest in entities that directly or indirectly compete with us or companies in which they currently invest may begin competing with us. As a result of these relationships, when conflicts between the interests of M&C International or Summit Partners, on the one hand, and the interests of our other stockholders, on the other hand, arise, these directors may not be disinterested.

Some provisions of our certificate of incorporation and bylaws may delay or prevent transactions that many stockholders may favor.

Some provisions of our amended and restated certificate of incorporation and amended and restated bylaws may have the effect of delaying, discouraging, or preventing a merger or acquisition that our stockholders may consider favorable or a change in our management or our Board of Directors. These provisions:

- divide our Board of Directors into three separate classes serving staggered three-year terms, which will have the effect of requiring at least two annual stockholder meetings instead of one, to replace a majority of our directors, which could have the effect of delaying of preventing a change in our control or management;
- provide that special meetings of stockholders can only be called by our Board of Directors, Chairman of the Board or Chief Executive Officer. In addition, the business permitted to be conducted at any special meeting of stockholders is limited to the business specified in the notice of such meeting to the stockholders;
- provide for an advance notice procedure with regard to business to be brought before a meeting of stockholders which may delay or preclude stockholders from bringing matters before a meeting of stockholders or from making nominations for directors at a meeting of stockholders, which could delay or deter takeover attempts or changes in management;
- eliminate the right of stockholders to act by written consent so that all stockholder actions must be effected at a duly called meeting;
- provide that directors may only be removed for cause with the approval of stockholders holding a majority of our outstanding voting stock;
- provide that vacancies on our Board of Directors may be filled by a majority, although less than a quorum, of directors in office and that our Board of Directors may fix the number of directors by resolution;
- allow our Board of Directors to issue shares of preferred stock with rights senior to those of the common stock and that otherwise could adversely affect the rights and powers, including voting rights and the right to approve or not to approve an acquisition or other change in control, of the holders of common stock, without any further vote or action by the stockholders; and
- do not provide for cumulative voting for our directors, which may make it more difficult for stockholders owning less than a majority of our stock to elect any directors to our Board of Directors. In addition, we are also subject to Section 203 of the Delaware General Corporation Law, which provides, subject to enumerated exceptions, that if a person acquires 15% or more of our voting stock, the person is an “interested stockholder” and may not engage in “business combinations” with us for a period of three years from the time the person acquired 15% or more of our voting stock.

These provisions may have the effect of entrenching our management team and may deprive our stockholders of the opportunity to sell shares to potential acquirers at a premium over prevailing prices. This potential inability to obtain a premium could reduce the price of our common stock.

If we fail to attract or retain independent directors, we may face unfavorable public disclosure, a halt in the trading of our common stock and delisting from the New York Stock Exchange.

Under the Sarbanes-Oxley Act of 2002 and the rules and regulations of the New York Stock Exchange, we are required to establish and maintain a board of directors consisting of a majority of independent directors and an audit committee consisting entirely of independent directors. A majority of our directors satisfy the applicable independence requirements. In the future, if we fail to maintain a board of directors consisting of a majority of independent directors, or fail to maintain independent audit committee members, we will fail to comply with the corporate governance listing requirements of the New York Stock Exchange and the SEC, which we would be required to publicly disclose, which may in turn cause a reduction in the trading price of our common stock. In addition, our failure to comply with these corporate governance listing requirements may also result in a halt in the trading of our common stock and the delisting of our common stock from the New York Stock Exchange, which may result in there being no public market for shares of our common stock.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

ISSUER PURCHASES AND WITHHOLDING OF EQUITY SECURITIES

	Total Number of Shares Purchased or Withheld	Average Price per Share Purchased or Withheld	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs
1/1/08 - 1/31/08	1,047,700(1)	5.67(3)	1,047,700(1)	2,381,500(5)
	1,632(2)	5.84(4)	1,632(2)	
2/1/08 - 2/29/08	349,800(1)	6.55(3)	349,800(1)	—(5)
	18,354(2)	6.87(4)	18,354(2)	
3/1/08 - 3/31/08	—(1)	—(3)	—(1)	—(5)
	10,641(2)	4.63(4)	10,641(2)	
Subtotals	1,397,500(1)	5.89(3)	1,397,500(1)	
	30,627(2)	6.04(4)	30,627(2)	
Total	1,428,127	5.89	1,428,127	

(1) Represents shares of common stock that we repurchased in open market transactions pursuant to the Rule 10b-18 share buyback program that we publicly announced on February 8, 2007. Our board of directors authorized the repurchase up to $50 million worth of common stock. The share buyback program did not obligate us to repurchase any specific number of shares and could have been suspended or terminated at any time. The repurchase of the full $50 million authorized was completed during the quarter ended March 31, 2008.

(2) Represents shares of common stock that were withheld from restricted stock awards to satisfy the minimum applicable tax withholding obligations incident to the vesting of such restricted stock awards.

(3) Represents the average price per share of shares repurchased pursuant to the Rule 10b-18 share buyback program.

(4) Represents the average price per share of shares withheld from restricted stock awards on the date of withholding.

(5) Represents the maximum approximate dollar value of shares that may yet be purchased pursuant to the Rule 10b-18 share buyback program at the end of the stated period. There is no limitation on the number of shares of common stock that may be withheld from restricted stock awards to satisfy the minimum applicable tax withholding obligations incident to the vesting of such restricted stock awards.

ITEM 6. EXHIBITS

Exhibit No.	Description.
2.1(1)	Stock Purchase Agreement, dated as of February 28, 2008, by and among Global Cash Access, Inc., Fidelity National Transaction Services, Inc. and Certegy Gaming Services, Inc.
4.1*	Supplemental Indenture dated as of April 17, 2008, by and among Certegy Gaming Services, Inc., Arriva Card, Inc.; Central Credit, LLC; Global Cash Access Holdings, Inc., and The Bank of New York Trust Company, N.A.
10.1(2)	Employment Agreement with George Gresham, dated February 25, 2008.
10.2(3)	Notice of Stock Option Award and Stock Option Award Agreement with George Gresham dated February 25, 2008.
10.3(4)	Addendum to Master Service Agreement, dated as of March 20, 2008, by and between Global Cash Access, Inc. and Integrated Payment Systems, Inc.
10.4(5)	Amendment to Treasury Services Terms and Conditions Booklet, dated as of March 13, 2008 by and between Global Cash Access, Inc. and Bank of America, N.A.
31.1*	Certification of Scott Betts, Chief Executive Officer of Global Cash Access Holdings, Inc. dated May 14, 2008 in accordance with 18 U.S.C. 1350, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2*	Certification of George Gresham, Chief Financial Officer of Global Cash Access Holdings, Inc. dated May 14, 2008 in accordance with Rules 13a-14(a) and 15d-14(a) of the Securities Exchange Act, as amended, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1*	Certification of Scott Betts, Chief Executive Officer and Chief Financial Officer of Global Cash Access Holdings, Inc. dated May 14, 2008 in accordance with 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2*	Certification of George Gresham, Chief Financial Officer of Global Cash Access Holdings, Inc. dated May 14, 2008 in accordance with 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

(1) Incorporated by reference to Exhibit 2.1 of the Company’s Current Report on Form 8-K filed April 1, 2008.

(2) Incorporated by reference to Exhibit 10.1 of the Company’s Current Report on Form 8-K filed February 25, 2008.

(3) Incorporated by reference to Exhibit 10.2 of the Company’s Current Report on Form 8-K filed February 25, 2008.

(4) Incorporated by reference to Exhibit 10.1 of the Company’s Current Report on Form 8-K filed March 20, 2008.

(5) Incorporated by reference to Exhibit 10.43 of the Company’s Annual Report on Form 10-K filed March 17, 2008.

* Filed herewith.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

May 14, 2008	**GLOBAL CASH ACCESS HOLDINGS, INC.**
(Date)	(Registrant)

By: /s/ George Gresham
George Gresham
Chief Financial Officer
(For the Registrant and as
Principal Financial Officer
and as Chief Accounting Officer)

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Exhibit No.	Description.
2.1(1)	Stock Purchase Agreement, dated as of February 28, 2008, by and among Global Cash Access, Inc., Fidelity National Transaction Services, Inc. and Certegy Gaming Services, Inc.
4.1*	Supplemental Indenture dated as of April 17, 2008, by and among Certegy Gaming Services, Inc., Arriva Card, Inc.; Central Credit, LLC; Global Cash Access Holdings, Inc., and The Bank of New York Trust Company, N.A.
10.1(2)	Employment Agreement with George Gresham, dated February 25, 2008.
10.2(3)	Notice of Stock Option Award and Stock Option Award Agreement with George Gresham dated February 25, 2008.
10.3(4)	Addendum to Master Service Agreement, dated as of March 20, 2008, by and between Global Cash Access, Inc. and Integrated Payment Systems, Inc.
10.4(5)	Amendment to Treasury Services Terms and Conditions Booklet, dated as of March 13, 2008 by and between Global Cash Access, Inc. and Bank of America, N.A.
31.1*	Certification of Scott Betts, Chief Executive Officer of Global Cash Access Holdings, Inc. dated May 14, 2008 in accordance with 18 U.S.C. 1350, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2*	Certification of George Gresham, Chief Financial Officer of Global Cash Access Holdings, Inc. dated May 14, 2008 in accordance with Rules 13a-14(a) and 15d-14(a) of the Securities Exchange Act, as amended, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1*	Certification of Scott Betts, Chief Executive Officer of Global Cash Access Holdings, Inc. dated May 14, 2008 in accordance with 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2*	Certification of George Gresham, Chief Financial Officer of Global Cash Access Holdings, Inc. dated May 14, 2008 in accordance with 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

(1) Incorporated by reference to Exhibit 2.1 of the Company's Current Report on Form 8-K filed April 1, 2008.

(2) Incorporated by reference to Exhibit 10.1 of the Company's Current Report on Form 8-K filed February 25, 2008.

(3) Incorporated by reference to Exhibit 10.2 of the Company's Current Report on Form 8-K filed February 25, 2008.

(4) Incorporated by reference to Exhibit 10.1 of the Company's Current Report on Form 8-K filed March 20, 2008.

(5) Incorporated by reference to Exhibit 10.43 of the Company's Annual Report on Form 10-K filed March 17, 2008.

* Filed herewith.

Exhibit 4.1

SUPPLEMENTAL INDENTURE

This Supplemental Indenture (this " Supplemental Indenture "), dated as of April 17, 2008, is by and among Certegy Gaming Services, Inc., a Minnesota corporation (the " Guaranteeing Subsidiary "), a wholly-owned subsidiary of Global Cash Access, Inc., a Delaware corporation and successor to Global Cash Access, L.L.C., a Delaware limited liability company (the " Company "); Arriva Card, Inc., a Delaware corporation formerly known as GCA Access Card, Inc. (" Arriva Card "); Central Credit, LLC, a Delaware limited liability company (" Central Credit "); Global Cash Access Holdings, Inc., a Delaware corporation (" Holdings ") and The Bank of New York Trust Company, N.A., as trustee under the Indenture referred to below (the " Trustee "). Central Credit and Arriva Card are parties hereto as the Subsidiary Guarantors (as defined in the Indenture referred to herein).

W I T N E S S E T H

WHEREAS, the Company and Global Cash Access Finance Corporation, a Delaware corporation that was subsequently merged with and into the Company, have heretofore executed and delivered to The Bank of New York, the predecessor in interest to the Trustee, an indenture, dated as of March 10, 2004 (as amended, modified and supplemented from time to time, the " Indenture "), providing for the issuance of an aggregate principal amount of $235 million of 8 $^{3}/_{4}$% Senior Subordinated Notes due 2012 (the " Notes ");

WHEREAS, the Indenture provides that under certain circumstances the Guaranteeing Subsidiary shall execute and deliver to the Trustee a supplemental indenture pursuant to which the Guaranteeing Subsidiary shall unconditionally guarantee all of the Company's obligations under the Notes and the Indenture on the terms and conditions set forth herein (the " Guarantee "); and

WHEREAS, pursuant to Section 9.01 of the Indenture, the Trustee is authorized to execute and deliver this Supplemental Indenture.

NOW THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt of which is hereby acknowledged, the Guaranteeing Subsidiary and the Trustee mutually covenant and agree for the equal and ratable benefit of the Holders of the Notes as follows:

1. Capitalized Terms . Capitalized terms used herein without definition shall have the meanings assigned to them in the Indenture.

2. Agreement to Guarantee . The Guaranteeing Subsidiary hereby agrees as follows:

(a) Along with all other Subsidiary Guarantors and Holdings, to jointly and severally guarantee to each Holder of a Note authenticated and delivered by the Trustee and to the Trustee and its successors and assigns, irrespective of the validity and enforceability of the Indenture, the Notes or the obligations of the Company hereunder or thereunder, that:

(i) the principal of and interest on the Notes will be promptly paid in full when due, whether at maturity, by acceleration, redemption or otherwise, and interest on the overdue principal of and interest on the Notes, if any, if lawful (subject in all cases to any applicable grace period provided in the Indenture), and all other obligations of the Company to the Holders or the Trustee hereunder or thereunder will be promptly paid in full or performed, all in accordance with the terms hereof and thereof; and

(ii) in case of any extension of time of payment or renewal of any Notes or any of such other obligations, the same will be promptly paid in full when due or performed in accordance with the terms of the extension or renewal, whether at stated maturity, by acceleration or otherwise. Failing payment when due of any amount so guaranteed or any performance so guaranteed for whatever reason, the Subsidiary Guarantors and Holdings shall be jointly and severally obligated to pay the same immediately.

(b) The obligations hereunder shall be unconditional, irrespective of the validity, regularity or enforceability of the Notes or the Indenture, the absence of any action to enforce the same, any waiver or consent by any Holder of the Notes with respect to any provisions hereof or thereof, the recovery of any judgment against the Company, any action to enforce the same or any other circumstance that might otherwise constitute a legal or equitable discharge or defense of a guarantor.

(c) Subject to Section 6.06 of the Indenture, the following are hereby waived: diligence, presentment, demand of payment, filing of claims with a court in the event of insolvency or bankruptcy of the Company, any right to require a proceeding first against the Company, protest, notice and all demands whatsoever.

(d) This Guarantee shall not be discharged except by complete performance of the obligations contained in the Notes and the Indenture.

(e) If any Holder or the Trustee is required by any court or otherwise to return to the Company, the Subsidiary Guarantors, Holdings, or any Custodian, Trustee, liquidator or other similar official acting in relation to either the Company, the Subsidiary Guarantors or Holdings, any amount paid by either to the Trustee or such Holder, this Guarantee, to the extent theretofore discharged, shall be reinstated in full force and effect.

(f) The Guaranteeing Subsidiary shall not be entitled to any right of subrogation in relation to the Holders in respect of any obligations guaranteed hereby until payment in full of all obligations guaranteed hereby.

(g) As between the Subsidiary Guarantors and Holdings, on the one hand, and the Holders and the Trustee, on the other hand, (x) the maturity of the obligations guaranteed hereby may be accelerated as provided in Article Six of the Indenture for the purposes of this Guarantee, notwithstanding any stay, injunction or other prohibition preventing such acceleration in respect of the obligations guaranteed hereby, and (y) in the event of any declaration of acceleration of such obligations as provided in Article Six of the Indenture, such obligations (whether or not due and payable) shall forthwith become due and payable by the Subsidiary Guarantors and Holdings for the purpose of this Guarantee.

(h) Pursuant to Section 11.03 of the Indenture, the obligations of the Guaranteeing Subsidiary pursuant to its Guarantee shall be limited to the maximum amount which, after giving effect to any and all other contingent and fixed liabilities of the Guaranteeing Subsidiary that are relevant under any applicable Bankruptcy Law or fraudulent conveyance laws, and after giving effect to any collections from, rights to receive contribution from or payments made by or on behalf of any Subsidiary Guarantor in respect of the obligations of such Subsidiary Guarantor under Article Eleven of the Indenture, will result in the obligations of the Guaranteeing Subsidiary under its Guarantee not constituting a fraudulent conveyance or fraudulent transfer under federal or state law.

3. Subordination. The Obligations of the Guaranteeing Subsidiary under its Guarantee pursuant to this Supplemental Indenture shall be junior and subordinated to the Senior Indebtedness (as defined in the Indenture, except that all references in such definition to "Co-Obligors" shall be deemed for purposes of this Section to be references to the Guaranteeing Subsidiary) of the Guaranteeing Subsidiary on the same basis as the Notes are junior and subordinated to the Senior Indebtedness of the Company, as described in Article Ten of the Indenture. For the purposes of the foregoing sentence, the Trustee and the Holders shall have the right to receive and/or retain payments by the Guaranteeing Subsidiary only at such time as they may receive and/or retain payments in respect of the Notes pursuant to the Indenture, including Article Ten thereof.

4. Execution and Delivery. Each Guaranteeing Subsidiary agrees that the Guarantees shall remain in full force and effect notwithstanding any failure to endorse on each Note a notation of such Guarantee.

5. Guaranteeing Subsidiary May Consolidate, Etc., on Certain Terms .

Except as otherwise provided in Section 11.05 of the Indenture, a Subsidiary Guarantor may not consolidate with or merge with or into any other Person or convey, sell, assign, transfer, lease or otherwise dispose of its properties and assets substantially as an entirety to any other Person (other than the Company or another Subsidiary Guarantor) unless:

(a) subject to the provisions of the following paragraph, the Person formed by or surviving such consolidation or merger (if other than such Subsidiary Guarantor) or to which such properties and assets are transferred assumes all of the obligations of such Subsidiary Guarantor under this Indenture and its Guarantee, pursuant to a supplemental indenture in form and substance satisfactory to the Trustee;

(b) immediately after giving effect to such transaction, no Default or Event of Default has occurred and is continuing; and

(c) the Subsidiary Guarantor delivers, or causes to be delivered, to the Trustee, in form and substance reasonably satisfactory to the Trustee, an Officers' Certificate and an Opinion of Counsel, each stating that such transaction complies with the requirements of this Indenture.

For purposes of the foregoing, the transfer (by lease, assignment, sale or otherwise, in a single transaction or series of transactions) of all or substantially all of the properties or assets of one or more Restricted Subsidiaries, the Capital Stock of which constitutes all or substantially all of the properties and assets of the Company, shall be deemed to be the transfer of all or substantially all of the properties and assets of the Company.

In case of any such consolidation, merger, sale or conveyance and upon the assumption by the successor Person, by supplemental indenture, executed and delivered to the Trustee and reasonably satisfactory in form to the Trustee, of the Guarantee endorsed upon the Notes and the due and punctual performance of all of the covenants and conditions of the Indenture to be performed by a Subsidiary Guarantor, such successor Person shall succeed to and be substituted for a Subsidiary Guarantor with the same effect as if it had been named herein as a Subsidiary Guarantor. Such successor Person thereupon may cause to be signed any or all of the Guarantees to be endorsed upon all of the Notes issuable hereunder which theretofore shall not have been signed by the Company and delivered to the Trustee. All the Guarantees so issued shall in all respects have the same legal rank and benefit under the Indenture as the Guarantees theretofore and thereafter issued in accordance with the terms of the Indenture as though all of such Guarantees had been issued at the date of the execution hereof.

6. Releases .

(a) A Subsidiary Guarantor will be deemed automatically and unconditionally released and discharged from all of its obligations under its Guarantee without any further action on the part of the Trustee or any Holder of the Notes upon a sale or other disposition to a Person not an Affiliate of the Company of all of the Capital Stock of, or all or substantially all of the assets of, such Subsidiary Guarantor, by way of merger, consolidation or otherwise, which transaction is carried out in accordance with Section 4.10 of the Indenture; provided that any such termination shall occur (x) only to the extent that all obligations of such Subsidiary Guarantor under all of its guarantees of, and under all of its pledges of assets or other security interests which secure, any Indebtedness of the Company shall also terminate upon such sale, disposition or release and (y) only if the Trustee is furnished with written notice of such release together with an Officers' Certificate from such Subsidiary Guarantor to the effect that all of the conditions to release in this Section 6 have been satisfied.

(b) Any Subsidiary Guarantor not released from its obligations under its Guarantee shall remain liable for the full amount of principal of and interest on the Notes and for the other obligations of any Subsidiary Guarantor under the Indenture as provided in Article Eleven of the Indenture.

7. No Recourse Against Others . No director, officer, employee, incorporator or stockholder of the Company, Holdings or any Subsidiary Guarantor, as such, shall have any liability for any obligations of the Company, Holdings or the Subsidiary Guarantors under the Notes, this Indenture, the Guarantees or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each Holder of Notes by accepting a Note waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Notes. The waiver may not be effective to waive liabilities under the federal securities laws.

8. NEW YORK LAW TO GOVERN . THE INTERNAL LAW OF THE STATE OF NEW YORK SHALL GOVERN AND BE USED TO CONSTRUE THIS SUPPLEMENTAL INDENTURE BUT WITHOUT GIVING EFFECT TO APPLICABLE PRINCIPLES OF CONFLICTS OF LAW TO THE EXTENT THAT THE APPLICATION OF THE LAWS OF ANOTHER JURISDICTION WOULD BE REQUIRED THEREBY.

9. Counterparts . The parties may sign any number of copies of this Supplemental Indenture. Each signed copy shall be an original, but all of them together represent the same agreement.

10. Effect of Headings . The Section headings herein are for convenience only and shall not affect the construction hereof.

11. Trustee . The Trustee shall not be responsible in any manner whatsoever for or in respect of the validity or sufficiency of this Supplemental Indenture or for or in respect of the recitals contained herein, all of which recitals are made solely by the Guaranteeing Subsidiary and the Company.

IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Indenture to be duly executed and attested, all as of the date first above written.

Dated: April 17, 2008

CERTEGY GAMING SERVICES, INC.

By: /s/ Scott Betts
Name: Scott Betts
Title: President and Chief Executive Officer

GLOBAL CASH ACCESS, INC.

By: /s/ Scott Betts
Name: Scott Betts
Title: President and Chief Executive Officer

GLOBAL CASH ACCESS HOLDINGS, INC.

By: /s/ Scott Betts
Name: Scott Betts
Title: President and Chief Executive Officer

CENTRAL CREDIT, LLC

By: /s/ Scott Betts
Name: Scott Betts
Title: President and Chief Executive Officer

ARRIVA CARD, INC.

By: /s/ Scott Betts
Name: Scott Betts
Title: President and Chief Executive Officer

THE BANK OF NEW YORK TRUST COMPANY, N.A., AS TRUSTEE

By: /s/ Teresa Petta
Name: Teresa Petta
Title: Vice President

Exhibit 31.1

GLOBAL CASH ACCESS HOLDINGS, INC.
CERTIFICATION

I, Scott Betts, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Global Cash Access Holdings, 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 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.

5. The registrant's other certifying officer 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.

Dated: May 14, 2008

By: /s/ Scott Betts
Scott Betts
Chief Executive Officer

Exhibit 31.2

GLOBAL CASH ACCESS HOLDINGS, INC.
CERTIFICATION

I, George Gresham, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Global Cash Access Holdings, 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 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.

5. The registrant's other certifying officer 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.

Dated: May 14, 2008

By: /s/ George Gresham
George Gresham
Chief Financial Officer

EXHIBIT 32.1

GLOBAL CASH ACCESS HOLDINGS, INC.

CERTIFICATION

In connection with the periodic report of Global Cash Access Holdings, Inc. (the "Company") on Form 10-Q for the period ended March 31, 2008 as filed with the Securities and Exchange Commission (the "Report"), I, Scott Betts, Chief Executive Officer of the Company, hereby certify as of the date hereof, solely for purposes of Title 18, Chapter 63, Section 1350 of the United States Code, that to the best of my knowledge:

(1) the Report fully complies with the requirements of Section 13(a) or 15(d), as applicable, 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 at the dates and for the periods indicated.

Dated: May 14, 2008

By: /s/ Scott Betts
Scott Betts
Chief Executive Officer

EXHIBIT 32.2

GLOBAL CASH ACCESS HOLDINGS, INC.

CERTIFICATION

In connection with the periodic report of Global Cash Access Holdings, Inc. (the “Company”) on Form 10-Q for the period ended March 31, 2008 as filed with the Securities and Exchange Commission (the “Report”), I, George W. Gresham, Chief Financial Officer of the Company, hereby certify as of the date hereof, solely for purposes of Title 18, Chapter 63, Section 1350 of the United States Code, that to the best of my knowledge:

(1) the Report fully complies with the requirements of Section 13(a) or 15(d), as applicable, 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 at the dates and for the periods indicated.

Dated: May 14, 2008

By: /s/ George Gresham
George Gresham
Chief Financial Officer