

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF TEXAS**

_____, Individually and on Behalf of All
Others Similarly Situated,

Plaintiff,

v.

CONN'S, INC., NORMAN L. MILLER,
TIMOTHY SANTO, and GEORGE L.
BCHARA,

Defendants.

Case No.

CLASS ACTION COMPLAINT

JURY TRIAL DEMANDED

Plaintiff _____ (“Plaintiff”), individually and on behalf of all others similarly situated, by Plaintiff’s undersigned attorneys, for Plaintiff’s complaint against Defendants, alleges the following based upon personal knowledge as to Plaintiff and Plaintiff’s own acts, and information and belief as to all other matters, based upon, *inter alia*, the investigation conducted by and through Plaintiff’s attorneys, which included, among other things, a review of the Defendants’ public documents, conference calls and announcements made by Defendants, United States (“U.S.”) Securities and Exchange Commission (“SEC”) filings, wire and press releases published by and regarding Conn’s, Inc. (“Conn’s” or the “Company”), analysts’ reports and advisories about the Company, and information readily obtainable on the Internet. Plaintiff believes that substantial, additional evidentiary support will exist for the allegations set forth herein after a reasonable opportunity for discovery.

NATURE OF THE ACTION

1. This is a federal securities class action on behalf of a class consisting of all persons and entities other than Defendants that purchased or otherwise acquired Conn’s securities between

March 29, 2023 and July 1, 2024, both dates inclusive (the “Class Period”), seeking to recover damages caused by Defendants’ violations of the federal securities laws and to pursue remedies under Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 (the “Exchange Act”) and Rule 10b-5 promulgated thereunder, against the Company and certain of its top officials.

2. Conn’s operates as a specialty retailer of durable consumer goods and related services in the U.S. The Company operates in two segments—Retail and Credit. The Company’s stores offer home appliances, furniture, mattresses, consumer electronics, and home office products. In addition, the Company offers short- and medium-term financing to its retail customers, as well as product support services.

3. Conn’s has struggled with ballooning losses and debt for several years. In October 2022, the Company announced the sudden resignation of its Chief Executive Officer (“CEO”), installing Defendant Norman L. Miller (“Miller”), who previously served as the Company’s President, CEO, and Executive Chairman, as Interim CEO. Defendant Miller touted his “extreme[] confiden[ce]” in a turnaround plan that the Company would implement under his leadership to return the Company to profitability and growth, “driven from the [purported] strong foundation of [Conn’s] credit segment,” and “compelling retail credit business model and . . . large market opportunity.”

4. In December 2023, Conn’s announced that it had consummated a purported “Transformative Transaction” with W.S. Badcock LLC (“Badcock”), whereby Badcock, “a leading home furnishings company in the southeastern U.S., bec[ame] a wholly-owned subsidiary of the Company” (the “Badcock Transaction”). Conn’s touted that, *inter alia*, “[t]he combined company is expected to have annual revenue of approximately \$1.85 billion across 240+ corporate owned stores and 310+ dealer locations, with eCommerce sales of approximately \$125 million.”

Simultaneously with this announcement, the Company announced that Defendant Miller had been appointed the Company's permanent President and CEO.

5. Throughout the Class Period, Defendants made materially false and misleading statements regarding the Company's business, operations, and prospects. Specifically, Defendants made false and/or misleading statements and/or failed to disclose that: (i) Conn's overstated the beneficial impacts, if any, of its transformation strategy; (ii) Conn's overstated the benefits that it expected to derive from the Badcock Transaction; (iii) Conn's downplayed issues with its liquidity; (iv) accordingly, the Company was likely to file for bankruptcy; and (v) as a result, the Company's public statements were materially false and misleading at all relevant times.

6. On June 11, 2024, Conn's filed a notification of its inability to timely file its quarterly report on Form 10-Q for the quarter ended April 30, 2024¹ with the SEC. In particular, the filing stated that "[t]he Company has directed a considerable amount of time and effort towards pursuing possible amendments to, or refinancing of, the Company's revolving credit facility, and has not been able to complete the disclosures required to be included on Form 10-Q." Accordingly, the Company advised that it "is unable to file, without unreasonable effort or expense, the Form 10-Q on or prior to the prescribed filing date."

7. On this news, Conn's stock price fell \$0.18 per share, or 6.43%, to close at \$2.62 per share on June 12, 2024.

8. On June 26, 2024, just a few hours before markets closed, news reports emerged that Conn's had hired financial and operational advisers to help rework its debt load and integrate the stores that it had acquired through the Badcock Transaction. The Company also announced during post-market hours "that on June 20, 2024, it received a delinquency notification letter (the

¹ Conn's fiscal year ends on January 31.

‘Notice’) from the Nasdaq Stock Market LLC (‘Nasdaq’), indicating that the Company was not in compliance with” applicable Nasdaq listing rules “because of the Company’s delay in filing its Quarterly Report on Form 10-Q for the fiscal quarter ended April 30, 2024 . . . by the applicable due date required by the [SEC].”

9. On this news, Conn’s stock price fell \$0.31 per share, or 15.82%, to close at \$1.65 per share on June 26, 2024. Conn’s stock price continued to decline the following trading session by an additional \$0.44 per share, or 26.67%, to close at \$1.21 per share on June 27, 2024.

10. Then, on July 1, 2024, news reports emerged that Conn’s was preparing to potentially file for bankruptcy amid declining sales and issues with integrating the stores that it had acquired through the Badcock Transaction.

11. On this news, Conn’s stock price fell \$0.30 per share, or 28.85%, to close at \$0.74 per share on July 2, 2024.

12. As a result of Defendants’ wrongful acts and omissions, and the precipitous decline in the market value of the Company’s securities, Plaintiff and other Class members have suffered significant losses and damages.

JURISDICTION AND VENUE

13. The claims asserted herein arise under and pursuant to Sections 10(b) and 20(a) of the Exchange Act (15 U.S.C. §§ 78j(b) and 78t(a)) and Rule 10b-5 promulgated thereunder by the SEC (17 C.F.R. § 240.10b-5).

14. This Court has jurisdiction over the subject matter of this action pursuant to 28 U.S.C. § 1331 and Section 27 of the Exchange Act.

15. Venue is proper in this Judicial District pursuant to Section 27 of the Exchange Act (15 U.S.C. § 78aa) and 28 U.S.C. § 1391(b). Conn’s is headquartered in this Judicial District,

Defendants conduct business in this Judicial District, and a significant portion of Defendants' actions took place within this Judicial District.

16. In connection with the acts alleged in this complaint, Defendants, directly or indirectly, used the means and instrumentalities of interstate commerce, including, but not limited to, the mails, interstate telephone communications, and the facilities of the national securities markets.

PARTIES

17. Plaintiff, as set forth in the attached Certification, acquired Conn's securities at artificially inflated prices during the Class Period and was damaged upon the revelation of the alleged corrective disclosures.

18. Defendant Conn's is a Delaware corporation with principal executive offices located at 2445 Technology Forest Boulevard, Suite 800, The Woodlands, Texas 77381. The Company's common stock trades in an efficient market on the NASDAQ Global Select Market ("NASDAQ") under the ticker symbol "CONN."

19. Defendant Miller has served as Conn's President and CEO since December 18, 2023, before which he served as the Company's Interim President and CEO at all relevant times.

20. Defendant Timothy Santo ("Santo") has served as Conn's Chief Financial Officer ("CFO") since February 15, 2024. Defendant Santo also served as the Company's Interim CFO from November 17, 2023 to February 15, 2024, before which he had served as the Company's Vice President and Chief Accounting Officer since April 2023.

21. Defendant George L. Bchara ("Bchara") served as Conn's Executive Vice President and CFO from before the start of the Class Period until his voluntary resignation, effective November 17, 2023.

22. Defendants Miller, Santo, and Bchara are collectively referred to herein as the “Individual Defendants.”

23. The Individual Defendants possessed the power and authority to control the contents of Conn’s SEC filings, press releases, and other market communications. The Individual Defendants were provided with copies of Conn’s SEC filings and press releases alleged herein to be misleading prior to or shortly after their issuance and had the ability and opportunity to prevent their issuance or to cause them to be corrected. Because of their positions with Conn’s, and their access to material information available to them but not to the public, the Individual Defendants knew that the adverse facts specified herein had not been disclosed to and were being concealed from the public, and that the positive representations being made were then materially false and misleading. The Individual Defendants are liable for the false statements and omissions pleaded herein.

24. Conn’s and the Individual Defendants are collectively referred to herein as “Defendants.”

SUBSTANTIVE ALLEGATIONS

Background

25. Conn’s operates as a specialty retailer of durable consumer goods and related services in the U.S. The Company operates in two segments—Retail and Credit. The Company’s stores offer home appliances, furniture, mattresses, consumer electronics, and home office products. In addition, the Company offers short- and medium-term financing to its retail customers, as well as product support services.

26. Conn’s has struggled with ballooning losses and debt for several years. In October 2022, the Company announced the sudden resignation of its CEO, installing Defendant Miller,

who previously served as the Company's President, CEO, and Executive Chairman, as Interim CEO. Defendant Miller touted his "extreme[] confiden[ce]" in a turnaround plan that the Company would implement under his leadership to return the Company to profitability and growth, "driven from the [purported] strong foundation of [Conn's] credit segment," and "compelling retail credit business model and . . . large market opportunity."

Materially False and Misleading Statements Issued During the Class Period

27. The Class Period begins on March 29, 2023, when Conn's hosted a conference call with investors and analysts to discuss the Company's fourth quarter and full year 2023 results. During his prepared remarks on the call, Defendant Miller touted the Company's turnaround plan that would purportedly return the Company to profitability and growth, stating, *inter alia*:

When I first spoke to investors and analysts after rejoining the company as Interim CEO in late 2022, I discussed the need to refocus our efforts to better serve our core credit constrained consumers. To accomplish this goal, we are pursuing transformative initiatives that include refocusing on our core consumers, launching an in-house lease-to-own strategy and accelerating e-commerce growth.

While we believe the economic landscape will remain challenging throughout this coming year, we believe that the strategies underway will enable us to emerge from this period stronger, more focused and better positioned to create lasting value for our customers, employees and shareholders.

So with this introduction, I want to focus my prepared remarks on the actions we are pursuing to turn around our recent performance and drive long-term growth. I am extremely confident in the direction we are headed, driven from the strong foundation of our credit segment, our compelling retail credit business model and our large market opportunity. Conn's leading credit organization is the result of the investments we made over multiple years to create sophisticated underwriting, collection and marketing capabilities. This solid foundation enables us to navigate normalizing credit trends and a difficult economic environment while simultaneously pursuing our growth strategies, including our emerging in-house LTO opportunity.

The strength of our credit business, combined with our differentiated business model, also enables Conn's to offer unmatched payment options that are aligned with growing consumer needs and favorable demographics. Within the 15 states in

which we operate today, nearly half of consumers have credit scores that fit our Conn's credit and LTO payment options.

In addition, the national average credit score in the [U.S.] in calendar 2022 was unchanged following multiple years of unprecedented credit score growth. With high inflation and growing economic uncertainty, we expect consumers' credit scores will decline in 2023 for the first time in over a decade. As a result, we believe our multiple payment offerings are needed now more than ever, and we are focused on helping provide flexible and affordable payment options to our customers.

Our large addressable market also creates a compelling customer funnel that today represents approximately 28 million total visits to either one of our stores or to our website over the last 12 months. We believe this provides significant growth opportunities across all aspects of our customer funnel that include growing the number of visitors who apply for credit, increasing approval rates and amounts and expanding our customers' use of their available credit.

28. On August 30, 2023, Conn's issued a press release announcing its second quarter 2024 financial results. That press release quoted Defendant Miller as stating, in relevant part:

"Strategic initiatives focused on turning around our retail performance and better serving our core credit-constrained consumers are taking hold and continue to perform in line with our expectations. During the second quarter, we experienced improving sales trends in our Conn's in-house and lease-to-own offerings and record quarterly eCommerce revenue. In addition, the recent enhancements to our marketing strategies and credit application process drove a 30.6% increase in applications during the second quarter, which resulted in an increase in sales financed through Conn's in-house credit offering," stated [Defendant] Miller

"Retail gross margin grew 230 basis points over the prior year period to the highest level in seven quarters, as we benefit from pricing and assortment changes we have made since the end of last year. In addition, credit quality remains stable and in line with our expectations. As we navigate a fluid economic environment, we continue to leverage our powerful value proposition to serve our core credit-constrained consumers and drive sales, while remaining focused on improving profitability and controlling credit risk," concluded [Defendant] Miller.

29. The same press release also quoted Conn's lead independent director, who praised Defendant Miller's leadership and purported stabilization of the Company's finances and business, stating:

"Under [Defendant Miller]'s leadership, the Company has quickly moved to stabilize performance throughout a challenging macro-economic environment.

Conn's (CONN) return to a strategy focused on serving the core credit-constrained customer is turning around retail performance and repositioning the business for growth. The Board is confident in the direction Conn's is headed and believes the Company is well positioned to create lasting value for shareholders," added Bob Martin, lead independent director.

30. On December 18, 2023, Conn's issued a press release announcing that it had consummated the Badcock Transaction. That press release stated, *inter alia*:

"Today's announcement represents one of the most significant events in the Company's over 120-year history," said Bob Martin, Conn's lead independent director. "The combination immediately positions Conn's as a leading home goods retailer across the southern U.S. It also supports our existing strategic growth priorities by providing our unmatched payment options, leading eCommerce capabilities, and premium shopping experience to more customers The Badcock transaction significantly enhances Conn's scale allowing us to leverage a powerful infrastructure and deliver strong financial returns for many years to come."

The transaction brings together two highly complementary companies with significant reach across 15 states and powered by best-in-class payment offerings, compelling eCommerce capabilities, and a premium shopping experience. The combined company is expected to have annual revenue of approximately \$1.85 billion across 240+ corporate owned stores and 310+ dealer locations, with eCommerce sales of approximately \$125 million. Conn's will become a top-20 furniture and mattress retailer in the U.S. according to Furniture Today's latest top 100 list. In addition, Conn's will now provide last-mile delivery to over 92% of the population that resides in the 15 states in which it operates. The combined company will also have a credit portfolio of \$1.1 billion, projected to generate approximately \$364 million in annual finance charges and other revenue. Management expects to realize over \$50 million in run-rate cost savings from the Badcock transaction in 18 months, with further upside expected in the future, supported by improved procurement, logistics, general and administrative, and corporate expenses as well as credit optimization opportunities.

[Defendant] Miller . . . said, "Today's announcement transforms Conn's into a leading home goods retailer that is expected to have \$1.85 billion in revenue across strong urban and rural markets in the southern U.S. We believe the combination of these two complementary businesses will produce significant value as we pursue credit driven revenue growth strategies, enhance Badcock's in-house credit offering, and leverage a more diverse and larger organization. For over 120 years, both Conn's and Badcock have provided customers with home goods they want, at prices they love, with affordable payment solutions. We look forward to building on this legacy by leveraging Conn's capabilities, expertise, and innovation to support greater opportunities for our combined communities, customers, dealers,

and employees. As a result, we are confident this combination will produce significant long-term value for all of our shareholders.”

Mitchell Stiles, President and COO of Badcock, said, “Conn’s and Badcock share complementary business models, histories, and customers, and the expected revenue and cost synergies are extremely powerful. The enhanced scale of the combined company creates one of the largest home goods retailers in the southern U.S. We believe both our dealer and corporate owned stores will benefit from Conn’s customer centric culture, best-in-class payment solutions, expanded product assortment, and leading eCommerce platform. On behalf of everyone at Badcock, I look forward to working with Norm and his team as we integrate the two companies and drive long-term, profitable growth.”

31. On April 11, 2024, Conn’s hosted a conference call with investors and analysts to discuss the Company’s fourth quarter and full year 2024 results. During his prepared remarks on the call, Defendant Miller touted the purported positive impacts of the Badcock Transaction, stating, *inter alia*:

The Badcock transaction has exceeded our initial expectations. We have quickly identified powerful operating and financial synergies and created a growth-focused integration plan that we are now executing against.

While there will be continued one-time costs that will impact our results in the first quarter, we believe our shareholders will begin to see the benefits of our new operating model in the second quarter and we expect to produce accelerating revenue and earnings growth through this year. I want to reiterate my optimism for our path going forward. Over the coming quarters, I am confident we will start to benefit from the powerful financial model we are creating, which is supported by our premium shopping experience, best-in-class payment offerings, leading e-commerce capabilities, and unique dealer network.

In addition, we expect our larger scale will improve purchasing and logistics expenses, while also driving opportunities to leverage fixed costs. We expect to benefit from more than \$100 million of annualized cost synergies, as well as over \$50 million of revenue synergies over the next 18 months. As positive momentum in our business builds, we continue to believe that we can achieve annual adjusted EBITDA of between \$180 million to \$220 million on total annual sales between \$2 billion to \$2.2 billion by the end of our next fiscal year.

I believe strongly we have the right strategies, leadership team, associates, dealers, and platform in place to deliver on the goals we have outlined today. Together, we will have an even greater impact on the communities we serve, and I am excited by

the opportunities we have in front of us to produce long-term value for our stakeholders.

32. On April 18, 2024, Conn’s filed an annual report on Form 10-K with the SEC, reporting the Company’s financial and operating results for its fiscal fourth quarter and year ended January 31, 2024. That filing stated, *inter alia*, that “[w]e believe, based on our current projections, that we have sufficient sources of liquidity to fund our operations and capital expenditures for at least the next 12 months.”

33. The statements referenced in ¶¶ 27-32 were materially false and misleading because Defendants made false and/or misleading statements, as well as failed to disclose material adverse facts about the Company’s business, operations, and prospects. Specifically, Defendants made false and/or misleading statements and/or failed to disclose that: (i) Conn’s overstated the beneficial impacts, if any, of its transformation strategy; (ii) Conn’s overstated the benefits that it expected to derive from the Badcock Transaction; (iii) Conn’s downplayed issues with its liquidity; (iv) accordingly, the Company was likely to file for bankruptcy; and (v) as a result, the Company’s public statements were materially false and misleading at all relevant times.

The Truth Emerges

34. On June 11, 2024, during post-market hours, Conn’s filed a notification of its inability to timely file its quarterly report on Form 10-Q for the quarter ended April 30, 2024 with the SEC. In particular, the filing stated that “[t]he Company has directed a considerable amount of time and effort towards pursuing possible amendments to, or refinancing of, the Company’s revolving credit facility, and has not been able to complete the disclosures required to be included on Form 10-Q.” Accordingly, the Company advised that it “is unable to file, without unreasonable effort or expense, the Form 10-Q on or prior to the prescribed filing date.”

35. On this news, Conn's stock price fell \$0.18 per share, or 6.43%, to close at \$2.62 per share on June 12, 2024.

36. On June 26, 2024, just a few hours before markets closed, news reports emerged that Conn's had hired financial and operational advisers to help rework its debt load and integrate the stores that it had acquired through the Badcock Transaction. The Company also announced during post-market hours "that on June 20, 2024, it received a delinquency notification letter (the 'Notice') from the Nasdaq Stock Market LLC ('Nasdaq'), indicating that the Company was not in compliance with" applicable Nasdaq listing rules "because of the Company's delay in filing its Quarterly Report on Form 10-Q for the fiscal quarter ended April 30, 2024 . . . by the applicable due date required by the [SEC]."

37. On this news, Conn's stock price fell \$0.31 per share, or 15.82%, to close at \$1.65 per share on June 26, 2024. Conn's stock price continued to decline the following trading session by an additional \$0.44 per share, or 26.67%, to close at \$1.21 per share on June 27, 2024.

38. Then, on July 1, 2024, during post-market hours, news reports emerged that Conn's was preparing to potentially file for bankruptcy amid declining sales and issues with integrating the stores that it had acquired through the Badcock Transaction.

39. On this news, Conn's stock price fell \$0.30 per share, or 28.85%, to close at \$0.74 per share on July 2, 2024.

40. As a result of Defendants' wrongful acts and omissions, and the precipitous decline in the market value of the Company's securities, Plaintiff and other Class members have suffered significant losses and damages.

SCIENTER ALLEGATIONS

41. During the Class Period, Defendants had both the motive and opportunity to commit fraud. They also had actual knowledge of the misleading nature of the statements they made, or acted in reckless disregard of the true information known to them at the time. In so doing, Defendants participated in a scheme to defraud and committed acts, practices, and participated in a course of business that operated as a fraud or deceit on purchasers of the Company's securities during the Class Period.

PLAINTIFF'S CLASS ACTION ALLEGATIONS

42. Plaintiff brings this action as a class action pursuant to Federal Rule of Civil Procedure 23(a) and (b)(3) on behalf of a Class, consisting of all those who purchased or otherwise acquired Conn's securities during the Class Period (the "Class"); and were damaged upon the revelation of the alleged corrective disclosures. Excluded from the Class are Defendants herein, the officers and directors of the Company, at all relevant times, members of their immediate families and their legal representatives, heirs, successors or assigns and any entity in which Defendants have or had a controlling interest.

43. The members of the Class are so numerous that joinder of all members is impracticable. Throughout the Class Period, Conn's securities were actively traded on the NASDAQ. While the exact number of Class members is unknown to Plaintiff at this time and can be ascertained only through appropriate discovery, Plaintiff believes that there are hundreds or thousands of members in the proposed Class. Record owners and other members of the Class may be identified from records maintained by Conn's or its transfer agent and may be notified of the pendency of this action by mail, using the form of notice similar to that customarily used in securities class actions.

44. Plaintiff's claims are typical of the claims of the members of the Class as all members of the Class are similarly affected by Defendants' wrongful conduct in violation of federal law that is complained of herein.

45. Plaintiff will fairly and adequately protect the interests of the members of the Class and has retained counsel competent and experienced in class and securities litigation. Plaintiff has no interests antagonistic to or in conflict with those of the Class.

46. Common questions of law and fact exist as to all members of the Class and predominate over any questions solely affecting individual members of the Class. Among the questions of law and fact common to the Class are:

- whether the federal securities laws were violated by Defendants' acts as alleged herein;
- whether statements made by Defendants to the investing public during the Class Period misrepresented material facts about the business, operations and management of Conn's;
- whether the Individual Defendants caused Conn's to issue false and misleading financial statements during the Class Period;
- whether Defendants acted knowingly or recklessly in issuing false and misleading financial statements;
- whether the prices of Conn's securities during the Class Period were artificially inflated because of the Defendants' conduct complained of herein; and
- whether the members of the Class have sustained damages and, if so, what is the proper measure of damages.

47. A class action is superior to all other available methods for the fair and efficient adjudication of this controversy since joinder of all members is impracticable. Furthermore, as the damages suffered by individual Class members may be relatively small, the expense and burden of individual litigation make it impossible for members of the Class to individually redress the wrongs done to them. There will be no difficulty in the management of this action as a class action.

48. Plaintiff will rely, in part, upon the presumption of reliance established by the fraud-on-the-market doctrine in that:

- Defendants made public misrepresentations or failed to disclose material facts during the Class Period;
- the omissions and misrepresentations were material;
- Conn's securities are traded in an efficient market;
- the Company's shares were liquid and traded with moderate to heavy volume during the Class Period;
- the Company traded on the NASDAQ and was covered by multiple analysts;
- the misrepresentations and omissions alleged would tend to induce a reasonable investor to misjudge the value of the Company's securities; and
- Plaintiff and members of the Class purchased, acquired and/or sold Conn's securities between the time the Defendants failed to disclose or misrepresented material facts and the time the true facts were disclosed, without knowledge of the omitted or misrepresented facts.

49. Based upon the foregoing, Plaintiff and the members of the Class are entitled to a presumption of reliance upon the integrity of the market.

50. Alternatively, Plaintiff and the members of the Class are entitled to the presumption of reliance established by the Supreme Court in *Affiliated Ute Citizens of the State of Utah v. United States*, 406 U.S. 128, 92 S. Ct. 2430 (1972), as Defendants omitted material information in their Class Period statements in violation of a duty to disclose such information, as detailed above.

COUNT I

(Violations of Section 10(b) of the Exchange Act and Rule 10b-5 Promulgated Thereunder Against All Defendants)

51. Plaintiff repeats and re-alleges each and every allegation contained above as if fully set forth herein.

52. This Count is asserted against Defendants and is based upon Section 10(b) of the Exchange Act, 15 U.S.C. § 78j(b), and Rule 10b-5 promulgated thereunder by the SEC.

53. During the Class Period, Defendants engaged in a plan, scheme, conspiracy and course of conduct, pursuant to which they knowingly or recklessly engaged in acts, transactions, practices and courses of business which operated as a fraud and deceit upon Plaintiff and the other members of the Class; made various untrue statements of material facts and omitted to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; and employed devices, schemes and artifices to defraud in connection with the purchase and sale of securities. Such scheme was intended to, and, throughout the Class Period, did: (i) deceive the investing public, including Plaintiff and other Class members, as alleged herein; (ii) artificially inflate and maintain the market price of Conn's securities; and (iii) cause Plaintiff and other members of the Class to purchase or otherwise acquire Conn's securities and options at artificially inflated prices. In furtherance of this unlawful scheme, plan and course of conduct, Defendants, and each of them, took the actions set forth herein.

54. Pursuant to the above plan, scheme, conspiracy and course of conduct, each of the Defendants participated directly or indirectly in the preparation and/or issuance of the quarterly and annual reports, SEC filings, press releases and other statements and documents described above, including statements made to securities analysts and the media that were designed to influence the market for Conn's securities. Such reports, filings, releases and statements were materially false and misleading in that they failed to disclose material adverse information and misrepresented the truth about Conn's finances and business prospects.

55. By virtue of their positions at Conn's, Defendants had actual knowledge of the materially false and misleading statements and material omissions alleged herein and intended

thereby to deceive Plaintiff and the other members of the Class, or, in the alternative, Defendants acted with reckless disregard for the truth in that they failed or refused to ascertain and disclose such facts as would reveal the materially false and misleading nature of the statements made, although such facts were readily available to Defendants. Said acts and omissions of Defendants were committed willfully or with reckless disregard for the truth. In addition, each Defendant knew or recklessly disregarded that material facts were being misrepresented or omitted as described above.

56. Information showing that Defendants acted knowingly or with reckless disregard for the truth is peculiarly within Defendants' knowledge and control. As the senior managers and/or directors of Conn's, the Individual Defendants had knowledge of the details of Conn's internal affairs.

57. The Individual Defendants are liable both directly and indirectly for the wrongs complained of herein. Because of their positions of control and authority, the Individual Defendants were able to and did, directly or indirectly, control the content of the statements of Conn's. As officers and/or directors of a publicly-held company, the Individual Defendants had a duty to disseminate timely, accurate, and truthful information with respect to Conn's businesses, operations, future financial condition and future prospects. As a result of the dissemination of the aforementioned false and misleading reports, releases and public statements, the market price of Conn's securities was artificially inflated throughout the Class Period. In ignorance of the adverse facts concerning Conn's business and financial condition which were concealed by Defendants, Plaintiff and the other members of the Class purchased or otherwise acquired Conn's securities at artificially inflated prices and relied upon the price of the securities, the integrity of the market for the securities and/or upon statements disseminated by Defendants, and were damaged thereby.

58. During the Class Period, Conn's securities were traded on an active and efficient market. Plaintiff and the other members of the Class, relying on the materially false and misleading statements described herein, which the Defendants made, issued or caused to be disseminated, or relying upon the integrity of the market, purchased or otherwise acquired shares of Conn's securities at prices artificially inflated by Defendants' wrongful conduct. Had Plaintiff and the other members of the Class known the truth, they would not have purchased or otherwise acquired said securities, or would not have purchased or otherwise acquired them at the inflated prices that were paid. At the time of the purchases and/or acquisitions by Plaintiff and the Class, the true value of Conn's securities was substantially lower than the prices paid by Plaintiff and the other members of the Class. The market price of Conn's securities declined sharply upon public disclosure of the facts alleged herein to the injury of Plaintiff and Class members.

59. By reason of the conduct alleged herein, Defendants knowingly or recklessly, directly or indirectly, have violated Section 10(b) of the Exchange Act and Rule 10b-5 promulgated thereunder.

60. As a direct and proximate result of Defendants' wrongful conduct, Plaintiff and the other members of the Class suffered damages in connection with their respective purchases, acquisitions and sales of the Company's securities during the Class Period, upon the disclosure that the Company had been disseminating misrepresented financial statements to the investing public.

COUNT II

(Violations of Section 20(a) of the Exchange Act Against the Individual Defendants)

61. Plaintiff repeats and re-alleges each and every allegation contained in the foregoing paragraphs as if fully set forth herein.

62. During the Class Period, the Individual Defendants participated in the operation and management of Conn's, and conducted and participated, directly and indirectly, in the conduct of Conn's business affairs. Because of their senior positions, they knew the adverse non-public information about Conn's misstatement of income and expenses and false financial statements.

63. As officers and/or directors of a publicly owned company, the Individual Defendants had a duty to disseminate accurate and truthful information with respect to Conn's financial condition and results of operations, and to correct promptly any public statements issued by Conn's which had become materially false or misleading.

64. Because of their positions of control and authority as senior officers, the Individual Defendants were able to, and did, control the contents of the various reports, press releases and public filings which Conn's disseminated in the marketplace during the Class Period concerning Conn's results of operations. Throughout the Class Period, the Individual Defendants exercised their power and authority to cause Conn's to engage in the wrongful acts complained of herein. The Individual Defendants, therefore, were "controlling persons" of Conn's within the meaning of Section 20(a) of the Exchange Act. In this capacity, they participated in the unlawful conduct alleged which artificially inflated the market price of Conn's securities.

65. Each of the Individual Defendants, therefore, acted as a controlling person of Conn's. By reason of their senior management positions and/or being directors of Conn's, each of the Individual Defendants had the power to direct the actions of, and exercised the same to cause, Conn's to engage in the unlawful acts and conduct complained of herein. Each of the Individual Defendants exercised control over the general operations of Conn's and possessed the power to control the specific activities which comprise the primary violations about which Plaintiff and the other members of the Class complain.

66. By reason of the above conduct, the Individual Defendants are liable pursuant to Section 20(a) of the Exchange Act for the violations committed by Conn's.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff demands judgment against Defendants as follows:

- A. Determining that the instant action may be maintained as a class action under Rule 23 of the Federal Rules of Civil Procedure, and certifying Plaintiff as the Class representative;
- B. Requiring Defendants to pay damages sustained by Plaintiff and the Class by reason of the acts and transactions alleged herein;
- C. Awarding Plaintiff and the other members of the Class prejudgment and post-judgment interest, as well as their reasonable attorneys' fees, expert fees and other costs; and
- D. Awarding such other and further relief as this Court may deem just and proper.

DEMAND FOR TRIAL BY JURY

Plaintiff hereby demands a trial by jury.

Dated: _____, 2025