

## ITEM 2. PROPERTIES

We built a new 105,000 square foot corporate headquarters facility in Eden Prairie, Minnesota which opened in October 2007. We also lease approximately 67,000 square feet of additional office space in Eden Prairie, Minnesota for our information technology function.

All but one of our branch offices are leased from third parties under leases with initial terms ranging from three to fifteen years. Our office locations range in space from 1,000 to 153,000 square feet. The following table lists our largest locations:

<b>City/State</b>	<b>Approximate Square Feet</b>
Eden Prairie, MN	153,000
Eden Prairie, MN <sup>(1)</sup>	105,000
Chicago, IL <sup>(1)</sup>	80,000
Eden Prairie, MN	67,000
Atlanta, GA	27,350
Chicago, IL	20,847
Coralville, IA	19,182
Southfield, MI	18,464
Woodridge, IL	16,914
Fort Worth, TX	15,000
Elk Grove Village, IL	13,163
Monterrey, CA	12,712
Madison, WI	12,400
Kansas City, KS	12,174
Cordova, TN	11,617
Lisle, IL	11,613
Sartell, MN	11,494
Chicago, IL	11,355
Los Angeles, CA	10,695
Tampa, FL	10,641
Mississauga, ONT	10,304

(1) These properties are owned. All other properties in the table above are leased from third parties.

We also lease approximately 488,000 square feet of warehouse space throughout the United States. The following table lists our largest warehouses:

<b>City/State</b>	<b>Approximate Square Feet</b>
Carson, CA	101,200
Vancouver, WA	79,000
Compton, CA	62,000
Rochester, NY	54,000
Medley, FL	53,500
Edinburg, TX	48,000
Lemont, IL	47,000
Elk Grove Village, IL	30,200

We consider our current office spaces and warehouse facilities adequate for our current level of operations. We have not had difficulty in obtaining sufficient office space and believe we can renew existing leases or relocate branches to new offices as leases expire.

## ITEM 3. LEGAL PROCEEDINGS

As we previously disclosed, certain gender discrimination class claims were settled in 2006. The settlement was within our insurance coverage limits and was fully funded by insurance.