**Risk Factors Comparison 2024-03-04 to 2023-03-15 Form: 10-K**

**Legend:** **New Text** ~~Removed Text~~ Unchanged Text Moved Text Section

An investment in our common stock, preferred stock or other securities involves a number of risks. You should carefully consider each of the risks described below **, among others,** before deciding to invest in our securities. If any of the following risks develops into actual events, our business, financial condition or results of operations could be negatively affected, the market prices of our securities could decline and you may lose all or part of your investment. The ~~impact of~~ **response to** COVID- 19 on global commercial activity and the corresponding volatility in financial markets is evolving. Initially, the global impact of the outbreak led to many federal, state and local governments instituting quarantines and restrictions on travel. More recently, there have been disruptions in global supply chains that have adversely impacted a number of industries, such as transportation, hospitality and entertainment. In addition, there have been significant inflation and labor shortages over the past year **which** ~~. The outbreak~~ could have a continued adverse impact on economic and market conditions and trigger a period of global economic slowdown or recession. The rapid development and fluidity of this situation preclude any accurate prediction as to the ultimate impact of **inflation, rising interest rates and other consequences to the reactions to** COVID- 19. ~~Nevertheless,~~ **The global response to** COVID- 19 presents material uncertainty and risk with respect to our performance and financial results. For additional information, see" — Other Risks to Our Business — **The reaction to** COVID- 19 has caused severe disruptions in the U. S. economy ~~,~~ and may have ~~an~~ **a further** adverse ~~impact~~ **impacts** on our performance, results of operations and access to capital." Our Cash Flows and Net Income Are Dependent Upon Payments from Our Investments in Receivables The collectability of our investments in receivables is a function of many factors including the criteria used to select who is issued credit, the pricing of the credit products, the lengths of the relationships, general economic conditions, the rate at which consumers repay their accounts or become delinquent, and the rate at which consumers borrow funds. Deterioration in these factors would adversely impact our business. In addition, to the extent we have over- estimated collectability, in all likelihood we have over- estimated our financial performance. Some of these concerns are discussed more fully below. Our portfolio of receivables is not diversified and primarily originates from consumers whose creditworthiness is considered less than prime. Historically, we have invested in receivables in one of two ways — we have either (i) invested in receivables originated by lenders who utilize our services or (ii) invested in or purchased pools of receivables from other issuers. In either case, substantially all of our receivables are from borrowers represented by credit risks that regulators classify as less than prime. Our reliance on these receivables may in the future negatively impact our performance. Economic slowdowns increase our credit losses. During periods of economic slowdown ~~or~~ **,** recession **or rapidly rising inflation rates** , we generally experience an increase in rates of delinquencies and frequency and severity of credit losses. Our actual rates of delinquencies and frequency and severity of credit losses may be comparatively higher during periods of economic slowdown or recession **or rapidly rising inflation rates** . Because a significant portion of our reported income is based on management' s estimates of the future performance of receivables, differences between actual and expected performance of the receivables may cause fluctuations in net income. Significant portions of our reported income (or losses) are based on management' s estimates of cash flows we expect to receive on receivables, particularly for such assets that we report based on fair value. The expected cash flows are based on management' s estimates of **credit losses** ~~interest rates, default rates~~ , payment rates, ~~cardholder purchases,~~ servicing costs, ~~and~~ discount rates **and yields earned on credit card receivables** . These estimates are based on a variety of factors, many of which are not within our control. Substantial differences between actual and expected performance of the receivables will occur and cause fluctuations in our net income. For instance, higher than expected rates of delinquencies and losses could cause our net income to be lower than expected. Similarly, levels of loss and delinquency can result in our being required to repay lenders earlier than expected, thereby reducing funds available to us for future growth. ~~Due to our lack of significant experience with~~ Internet consumers ~~,~~ **have unique risk profiles and** we may not be able to evaluate their creditworthiness. Receivables owned by consumers and acquired over the internet present unique risk characteristics and exhibit higher rates of fraud. As a result, we may not be able to successfully evaluate the creditworthiness of these potential consumers. Therefore, we may encounter difficulties managing the expected delinquencies and losses. We Are Substantially Dependent Upon Borrowed Funds to Fund Receivables We Purchase We finance receivables that we acquire in large part through financing facilities. All of our financing facilities are of finite duration (and ultimately will need to be extended or replaced) and contain financial covenants and other conditions that must be fulfilled in order for funding to be available. ~~Moreover, some of our facilities currently are in amortization stages (and are not allowing for the funding of any new loans) based on their original terms.~~ The cost and availability of equity and borrowed funds is dependent upon our financial performance, the performance of our industry overall and general economic and market conditions, and at times equity and borrowed funds have been both expensive and difficult to obtain. ~~7If~~ **6If** additional financing facilities are not available in the future on terms we consider acceptable, we will not be able to purchase additional receivables and those receivables may contract in size. Capital markets may experience periods of disruption and instability, potentially limiting our ability to grow our receivables. From time- to- time, capital markets may experience periods of disruption and instability. For example, from 2008 to 2009, the global capital markets were unstable as evidenced by the lack of liquidity in the debt capital markets, significant write- offs in the financial services sector, the re- pricing of credit risk in the broadly syndicated credit market and the failure of major financial institutions. These events contributed to worsening general economic conditions that materially and adversely impacted the broader financial and credit markets and reduced the availability of debt and equity capital for the market as a whole and financial services firms in particular. If similar adverse and volatile market conditions repeat in the future, we and other companies in the financial services sector may have to access, if available, alternative markets for debt and equity capital in order to grow our receivables. Moreover, the re- appearance of market conditions similar to those experienced from 2008 through 2009 for any substantial length of time or worsened market conditions could make it difficult for us to borrow money or to extend the maturity of or refinance any indebtedness we may have under similar terms and any failure to do so could have a material adverse effect on our business. Unfavorable economic and political conditions, including future recessions, political instability, geopolitical turmoil and foreign hostilities, energy disruptions, inflation ~~and~~ **,** disease, pandemics and other serious health events, also could increase our funding costs, limit our access to the capital markets or result in a decision by lenders not to extend credit to us. **The reaction to** COVID- 19 ~~continues to~~ adversely ~~impact~~ **impacted** global commercial activity and has contributed to significant volatility in financial markets. The pandemic has, in part, caused disruptions in global supply chains that have adversely impacted a number of industries, such as transportation, hospitality and entertainment. In addition, there have been significant inflation and labor shortages over the past **two** ~~year~~ **years** . The outbreak could have a continued adverse impact on economic and market conditions and trigger a period of global economic slowdown. The rapid development and fluidity of this situation preclude any accurate prediction as to the ultimate adverse impact of the coronavirus response. Nevertheless, the pandemic presents material uncertainty and risk with respect to our performance and financial results. We may in the future have difficulty accessing debt and equity capital on attractive terms, or at all, and a severe disruption and instability in the global financial markets or deteriorations in credit and financing conditions may cause us to reduce the volume of receivables we purchase or otherwise have a material adverse effect on our business, financial condition, results of operations and cash flows. Our Financial Performance Is, in Part, a Function of the Aggregate Amount of Receivables That Are Outstanding The aggregate amount of outstanding receivables is a function of many factors including purchase rates, payment rates, interest rates, seasonality, general economic conditions, competition from credit card issuers and other sources of consumer financing, access to funding, and the timing and extent of our receivable purchases. The recent growth of our investments in private label credit and general purpose credit card receivables may not be indicative of our ability to grow such receivables in the future. Our period- end managed receivables balance for private label credit and general purpose credit card receivables grew to $ 2, ~~119~~ **411** . 3 million at December 31, ~~2022~~ **2023** , from $ **2, 120.** 1 ~~, 609. 8~~ million at December 31, ~~2021~~ **2022** . The amount of such receivables has fluctuated significantly over the course of our operating history. Furthermore, even if such receivables continue to increase, the rate of such growth could decline. If we cannot manage the growth in receivables effectively, it could have a material adverse effect on our business, prospects, results of operations, financial condition or cash flows. Reliance upon relationships with a few large retailers in the private label credit operations may adversely affect our revenues and operating results from these operations. Our five largest retail partners accounted for over ~~65~~ **70** % of our outstanding private label credit receivables as of December 31, ~~2022~~ **2023** . Although we are adding new retail partners on a regular basis, it is likely that we will continue to derive a significant portion of this operations' receivables base and corresponding revenue from a relatively small number of partners in the future. If a significant partner reduces or terminates its relationship with us, these operations' revenue could decline significantly and our operating results and financial condition could be harmed. We Operate in a Heavily Regulated Industry Changes in bankruptcy, privacy or other consumer protection laws, or to the prevailing interpretation thereof, may expose us to litigation, adversely affect our ability to collect receivables, or otherwise adversely affect our operations. Similarly, regulatory changes could adversely affect the ability or willingness of lenders who utilize our technology platform and related services to market credit products and services to consumers. Also, the accounting rules that apply to our business are exceedingly complex, difficult to apply and in a state of flux. As a result, how we value our receivables and otherwise account for our business is subject to change depending upon the changes in, and interpretation of, those rules. Some of these issues are discussed more fully below. Reviews and enforcement actions by regulatory authorities under banking and consumer protection laws and regulations may result in changes to our business practices, may make collection of receivables more difficult or may expose us to the risk of fines, restitution and litigation. Our operations and the operations of the issuing banks through which the credit products we service are originated are subject to the jurisdiction of federal, state and local government authorities, including the SEC, the FDIC, the Office of the Comptroller of the Currency, the FTC, U. K. banking and licensing authorities, state regulators having jurisdiction over financial institutions and debt origination and collection and state attorneys general. Our business practices and the practices of issuing banks, including the terms of products, servicing and collection practices, are subject to both periodic and special reviews by these regulatory and enforcement authorities. These reviews can range from investigations of specific consumer complaints or concerns to broader inquiries. If as part of these reviews the regulatory authorities conclude that we or issuing banks are not complying with applicable law, they could request or impose a wide range of remedies including requiring changes in advertising and collection practices, changes in the terms of products (such as decreases in interest rates or fees), the imposition of fines or penalties, or the paying of restitution or the taking of other remedial action with respect to affected consumers. They also could require us or issuing banks to stop offering some credit products or obtain licenses to do so, either nationally or in select states. To the extent that these remedies are imposed on the issuing banks that originate credit products using our platform, under certain circumstances we are responsible for the remedies as a result of our indemnification obligations with those banks. We or our issuing banks also may elect to change practices that we believe are compliant with law in order to respond to regulatory concerns. Furthermore, negative publicity relating to any specific inquiry or investigation could hurt our ability to conduct business with various industry participants or to generate new receivables and could negatively affect our stock price, which would adversely affect our ability to raise additional capital and would raise our costs of doing business. ~~8If~~ **7If** any deficiencies or violations of law or regulations are identified by us or asserted by any regulator or require us or issuing banks to change any practices, the correction of such deficiencies or violations, or the making of such changes, could have a material adverse effect on our financial condition, results of operations or business. In addition, whether or not these practices are modified when a regulatory or enforcement authority requests or requires, there is a risk that we or other industry participants may be named as defendants in litigation involving alleged violations of federal and state laws and regulations, including consumer protection laws. Any failure to comply with legal requirements by us or the banks that originate credit products utilizing our platform in connection with the issuance of those products, or by us or our agents as the servicer of our accounts, could significantly impair our ability to collect the full amount of the account balances. The institution of any litigation of this nature, or any judgment against us or any other industry participant in any litigation of this nature, could adversely affect our business and financial condition in a variety of ways. The regulatory landscape in which we operate is continually changing due to new rules, regulations and interpretations, as well as various legal actions that have been brought against others that have sought to re- characterize certain loans made by federally insured banks as loans made by third parties. If litigation on similar theories were brought against us when we work with a federally insured bank that makes loans and were such an action successful, we could be subject to state usury limits and / or state licensing requirements, loans in such states could be deemed void and unenforceable, and we could be subject to substantial penalties in connection with such loans. The case law involving whether an originating lender, on the one hand, or a third party, on the other hand, is the “"true lender ”" of a loan is still developing and courts have come to different conclusions and applied different analyses. The determination of whether a third- party service provider is the “"true lender ”" is significant because third parties risk having the loans they service becoming subject to a consumer’ s state usury limits. A number of federal courts that have opined on the “"true lender ”" issue have looked to who is the lender identified on the borrower’ s loan documents. A number of state courts and at least one federal district court have considered a number of other factors when analyzing whether the originating lender or a third party is the “"true lender, ”" including looking at the economics of the transaction to determine, among other things, who has the predominant economic interest in the loan being made. If we were re- characterized as a “"true lender ”" with respect to the receivables originated by the bank that utilizes our technology platform and other services, such receivables could be deemed to be void and unenforceable in some states, the right to collect finance charges could be affected, and we could be subject to fines and penalties from state and federal regulatory agencies as well as claims by borrowers, including class actions by private plaintiffs. Even if we were not required to change our business practices to comply with applicable state laws and regulations or cease doing business in some states, we could be required to register or obtain lending licenses or other regulatory approvals that could impose a substantial cost on us. If the bank that originates loans utilizing our technology platform were subject to such a lawsuit, it may elect to terminate its relationship with us voluntarily or at the direction of its regulators, and if it lost the lawsuit, it could be forced to modify or terminate such relationship. In addition to true lender challenges, a question regarding the applicability of state usury rates may arise when a loan is sold from a bank to a non- bank entity. In Madden v. Midland Funding, LLC, the U. S. Court of Appeals for the Second Circuit held that the federal preemption of state usury laws did not extend to the purchaser of a loan issued by a national bank. In its brief urging the U. S. Supreme Court to deny certiorari, the U. S. Solicitor General, joined by the Office of the Comptroller of the Currency ( “"OCC ”" ), noted that the Second Circuit (Connecticut, New York and Vermont) analysis was incorrect. On remand, the U. S. District Court for the Southern District of New York concluded on February 27, 2017, that New York’ s state usury law, not Delaware’ s state usury law, was applicable and that the plaintiff’ s claims under the FDCPA and state unfair and deceptive acts and practices could proceed. To that end, the court granted Madden’ s motion for class certification. At this time, it is unknown whether Madden will be applied outside of the defaulted debt context in which it arose. The facts in Madden are not directly applicable to our business, as we do not engage in practices similar to those at issue in Madden. However, to the extent that the holding in Madden is broadened to cover circumstances applicable to our business, or if other litigation on related theories were brought against us or others and were successful, or we otherwise were found to be the “"true lender, ”" we could become subject to state usury limits and state licensing laws, in addition to the state consumer protection laws to which we are already subject, in a greater number of states, loans in such states could be deemed void and unenforceable, and we could be subject to substantial penalties in connection with such loans. In response to the uncertainty Madden created as to the validity of interest rates of bank- originated loans sold in the secondary market, in May 2020 and June 2020, the OCC and the FDIC, respectively, issued final rules that reaffirmed the “"valid when made ”" doctrine and clarified that when a bank sells, assigns, or otherwise transfers a loan, the interest rates permissible prior to the transfer continue to be permissible following the transfer. In the summer of 2020, a number of state attorneys general filed suits against the OCC and the FDIC, challenging these" valid when made" rules. In February 2022, the U. S. District Court for the Northern District of California entered two orders granting summary judgement in favor of the OCC and the FDIC. The court held that the bank regulators had the power to issue the rules reaffirming the" valid when made" doctrine. Although the practical consequences of Madden have diminished since the initial ruling, uncertainty remains in this area of law. The bank that we support in connection with its extension of loans and one of our subsidiaries currently are involved in a dispute with the Maryland Commissioner of Financial Regulation with respect to the extent to which federal preemption preempts state regulation of bank activities related to the lending process, such as lender licensing requirements and aspects of those licensing requirements that purport to limit the rate of interest that can be charged. The Commissioner issued a" charge letter" making various assertions regarding the applicability of the licensing requirements and interest rate limitations, with the case to be heard in the Maryland Office of Administrative Hearings where the case is currently pending. The ultimate remedy sought by the Commissioner is the invalidation of loans to Maryland residents. We believe that preemption should apply and that the licensing requirements should not apply to the bank in its making loans in Maryland, but the ultimate outcome could be unfavorable. In light of the amount of loans involved, we do not believe that an adverse outcome would be material, but it could result in further erosion of federal preemption and our ability to operate as we currently do in Maryland and other states. We support a single bank that markets general purpose credit cards and certain other credit products directly to consumers. We acquire interests in and service the receivables originated by that bank. The bank could determine not to continue the relationship for various business reasons, or its regulators could limit its ability to issue credit cards utilizing our technology platform or to originate some or all of the other products that we service or require the bank to modify those products significantly and could do either with little or no notice. Any significant interruption or change of our bank relationship would result in our being unable to acquire new receivables or develop certain other credit products. Unless we were able to timely replace our bank relationship, such an interruption would prevent us from acquiring newly- originated credit card receivables and growing our investments in private label credit and general purpose credit card receivables. In turn, it would materially adversely impact our business. ~~9The~~ **8The** FDIC has issued ~~examination~~ guidance affecting the bank that utilizes our technology platform to market general purpose credit cards and certain other credit products and these or subsequent new rules and regulations could have a significant impact on such credit products. The bank that utilizes our technology platform and other services to market general purpose credit cards and certain other credit products is supervised and examined by both the state that charters it and the FDIC. If the FDIC or a state supervisory body considers any aspect of the products originated utilizing our technology platform to be inconsistent with its guidance, the bank may be required to alter or terminate some or all of these products. In ~~July 2016~~ **June 2023** , ~~the board of directors of~~ the FDIC ~~released examination guidance relating to third- party lending as part of a package of materials designed to " improve the transparency and clarity of the FDIC' s supervisory policies and practices " and consumer compliance measures that FDIC- supervised institutions should follow when lending through a business relationship with a third party. The proposed guidance~~ , ~~if finalized, would apply to all FDIC- supervised institutions that engage in third- party lending programs, including the bank that utilizes our technology platform and other~~ -- **the Board** ~~services to market general purpose credit cards and certain other credit products. The proposed guidance elaborates on previously- issued agency guidance on managing third- party risks and specifically addresses third- party lending arrangements where an FDIC- supervised institution relies on a third party to perform a significant aspect~~ of **Governors** ~~the lending process. The types~~ of ~~relationships that would be covered by the guidance include (but are not limited to) relationships for originating loans on behalf of, through or jointly with third parties, or using platforms developed by third parties. If adopted as proposed, the guidance would result in increased supervisory attention of institutions that engage in significant lending activities through third parties, including at least one examination every 12 months, as well as supervisory expectations for a third- party lending risk management program and third- party lending policies that contain certain minimum requirements, such as self- imposed limits as a percentage of total capital for each third- party lending relationship and for the overall loan program, relative to origination volumes, credit exposures (including pipeline risk), growth, loan types, and acceptable credit quality. While the guidance has never formally been adopted, it is our understanding that the FDIC has relied upon it in its examination of third- party lending arrangements. On July 20, 2020, the FDIC announced that it is seeking the public' s input on the potential for a public / private standard- setting partnership and voluntary certification program to promote the effective adoption of innovative technologies at FDIC- supervised financial institutions. Released as part of the FDiTech initiative, the request asks whether the proposed program might reduce the regulatory and operational uncertainty that may prevent financial institutions from deploying new technology or entering into partnerships with technology firms, including" fintechs." For financial institutions that choose to use the system, a voluntary certification program could help standardize due diligence practices and reduce associated costs. At this time, it is unclear what impact this request and potential proposal will have on our operations. On July 13, 2021,~~ the Federal Reserve **System** , **and the** Office of the Comptroller of the Currency ~~, and the FDIC~~ issued ~~proposed~~ **final** guidance on managing risks associated with third- party relationships **. The guidance sets forth considerations and a framework with respect to the management of risks arising from third- party relationships and replaces the federal banking agencies' existing guidance on the topic. The guidance broadly applies to business arrangements between a banking organization and a third party** , including relationships with fintech entities and bank / fintech sponsorship arrangements ~~. The guidance sets forth expectations for managing risk throughout the life cycle of such arrangements, including planning, due diligence and contract negotiation, oversight and accountability, ongoing monitoring, and termination. We will continue to monitor this guidance as it potentially becomes final~~ . Changes to consumer protection laws or changes in their interpretation may impede collection efforts or otherwise adversely impact our business practices. Federal and state consumer protection laws regulate the creation and enforcement of consumer credit card receivables and other loans. Many of these laws (and the related regulations) are focused on non- prime lenders and are intended to prohibit or curtail industry- standard practices as well as non- standard practices. For instance, Congress enacted legislation that regulates loans to military personnel through imposing interest rate and other limitations and requiring new disclosures, all as regulated by the Department of Defense. Similarly, in 2009 Congress enacted legislation that required changes to a variety of marketing, billing and collection practices, and the Federal Reserve adopted significant changes to a number of practices through its issuance of regulations. While our practices are in compliance with these changes, some of the changes (e. g., limitations on the ability to assess up- front fees) have significantly affected the viability of certain credit products within the U. S. Changes in the consumer protection laws could result in the following: • receivables not originated in compliance with law (or revised interpretations) could become unenforceable and uncollectible under their terms against the obligors; • we may be required to credit or refund previously collected amounts; • certain fees and finance charges could be limited, prohibited or restricted, reducing the profitability of certain investments in receivables; • certain collection methods could be prohibited, forcing us to revise our practices or adopt more costly or less effective practices; • limitations on our ability to recover on charged- off receivables regardless of any act or omission on our part; • some credit products and services could be banned in certain states or at the federal level; • federal or state bankruptcy or debtor relief laws could offer additional protections to consumers seeking bankruptcy protection, providing a court greater leeway to reduce or discharge amounts owed to us; and • a reduction in our ability or willingness to invest in receivables arising under loans to certain consumers, such as military personnel. Material regulatory developments may adversely impact our business and results from operations. ~~10Our~~ -- **Our** Automobile Lending Activities Involve Risks in Addition to Others Described Herein Automobile lending exposes us not only to most of the risks described above but also to additional risks, including the regulatory scheme that governs installment loans and those attendant to relying upon automobiles and their repossession and liquidation value as collateral. In addition, our Auto Finance segment operation acquires loans on a wholesale basis from used car dealers, for which we rely upon the legal compliance and credit determinations by those dealers.

Funding for automobile lending may become difficult to obtain and expensive. In the event we are unable to renew or replace any Auto Finance segment credit facilities that bear refunding or refinancing risks when they become due, our Auto Finance segment could experience significant constraints and diminution in reported asset values as lenders retain significant cash flows within underlying structured financings or otherwise under security arrangements for repayment of their loans. If we cannot renew or replace future facilities or otherwise are unduly constrained from a liquidity perspective, we may choose to sell part or all of our auto loan portfolios, possibly at less than favorable prices. Our automobile lending business is dependent upon referrals from dealers. Currently we provide substantially all of our automobile loans only to or through used car dealers. Providers of automobile financing have traditionally competed based on the interest rate charged, the quality of credit accepted and the flexibility of loan terms offered. In order to be successful, we not only need to be competitive in these areas, but also need to establish and maintain good relations with dealers and provide them with a level of service greater than what they can obtain from our competitors. The financial performance of our automobile loan portfolio is in part dependent upon the liquidation of repossessed automobiles. In the event of certain defaults, we may repossess automobiles and sell repossessed automobiles at wholesale auction markets located throughout the U. S. Auction proceeds from these types of sales and other recoveries generally are not sufficient to cover the outstanding balances of the contracts ; where we experience these shortfalls, we will experience credit losses. Repossession of automobiles entails the risk of litigation and other claims. Although we have contracted with reputable repossession firms to repossess automobiles on defaulted loans, it is not uncommon for consumers to assert that we were not entitled to repossess an automobile or that the repossession was not conducted in accordance with applicable law. These claims increase the cost of our collection efforts and, if successful, can result in awards against us. ~~We~~ **9We** Routinely Explore Various Opportunities to Grow Our Business, to Make Investments and to Purchase and Sell Assets We routinely consider acquisitions of, or investments in, portfolios and other assets as well as the sale of portfolios and portions of our business. There are a number of risks attendant to any acquisition, including the possibility that we will overvalue the assets to be purchased and that we will not be able to produce the expected level of profitability from the acquired business or assets. Similarly, there are a number of risks attendant to sales, including the possibility that we will undervalue the assets to be sold. As a result, the impact of any acquisition or sale on our future performance may not be as favorable as expected and actually may be adverse. Portfolio purchases may cause fluctuations in our reported CaaS segment' s managed receivables data, possibly reducing the usefulness of this data in evaluating our business. Our reported CaaS segment managed receivables data may fluctuate substantially from quarter to quarter as a result of recent and future credit card portfolio acquisitions. Receivables included in purchased portfolios are likely to have been originated using credit criteria different from the criteria of issuing bank partners that have originated accounts utilizing our technology platform. Receivables included in any particular purchased portfolio may have significantly different delinquency rates and charge- off rates than the receivables previously originated and purchased by us. These receivables also may earn different interest rates and fees as compared to other similar receivables in our receivables portfolio. These variables could cause our reported managed receivables data to fluctuate substantially in future periods making the evaluation of our business more difficult. Any acquisition or investment that we make will involve risks different from and in addition to the risks to which our business is currently exposed. These include the risks that we will not be able to integrate and operate successfully new businesses, that we will have to incur substantial indebtedness and increase our leverage in order to pay for the acquisitions, that we will be exposed to, and have to comply with, different regulatory regimes and that we will not be able to apply our traditional analytical framework (which is what we expect to be able to do) in a successful and value- enhancing manner. ~~11Other~~ -- **Other** Risks of Our Business **We operate in a highly competitive industry, and our inability to compete successfully would materially and adversely affect our business, results of operations, financial condition, and future prospects. We operate in a highly competitive and dynamic industry. We face competition from a variety of players, including those who enable transactions and commerce via digital payments and consumer loans. Our primary competition consists of facilitators and providers of legacy payment and consumer loan methods, such as credit and debit cards, including those provided by card issuing banks ; technology solutions, including those provided by financial technology or payment companies ; mobile wallets, such as Apple and PayPal ; and pay- over- time solutions providers, including Block and Klarna. Consumer lending is a broad and competitive market, and we compete to varying degrees with various platform providers or sources of consumer credit. This can include banks, non- bank lenders, including retail- based lenders, and other financial technology companies. Some of our competitors, particularly credit issuing banks, are substantially larger than we are and have longer operating histories than we do, which gives those competitors advantages we do not have, such as more diversified products, a broader consumer and merchant base, greater brand recognition and brand loyalty, the ability to reach more consumers, the ability to cross sell their products, operational efficiencies, the ability to cross- subsidize their offerings through their other business lines, more versatile technology platforms, broad- based local distribution capabilities, and lower- cost funding. In addition, because many of our competitors are large financial institutions that fund themselves through low- cost insured deposits and continue to own the loans that they originate, they have certain revenue and funding opportunities not available to us. Furthermore, our current or potential competitors may be better at developing new products due to their large and experienced data science and engineering teams, who are able to respond more quickly to new technologies. Additionally, merchants are increasingly offering other credit and payment options to customers. We expect competition to intensify in the future, both as emerging technologies continue to enter the marketplace and as large financial incumbents increasingly seek to innovate the services that they offer to compete with us. Technological advances and the continued growth of e- commerce activities have increased consumers' accessibility to products and services and led to the expansion of competition in digital payment and consumer loan options such as pay- over- time solutions. We face competition in areas such as compliance capabilities, commercial financing terms and costs of capital, interest rates and fees (and other financing terms) available to consumers from our bank partners, approval rates, model efficiency, speed**

**and simplicity of loan origination, ease- of- use, marketing expertise, service levels, products and services, technological capabilities and integration, borrower experience, brand and reputation. Furthermore, our existing and potential competitors may decide to modify their pricing and business models to compete more directly with us. Our ability to compete will also be affected by our ability to provide our bank partners with a commensurate or more extensive suite of products than those offered by our competitors. In addition, current or potential competitors, including financial technology lending platforms and existing or potential bank partners, may also acquire or form strategic alliances with one another, which could result in our competitors being able to offer more competitive loan terms due to their access to lower- cost capital. Such acquisitions or strategic alliances among our competitors or potential competitors could also make our competitors more adaptable to a rapidly evolving regulatory environment. To stay competitive, we may need to increase our regulatory compliance expenditures or our ability to compete may be adversely affected. 10Our industry is driven by constant innovation. We utilize machine learning, which is characterized by extensive research efforts and rapid technological progress. If we fail to anticipate or respond adequately to technological developments, our ability to operate profitably could suffer. Research, data accumulation and development by other companies may result in AI models that are superior to our AI models or result in products superior to those we develop. Further, technologies, products or services we develop may not be preferred to any existing or newly- developed technologies, products or services. If we are unable to compete with such companies or fail to meet the need for innovation in our industry, the use of our platform could stagnate or substantially decline, or our products could fail to maintain or achieve more widespread market acceptance, which would materially and adversely affect our business, results of operations, financial condition, and future prospects. The reaction to** COVID- 19 has caused severe disruptions in the U. S. economy and may have ~~an~~ **a further** adverse ~~impact~~ **impacts** on our performance, results of operations and access to capital. In March 2020, a national emergency was declared under the National Emergencies Act due to a new strain of coronavirus (" COVID- 19"). Measures initially taken across the U. S. and worldwide to mitigate the spread of the virus significantly impacted the macroeconomic environment, including consumer confidence, unemployment and other economic indicators that contribute to consumer spending behavior and demand for credit. More recently, policy responses to the COVID- 19 pandemic have, in part, caused, supply chain disruptions, significant inflation ~~and~~ **,** labor shortages **and in turn, rising interest rates** . Our results of operations are impacted by the relative strength of the overall economy. As general economic conditions improve or deteriorate, the amount of consumer disposable income tends to fluctuate, which, in turn, impacts consumer spending levels and the willingness of consumers to finance purchases. Furthermore, to the extent that supply chain disruptions result in deferred purchases, there will be a corresponding decrease in our receivable purchases ~~. We routinely engage in discussions with customers, some of whom have indicated that they have experienced economic hardship due to the COVID- 19 pandemic and have requested payment deferral or forbearance or other modifications of their accounts. While we are addressing requests for relief, we may still experience higher instances of default. Additionally, the COVID- 19 pandemic could adversely affect our liquidity position and could limit our ability to grow our business or fully execute on our business strategy. Furthermore, the COVID- 19 pandemic and resulting economic conditions could negatively impact our access to capital~~ . The COVID- 19 pandemic also resulted in us modifying certain business practices, such as transitioning to a distributed work model. We may take further actions as required by government authorities or as we determine to be in the best interests of our employees and consumers. ~~We may experience disruptions due to a number of operational factors, including, but not limited to: • increased cyber and payment fraud risk related to COVID- 19, as cybercriminals attempt to profit from the disruption, given increased e-commerce and other online activity; • challenges to the security, availability and reliability of our information technology platform due to changes to normal operations, including the possibility of one or more clusters of COVID- 19 cases affecting our employees or affecting the systems or employees of our partners; and • an increased volume of borrower and regulatory requests for information and support, or new regulatory requirements, which could require additional resources and costs to address. Even as the COVID- 19 pandemic subsides, our business may continue to be unfavorably impacted by the economic turmoil caused by the pandemic. There are no recent comparable events that could serve to indicate the ultimate effect the COVID- 19 pandemic may have and, as such, we do not at this time know what the extent of the impact of the COVID- 19 pandemic will be on our business. To the extent the COVID- 19 pandemic adversely affects our business and financial results, it also may heighten other risks described in this Part I, Item 1A.~~ For additional discussion of the impact of COVID- 19 on our business, see additional risk factors included in this Part I, Item 1A, as well as Part II, Item 7 ~~“~~ **"** Management’ s Discussion and Analysis of Financial Condition and Results of Operations. ~~”~~ **"** Our business and operations may be negatively affected by rising prices and interest rates. Our financial performance and consumers’ ability to repay indebtedness may be affected by uncertain economic conditions, including inflation **, government shutdowns** and changing interest rates. Higher inflation increases the costs of goods and services, reduces consumer spending power and may negatively affect our ability to purchase receivables. In 2022, inflation **in** reached a four- decade high **and continues to adversely impact the economy** . The Federal Reserve has raised ~~, and has indicated that it expects to continue to raise,~~ interest rates to combat inflation. Increased interest rates may adversely impact the spending levels of consumers and their ability and willingness to borrow money. Higher interest rates often lead to higher payment obligations, which may reduce the ability of consumers to remain current on their obligations and, therefore, lead to increased delinquencies, defaults, customer bankruptcies and charge- offs, and decreased recoveries, all of which could have an adverse effect on our business. Recently, prices for energy and food have been particularly volatile in light of Russia’ s invasion of Ukraine and the resulting trade restrictions and sanctions imposed on Russia by the U. S. and other countries. These recent events have increased inflationary pressures **. The potential for government shutdowns due to Congress' failure to enact an appropriations bill could have a negative impact on the nation' s economy and adversely impact both our ability to purchase receivables due to lower economic spending levels and our ability to collect on existing receivables as consumers may have temporary or permanent delays in income** . We are a holding company with no operations of our own. As a result, our cash flow and ability to service our debt is dependent upon distributions from our subsidiaries. The distribution of subsidiary earnings, or advances or other distributions of funds by subsidiaries to us, all of which are subject to statutory and could be subject to contractual restrictions, are contingent upon the subsidiaries' cash flows and earnings and are subject to various business and debt covenant considerations. We are party to litigation. We are party to certain legal proceedings which include litigation customary for a business of our nature. In each case we believe that we have meritorious defenses or that the positions we are asserting otherwise are correct. However, adverse outcomes are possible in these matters, and we could decide to settle one or more of our litigation matters in order to avoid the ongoing cost of litigation or to obtain certainty of outcome. Adverse outcomes or settlements of these matters could require us to pay damages, make restitution, change our business practices or take other actions at a level, or in a manner, that would adversely impact our business. The failure of financial institutions or transactional counterparties could adversely affect our current and projected business operations and our financial condition and results of operations. **During** ~~On March 10,~~ 2023, **multiple financial institutions have been** ~~Silicon Valley Bank, or SVB, was~~ closed ~~by the California Department of Financial Protection~~ and **placed in** ~~Innovation, which appointed the FDIC as receiver. Similarly, on March 12, 2023, Signature Bank and Silvergate Capital Corp. were each swept into~~ receivership ~~. A statement by the Department of the Treasury, the Federal Reserve and the FDIC stated that all depositors of SVB would have access to all of their money after only one business day of closure, including funds held in uninsured deposit accounts~~. Although we ~~do~~ **did** not have any funds deposited with **the affected banks** ~~SVB and Signature Bank~~, we regularly maintain cash balances with other financial institutions in excess of the FDIC insurance limit. A failure of a depository institution to return deposits could impact access to our invested cash or cash equivalents and could adversely impact our operating liquidity and financial performance. Because we outsource account- processing functions that are integral to our business, any disruption or termination of these outsourcing relationships could harm our business. We generally outsource account and payment processing. If these outsourcing relationships were not renewed or were terminated or the services provided to us were otherwise disrupted, we would have to obtain these services from alternate providers. There is a risk that we would not be able to enter into similar outsourcing arrangements with alternate providers on terms that we consider favorable or in a timely manner without disruption of our business. ~~12Failure~~ **11Failure** to keep up with the rapid technological changes in financial services and e- commerce could harm our business. The financial services industry is undergoing rapid technological changes, with frequent introductions of new technology- driven products and services. The effective use of technology increases efficiency and enables financial and lending institutions to better serve customers and reduce costs. Our future success will depend, in part, upon our ability to address the needs of consumers by using technology to support products and services that will satisfy consumer demands for convenience, as well as to create additional efficiencies in our operations. We may not be able to effectively implement new technology- driven products and services as quickly as some of our competitors. Failure to successfully keep pace with technological change affecting the financial services industry could harm our ability to compete with our competitors. Any such failure to adapt to changes could have a material adverse effect on our business, prospects, results of operations, financial condition or cash flows. If we are unable to protect our information systems against service interruption, our operations could be disrupted and our reputation may be damaged. We rely heavily on networks and information systems and other technology, that are largely hosted by third parties to support our business processes and activities, including processes integral to the origination and collection of loans and other financial products, and information systems to process financial information and results of operations for internal reporting purposes and to comply with regulatory, financial reporting, legal and tax requirements. Because information systems are critical to many of our operating activities, our business may be impacted by hosted system shutdowns, service disruptions or security breaches. These incidents may be caused by failures during routine operations such as system upgrades or user errors, as well as network or hardware failures, malicious or disruptive software, computer hackers, rogue employees or contractors, cyber- attacks by criminal groups, geopolitical events, natural disasters, pandemics, failures or impairments of telecommunications networks, or other catastrophic events. If our information systems suffer severe damage, disruption or shutdown and our business continuity plans do not effectively resolve the issues in a timely manner, we could experience delays in reporting our financial results, and we may lose revenue and profits as a result of our inability to collect payments in a timely manner. We also could be required to spend significant financial and other resources to repair or replace networks and information systems. Unauthorized or unintentional disclosure of sensitive or confidential customer data could expose us to protracted and costly litigation, and civil and criminal penalties. To conduct our business, we are required to manage, use, and store large amounts of personally identifiable information, consisting primarily of confidential personal and financial data regarding consumers across all operations areas. We also depend on our IT networks and systems, and those of third parties, to process, store, and transmit this information. As a result, we are subject to numerous U. S. federal and state laws designed to protect this information. Security breaches involving our files and infrastructure could lead to unauthorized disclosure of confidential information. We take a number of measures to ensure the security of our hardware and software systems and customer information. Advances in computer capabilities, new discoveries in the field of cryptography or other developments may result in the technology used by us to protect data being breached or compromised. In the past, banks and other financial service providers have been the subject of sophisticated and highly targeted attacks on their information technology. An increasing number of websites have reported breaches of their security. If any person, including our employees or those of third- party vendors, negligently disregards or intentionally breaches our established controls with respect to such data or otherwise mismanages or misappropriates that data, we could be subject to costly litigation, monetary damages, fines, and / or criminal prosecution. Any unauthorized disclosure of personally identifiable information could subject us to liability under data privacy laws. Further, under credit card rules and our contracts with our card processors, if there is a breach of credit card information that we store, we could be liable to the credit card issuing banks for their cost of issuing new cards and related expenses. In addition, if we fail to follow credit card industry security standards, even if there is no compromise of customer information, we could incur significant fines. Security breaches also could harm our reputation, which could potentially cause decreased revenues, the loss of existing merchant credit partners, or difficulty in adding new merchant credit partners. Internet and data security breaches also could impede our bank partners from originating loans over the Internet, cause us to lose consumers or otherwise damage our reputation or business. Consumers generally are concerned with security and privacy, particularly on the Internet. As part of our growth strategy, we have enabled lenders to originate loans over the Internet. The secure transmission of confidential information over the Internet is essential to maintaining customer confidence in such products and services offered online. Advances in computer capabilities, new discoveries or other developments could result in a compromise or breach of the technology used by us to protect our client or consumer application and transaction data transmitted over the Internet. In addition to the potential for litigation and civil penalties described above, security breaches could damage our reputation and cause consumers to become unwilling to do business with our clients or us, particularly over the Internet. Any publicized security problems could inhibit the growth of the Internet as a means of conducting commercial transactions. Our ability to service our clients' needs over the Internet would be severely impeded if consumers become unwilling to transmit confidential information online. Also, a party that is able to circumvent our security measures could misappropriate proprietary information, cause interruption in our operations, damage our computers or those of our users, or otherwise damage our reputation and business. ~~13Regulation~~ **12Regulation** in the areas of privacy and data security could increase our costs. We are subject to various regulations related to privacy and data security / breach, and we could be negatively impacted by these regulations. For example, we are subject to the Safeguards guidelines under the Gramm- Leach- Bliley Act. The Safeguards guidelines require that each financial institution develop, implement and maintain a written, comprehensive information security program containing safeguards that are appropriate to the financial institution' s size and complexity, the nature and scope of the financial institution' s activities and the sensitivity of any customer information at issue. Broad- ranging data security laws that affect our business also have been adopted by several states. The California Consumer Privacy Act (the ~~“~~**"**CCPA ~~”~~**"**) became effective on January 1, 2020. The CCPA requires, among other things, covered companies to provide new disclosures to California consumers and afford such consumers with expanded protections and control over the collection, maintenance, use and sharing of personal information. The CCPA continues to be subject to new regulations and legislative amendments. Although we have implemented a compliance program designed to address obligations under the CCPA, it remains unclear what future modifications will be made or how the CCPA will be interpreted in the future. The CCPA provides for civil penalties for violations and a private right of action for data breaches. In addition, in November 2020, California voters approved the California Privacy Rights Act of 2020 (the ~~“~~**"**CPRA ~~”~~**"**) ballot initiative, which became effective on January 1, 2023. The CPRA established the California Privacy Protection Agency to implement and enforce the CCPA and CPRA. We anticipate that the CPRA and certain regulations promulgated by the California Privacy Protection Agency will apply to our business and we will work to ensure compliance with such laws and regulations by their effective dates. Compliance with these laws regarding the protection of consumer and employee data could result in higher compliance and technology costs for us, as well as potentially significant fines and penalties for noncompliance. Further, there are various other statutes and regulations relevant to the direct email marketing, debt collection and text- messaging industries including the Telephone Consumer Protection Act. The interpretation of many of these statutes and regulations is evolving in the courts and administrative agencies and an inability to comply with them may have an adverse impact on our business. In addition to the foregoing enhanced data security requirements, various federal banking regulatory agencies, and all 50 states, the District of Columbia, Puerto Rico and the Virgin Islands, have enacted data security regulations and laws requiring varying levels of consumer notification in the event of a security breach. Also, federal legislators and regulators are increasingly pursuing new guidelines, laws and regulations that, if adopted, could further restrict how we collect, use, share and secure consumer information, possibly impacting some of our current or planned business initiatives. Unplanned system interruptions or system failures could harm our business and reputation. Any interruption in the availability of our transactional processing services due to hardware, operating system failures, or system conversion will reduce our revenues and profits. Any unscheduled interruption in our services results in an immediate, and possibly substantial, reduction in our ability to serve our customers, thereby resulting in a loss of revenues. Frequent or persistent interruptions in our services could cause current or potential consumers to believe that our systems are unreliable, leading them to switch to our competitors or to avoid our websites or services, and could permanently harm our reputation. Although our systems have been designed around industry- standard architectures to reduce downtime in the event of outages or catastrophic occurrences, they remain vulnerable to damage or interruption from earthquakes, floods, fires, power loss, telecommunication failures, computer viruses, computer denial- of- service attacks, and similar events or disruptions. Some of our systems are not fully redundant, and our disaster recovery planning may not be sufficient for all eventualities. Our systems also are subject to break- ins, sabotage, and intentional acts of vandalism. Despite any precautions we may take, the occurrence of a natural disaster, pandemic, a decision by any of our third- party hosting providers to close a facility we use without adequate notice for financial or other reasons or other unanticipated problems at our hosting facilities could cause system interruptions, delays, and loss of critical data, and result in lengthy interruptions in our services. Our business interruption insurance may not be sufficient to compensate us for losses that may result from interruptions in our service as a result of system failures. Climate change and related regulatory responses may impact our business. Climate change as a result of emissions of greenhouse gases is a significant topic of discussion and has generated and may continue to generate federal and other regulatory responses. We are uncertain of the ultimate impact, either directionally or quantitatively, of climate change and related regulatory responses on our business. The most direct impact is likely to be an increase in energy costs, adversely impacting consumers and their ability to incur and repay indebtedness. We elected the fair value option for newly originated assets, effective as of January 1, 2020, and ~~we~~ **for all remaining assets associated with our private label credit and general purpose credit card platform as of January 1, 2022. We** use estimates in determining the fair value of our loans. If our estimates prove incorrect, we may be required to write down the value of these assets, adversely affecting our results of operations. Our ability to measure and report our financial position and results of operations is influenced by the need to estimate the impact or outcome of future events on the basis of information available at the time of the issuance of the financial statements. Further, most of these estimates are determined using Level 3 inputs for which changes could significantly impact our fair value measurements. A variety of factors including, but not limited to, estimated yields on consumer receivables, customer default rates, the timing of expected payments, estimated costs to service the portfolio, interest rates, and valuations of comparable portfolios may ultimately affect the fair values of our loans and finance receivables. If actual results differ from our judgments and assumptions, then it may have an adverse impact on the results of operations and cash flows. Management has processes in place to monitor these judgments and assumptions, but these processes may not ensure that our judgments and assumptions are accurate. Our ~~allowance~~ **allowances** for ~~uncollectible loans~~ **credit losses** is determined based upon both objective and subjective factors and may not be adequate to absorb credit losses. We face the risk that customers will fail to repay their loans in full. Through our analysis of loan performance, delinquency data, charge- off data, economic trends and the potential effects of those economic trends on consumers, we establish ~~an allowance~~ **allowances** for **credit losses** ~~uncollectible loans, interest and fees receivable~~ as an estimate of the ~~probable~~ **expected credit** losses inherent within those loans, interest and fees receivable that we do not report at fair value. We determine the necessary ~~allowance~~ **allowances** for **credit losses** ~~uncollectible loans, interest and fees receivable~~ by analyzing some or all of the following **attributes** unique to each type of receivable pool: historical loss rates ; current delinquency and roll- rate trends ; vintage analyses based on the number of months an account has been in existence ; the effects of changes in the economy on consumers ; changes in underwriting criteria ; and estimated recoveries. These inputs are considered in conjunction with (and potentially reduced by) any unearned fees and discounts that may be applicable for an outstanding loan receivable. Actual losses are difficult to forecast, especially if such losses are due to factors beyond our historical experience or control. As a result, our ~~allowance~~ **allowances** for ~~uncollectible loans~~ **credit losses** may not be adequate to absorb ~~incurred~~ **all credit** losses or prevent a material adverse effect on our business, financial condition and results of operations. Losses are the largest cost as a percentage of revenues across all of our products. Fraud and customers not being able to repay their loans are both significant drivers of loss rates. If we experienced rising credit or fraud losses this would significantly reduce our earnings and profit margins and could have a material adverse effect on our business, prospects, results of operations, financial condition or cash flows. ~~14Risks~~ **13Risks** Relating to an Investment in Our Securities The prices of our securities may fluctuate significantly, and this may make it difficult for you to resell our securities when you want or at prices you find attractive. The prices of our securities on the NASDAQ Global Select Market constantly change. We expect that the market prices of our securities will continue to fluctuate. The market prices of our securities may fluctuate in response to numerous factors, many of which are beyond our control. These factors include the following: • actual or anticipated fluctuations in our operating results; • changes in expectations as to our future financial performance, including financial estimates and projections by Atlanticus, securities analysts and investors; • the overall financing environment, which is critical to our value; • changes in interest rates; • inflation and supply chain disruptions; • the operating and stock performance of our competitors; • announcements by us or our competitors of new products or services or significant contracts, acquisitions, strategic partnerships, joint ventures or capital commitments; • the announcement of enforcement actions or investigations against us or our competitors or other negative publicity relating to us or our industry; • changes in generally accepted accounting principles in the U. S. (" GAAP"), laws, regulations or the interpretations thereof that affect our various business activities and segments; • general domestic or international economic, market and political conditions; • changes in ownership by executive officers, directors and parties related to them who control a majority of our common stock; • additions or departures of key personnel; • the annual yield from distributions on the Series B Preferred Stock **or interest on the Senior Notes, net,** as compared to yields on other financial instruments; and • global pandemics (such as the COVID- 19 pandemic). In addition, the stock markets from time to time experience extreme price and volume fluctuations that may be unrelated or disproportionate to the operating performance of companies. These broad fluctuations may adversely affect the trading prices of our securities, regardless of our actual operating performance. Future sales of our common stock or equity- related securities in the public market could adversely affect the trading price of our common stock and our ability to raise funds in new stock offerings. Sales of significant amounts of our common stock or equity- related securities in the public market or the perception that such sales will occur, could adversely affect prevailing trading prices of our common stock and could impair our ability to raise capital through future offerings of equity or equity- related securities. Future sales of shares of common stock or the availability of shares of common stock for future sale, including sales of our common stock in short sale transactions, may have a material adverse effect on the trading price of our common stock. The shares of Series A Convertible Preferred Stock and Series B Preferred Stock are senior obligations, rank prior to our common stock with respect to dividends, distributions and payments upon liquidation and have other terms, such as a redemption right, that could negatively impact the value of shares of our common stock. In December 2019, we issued 400, 000 shares of Series A Convertible Preferred Stock. The rights of the holders of our Series A Convertible Preferred Stock with respect to dividends, distributions and payments upon liquidation rank senior to similar obligations to our holders of common stock. Holders of the Series A Convertible Preferred Stock are entitled to receive dividends on each share of such stock equal to 6 % per annum on the liquidation preference of $ 100. The dividends on the Series A Convertible Preferred Stock are cumulative and non- compounding and must be paid before we pay any dividends on the common stock. Further, on ~~and after~~ January 1, 2024, the holders of the Series A Convertible Preferred Stock will have the right to require us to purchase outstanding shares of Series A Convertible Preferred Stock for an amount equal to $ 100 per share plus any accrued but unpaid dividends. This redemption right could expose us to a liquidity risk if we do not have sufficient cash resources at hand or are not able to find financing on sufficiently attractive terms to comply with our obligations to repurchase the Series A Convertible Preferred Stock upon exercise of such redemption right. In June and July 2021, we issued 3, 188, 533 shares of Series B Preferred Stock **, for net proceeds of approximately $ 76. 5 million after deducting underwriting discounts and commissions, but before deducting expenses and the structuring fee. Additionally, the Company has in the past, and may in the future, issue additional shares of Series B Preferred Stock pursuant our" at-**

**the- market" offering program** . The rights of the holders of our Series B Preferred Stock with respect to dividends, distributions and payments upon liquidation rank junior to similar obligations to our holders of Series A Convertible Preferred Stock and senior to similar obligations to our holders of common stock. Holders of the Series B Preferred Stock are entitled to receive dividends on each share of such stock equal to 7. 625 % per annum on the liquidation preference of $ 25. 00 per share. The dividends on the Series B Preferred Stock are cumulative and non- compounding and must be paid before we pay any dividends on the common stock. In the event of our liquidation, dissolution or the winding up of our affairs, the holders of our Series A Convertible Preferred Stock and Series B Preferred Stock have the right to receive a liquidation preference entitling them to be paid out of our assets generally available for distribution to our equity holders and before any payment may be made to holders of our common stock. Our obligations to the holders of Series A Convertible Preferred Stock and Series B Preferred Stock also could limit our ability to obtain additional financing or increase our borrowing costs, which could have an adverse effect on our financial condition and the value of our common stock. ~~15Our~~ **14Our** outstanding Series A Convertible Preferred Stock has anti- dilution protection that, if triggered, could cause substantial dilution to our then- existing holders of common stock, which could adversely affect our stock price. The document governing the terms of our outstanding Series A Convertible Preferred Stock contains anti- dilution provisions to benefit the holders of such stock. As a result, if we, in the future, issue common stock or other derivative securities, subject to specified exceptions, for a per share price less than the then existing conversion price of the Series A Convertible Preferred Stock, an adjustment to the then current conversion price would occur. This reduction in the conversion price could result in substantial dilution to our then- existing holders of common stock, adversely affecting the price of our common stock. In the past, we have not paid cash dividends on our common stock on a regular basis, and an increase in the market price of our common stock, if any, may be the sole source of gain on an investment in our common stock. With the exception of dividends payable on our Series A Convertible Preferred Stock and Series B Preferred Stock, we currently plan to retain any future earnings for use in the operation and expansion of our business and may not pay any dividends on our common stock in the foreseeable future. The declaration and payment of all future dividends on our common stock, if any, will be at the sole discretion of our board of directors, which retains the right to change our dividend policy at any time. Any decision by our board of directors to declare and pay dividends in the future will depend on, among other things, our results of operations, financial condition, cash requirements, contractual restrictions, restrictions on dividends imposed by the documents governing the terms of the Series A Convertible Preferred Stock and Series B Preferred Stock and other factors that our board of directors may deem relevant. Consequently, appreciation in the market price of our common stock, if any, may be the sole source of gain on an investment in our common stock for the foreseeable future. Holders of the Series A Convertible Preferred Stock and Series B Preferred Stock are entitled to receive dividends on such stock that are cumulative and **non-** ~~noncompounding~~ --- **compounding** and must be paid before we pay any dividends on the common stock. We have the ability to issue additional preferred stock, warrants, convertible debt and other securities without shareholder approval. Our common stock may be subordinate to additional classes of preferred stock issued in the future in the payment of dividends and other distributions made with respect to common stock, including distributions upon liquidation or dissolution. Our Amended and Restated Articles of Incorporation (the" Articles of Incorporation") permit our board of directors to issue preferred stock without first obtaining shareholder approval, which we did in December 2019 when we issued the Series A Convertible Preferred Stock and in June and July 2021 when we issued the Series B Preferred Stock. **Additionally, the Company has in the past, and may in the future, issue additional shares of Series B Preferred Stock pursuant our" at- the- market" offering program.** If we issue additional classes of preferred stock, these additional securities may have dividend or liquidation preferences senior to the common stock. If we issue additional classes of convertible preferred stock, a subsequent conversion may dilute the current common shareholders' interest. We have similar abilities to issue convertible debt, warrants and other equity securities. Our executive officers, directors and parties related to them, in the aggregate, control a majority of our common stock and may have the ability to control matters requiring shareholder approval. Our executive officers, directors and parties related to them own a large enough share of our common stock to have an influence on, if not control of, the matters presented to shareholders. As a result, these shareholders may have the ability to control matters requiring shareholder approval, including the election and removal of directors, the approval of significant corporate transactions, such as any reclassification, reorganization, merger, consolidation or sale of all or substantially all of our assets and the control of our management and affairs. Accordingly, this concentration of ownership may have the effect of delaying, deferring or preventing a change of control of us, impede a merger, consolidation, takeover or other business combination involving us or discourage a potential acquirer from making a tender offer or otherwise attempting to obtain control of us, adversely affecting the market price of our common stock. The Series B Preferred Stock rank junior to our Series A Convertible Preferred Stock and all of our indebtedness and other liabilities and are effectively junior to all indebtedness and other liabilities of our subsidiaries. In the event of our bankruptcy, liquidation, dissolution or winding- up of our affairs, our assets will be available to pay obligations on the Series B Preferred Stock only after all of our indebtedness and other liabilities have been paid and the liquidation preference of the Series A Convertible Preferred Stock has been satisfied. The rights of holders of the Series B Preferred Stock to participate in the distribution of our assets will rank junior to the prior claims of our current and future creditors, the Series A Convertible Preferred Stock and any future series or class of preferred stock we may issue that ranks senior to the Series B Preferred Stock. Our Articles of Incorporation authorize us to issue up to 10, 000, 000 shares of preferred stock in one or more series on terms determined by our board of directors, and **as of December 31, 2023** we ~~currently~~ have outstanding 400, 000 shares of Series A Convertible Preferred Stock and 3, ~~255~~ **256** , ~~967~~ **561** shares of Series B Preferred Stock. ~~We may~~ **As of December 31, 2023, we could** issue up to 6, ~~344~~ **343** , ~~033~~ **439** additional shares of preferred stock. ~~16In~~ **15In** addition, the Series B Preferred Stock effectively ranks junior to all existing and future indebtedness and other liabilities of (as well as any preferred equity interests held by others in) our existing subsidiaries and any future subsidiaries. Our existing subsidiaries are, and any future subsidiaries would be, separate legal entities and have no legal obligation to pay any amounts to us in respect of dividends due on the Series

B Preferred Stock. If we are forced to liquidate our assets to pay our creditors and holders of our Series A Convertible Preferred Stock, we may not have sufficient assets to pay amounts due on any or all of the Series B Preferred Stock then outstanding. We and our subsidiaries have incurred and may in the future incur substantial amounts of debt and other obligations that will rank senior to the Series B Preferred Stock. We may incur additional indebtedness and become more highly leveraged in the future, harming our financial position and potentially limiting our cash available to pay dividends. As a result, we may not have sufficient funds remaining to satisfy our dividend obligations relating to our Series B Preferred Stock if we incur additional indebtedness or issue additional preferred stock that ranks senior to the Series B Preferred Stock. Future offerings of debt or senior equity securities may adversely affect the market price of the Series B Preferred Stock. If we decide to issue debt or senior equity securities in the future, it is possible that these securities will be governed by an indenture or other instrument containing covenants restricting our operating flexibility. Additionally, any convertible or exchangeable securities that we issue in the future may have rights, preferences and privileges more favorable than those of the Series B Preferred Stock and may result in dilution to holders of the Series B Preferred Stock. We and, indirectly, our shareholders will bear the cost of issuing and servicing such securities. Because our decision to issue debt or equity securities in any future offering will depend on market conditions and other factors beyond our control, we do not know the amount, timing or nature of any future offerings. Thus, holders of the Series B Preferred Stock bear the risk of our future offerings reducing the market price of the Series B Preferred Stock and diluting the value of their holdings in us. We may issue additional shares of the Series B Preferred Stock and additional series of preferred stock that rank on a parity with the Series B Preferred Stock as to dividend rights, rights upon liquidation or voting rights. We are allowed to issue additional shares of Series B Preferred Stock and additional series of preferred stock that would rank on a parity with the Series B Preferred Stock as to dividend payments and rights upon our liquidation, dissolution or winding up of our affairs pursuant to our Articles of Incorporation and the Amended and Restated Articles of Amendment Establishing the Series B Preferred Stock without any vote of the holders of the Series B Preferred Stock. Our Articles of Incorporation authorize us to issue up to 10, 000, 000 shares of preferred stock in one or more series on terms determined by our board of directors, and **as of December 31, 2023** we ~~currently~~ have outstanding 400, 000 shares of Series A Convertible Preferred Stock and 3, ~~255~~ **256** , ~~967~~ **561** shares of Series B Preferred Stock. ~~We may~~ **As of December 31, 2023, we could** issue up to 6, ~~344~~ **343** , ~~033~~ **439** additional shares of preferred stock. The issuance of additional shares of Series B Preferred Stock and additional series of parity preferred stock could have the effect of reducing the amounts available to the holders of Series B Preferred Stock upon our liquidation or dissolution or the winding up of our affairs. It also may reduce dividend payments on the Series B Preferred Stock if we do not have sufficient funds to pay dividends on all Series B Preferred Stock outstanding and other classes of stock with equal priority with respect to dividends. In addition, although holders of the Series B Preferred Stock are entitled to limited voting rights with respect to such matters, the holders of the Series B Preferred Stock will vote separately as a class along with all other outstanding series of our preferred stock that we may issue upon which like voting rights have been conferred and are exercisable. As a result, the voting rights of holders of the Series B Preferred Stock may be significantly diluted, and the holders of such other series of preferred stock that we may issue may be able to control or significantly influence the outcome of any vote. Future issuances and sales of parity preferred stock, or the perception that such issuances and sales could occur, may cause prevailing market prices for the Series B Preferred Stock and our common stock to decline and may adversely affect our ability to raise additional capital in the financial markets at times and prices favorable to us. Such issuances may also reduce or eliminate our ability to pay dividends on our common stock. Holders of Series B Preferred Stock have extremely limited voting rights. Holders of Series B Preferred Stock have limited voting rights. Our common stock is the only class of our securities that carries full voting rights. Voting rights for holders of Series B Preferred Stock exist primarily with respect to the ability to elect (together with the holders of other outstanding series of our preferred stock, or additional series of preferred stock we may issue in the future and upon which similar voting rights have been or are in the future conferred and are exercisable) two additional directors to our board of directors in the event that six quarterly dividends (whether or not declared or consecutive) payable on the Series B Preferred Stock are in arrears, and with respect to voting on amendments to our Articles of Incorporation or Amended and Restated Articles of Amendment Establishing the Series B Preferred Stock (in some cases voting together with the holders of other outstanding series of our preferred stock as a single class) that materially and adversely affect the rights of the holders of Series B Preferred Stock (and other series of preferred stock, as applicable) or create additional classes or series of our stock that are senior to the Series B Preferred Stock, provided that in any event adequate provision for redemption has not been made. Other than in limited circumstances, holders of Series B Preferred Stock do not have any voting rights. The conversion feature of the Series B Preferred Stock may not adequately compensate holders of such stock, and the conversion and redemption features of the Series B Preferred Stock may make it more difficult for a party to take over our company and may discourage a party from taking over the Company. Upon the occurrence of a Delisting Event or Change of Control (as defined in the document governing the terms of the Series B Preferred Stock), holders of the Series B Preferred Stock will have the right (unless, prior to the Delisting Event Conversion Date or Change of Control Conversion Date, as applicable, we have provided or provide notice of our election to redeem the Series B Preferred Stock) to convert some or all of the Series B Preferred Stock into our common stock (or equivalent value of alternative consideration), and under these circumstances we will also have a special optional redemption right to redeem the Series B Preferred Stock. Upon such a conversion, the holders will be limited to a maximum number of shares of our common stock equal to the Share Cap (as defined in the document governing the terms of the Series B Preferred Stock) multiplied by the number of shares of Series B Preferred Stock converted. If the common stock price is less than $ 19. 275, subject to adjustment, the holders will receive a maximum of 1. 29702 shares of our common stock per share of Series B Preferred Stock, which may result in a holder receiving value that is less than the liquidation preference of the Series B Preferred Stock. In addition, those features of the Series B Preferred Stock may have the effect of inhibiting a third party from making an acquisition proposal for our Company or of delaying, deferring or preventing a change of control of the Company under circumstances that otherwise could provide the holders of our common stock and Series B Preferred Stock with the opportunity to realize a premium over the then- current market price or that shareholders may otherwise believe is in their best interests. ~~17Holders~~ **16Holders** of Series B Preferred Stock may be unable to use the dividends- received deduction and may not be eligible for the preferential tax rates applicable to ~~“~~**"** qualified dividend income. ~~”~~**"** Distributions paid to corporate U. S. holders on the Series B Preferred Stock may be eligible for the dividends- received deduction, and distributions paid to non- corporate U. S. holders on the Series B Preferred Stock may be subject to tax at the preferential tax rates applicable to ~~“~~**"** qualified dividend income, ~~”~~**"** if we have current or accumulated earnings and profits, as determined for U. S. federal income tax purposes. Although we presently have accumulated earnings and profits, we may not have sufficient current or accumulated earnings and profits during future fiscal years for the distributions on the Series B Preferred Stock to qualify as dividends for U. S. federal income tax purposes. If any distributions on the Series B Preferred Stock with respect to any fiscal year fail to be treated as dividends for U. S. federal income tax purposes, corporate U. S. holders would be unable to use the dividends- received deduction and non- corporate U. S. holders may not be eligible for the preferential tax rates applicable to ~~“~~**"** qualified dividend income ~~”~~**"** and generally would be required to reduce their tax basis in the Series B Preferred Stock by the extent to which the distribution is not treated as a dividend. Holders of Series B Preferred Stock may be subject to tax if we make or fail to make certain adjustments to the conversion rate of the Series B Preferred Stock even though such holders do not receive a corresponding cash dividend. The conversion rate for the Series B Preferred Stock is subject to adjustment in certain circumstances. A failure to adjust (or to adjust adequately) the conversion rate after an event that increases the proportionate interest of the Series B Preferred Stock holders in us could be treated as a deemed taxable dividend to you. If a holder is a non- U. S. holder, any deemed dividend may be subject to U. S. federal withholding tax at a 30 % rate, or such lower rate as may be specified by an applicable treaty, which may be set off against subsequent payments on the Series B Preferred Stock. In April 2016, the U. S. Treasury issued proposed income tax regulations in regard to the taxability of changes in conversion rights that will apply to the Series B Preferred Stock when published in final form and may be applied to us before final publication in certain instances. The indenture governing the 6. 125 % Senior Notes due 2026 (the ~~“~~**"** Senior Notes ~~”~~**") and the 9. 25 % Senior Notes due 2029 (the" 2029 Senior Notes"** ) does not prohibit us from incurring additional indebtedness. If we incur any additional indebtedness that ranks equally with the Senior Notes **and 2029 Senior Notes** , the holders of that debt will be entitled to share ratably with holders of the Senior Notes **and 2029 Senior Notes** in any proceeds distributed in connection with any insolvency, liquidation, reorganization or dissolution. This may have the effect of reducing the amount of proceeds paid to holders of **Senior Notes and 2029** Senior Notes. Incurrence of additional debt would also further reduce the cash available to invest in operations, as a result of increased debt service obligations. If new debt is added to our current debt levels, the related risks that we now face could intensify. Our level of indebtedness could have important consequences to holders of the Senior Notes **and 2029 Senior Notes** , because: ● it could affect our ability to satisfy our financial obligations, including those relating to the **Senior Notes and 2029** Senior Notes; ● a substantial portion of our cash flows from operations would have to be dedicated to interest and principal payments and may not be available for operations, capital expenditures, expansion, acquisitions or general corporate or other purposes; ● it may impair our ability to obtain additional debt or equity financing in the future; ● it may limit our ability to refinance all or a portion of our indebtedness on or before maturity; ● it may limit our flexibility in planning for, or reacting to, changes in our business and industry; and ● it may make us more vulnerable to downturns in our business, our industry or the economy in general. Our operations may not generate sufficient cash to enable us to service our debt. If we fail to make a payment on the Senior Notes **and 2029 Senior Notes** , we could be in default on the **Senior Notes and 2029** Senior Notes, and this default could cause us to be in default on other indebtedness, to the extent outstanding. Conversely, a default under any other indebtedness, if not waived, could result in acceleration of the debt outstanding under the related agreement and entitle the holders thereof to bring suit for the enforcement thereof or exercise other remedies provided thereunder. In addition, such default or acceleration may result in an event of default and acceleration of other indebtedness, entitling the holders thereof to bring suit for the enforcement thereof or exercise other remedies provided thereunder. If a judgment is obtained by any such holders, such holders could seek to collect on such judgment from the assets of Atlanticus. If that should occur, we may not be able to pay all such debt or to borrow sufficient funds to refinance it. Even if new financing were then available, it may not be on terms that are acceptable to us. However, no event of default under the Senior Notes **and 2029 Senior Notes** would result from a default or acceleration of, or suit, other exercise of remedies or collection proceeding by holders of, our other outstanding debt, if any. As a result, all or substantially all of our assets may be used to satisfy claims of holders of our other outstanding debt, if any, without the holders of the **Senior Notes and 2029** Senior Notes having any rights to such assets. The **Senior Notes and 2029** Senior Notes are unsecured and therefore are effectively subordinated to any secured indebtedness that we currently have or that we may incur in the future. The Senior Notes **and 2029 Senior Notes** are not secured by any of our assets or any of the assets of our subsidiaries. As a result, the Senior Notes **and 2029 Senior Notes** are effectively subordinated to any secured indebtedness that we or our subsidiaries have currently outstanding or may incur in the future to the extent of the value of the assets securing such indebtedness. The indenture governing the **Senior Notes and 2029** Senior Notes does not prohibit us or our subsidiaries from incurring additional secured (or unsecured) indebtedness in the future. In any liquidation, dissolution, bankruptcy or other similar proceeding, the holders of any of our existing or future secured indebtedness and the secured indebtedness of our subsidiaries may assert rights against the assets pledged to secure that indebtedness and may consequently receive payment from these assets before they may be used to pay other creditors, including the holders of the Senior Notes **and 2029 Senior Notes** . ~~18The~~ **17The Senior Notes and 2029** Senior Notes are structurally subordinated to the indebtedness and other liabilities of our subsidiaries. The Senior Notes **and 2029 Senior Notes** are obligations exclusively of Atlanticus and not of any of our subsidiaries. None of our subsidiaries is a guarantor of the **Senior** Notes ~~,~~ and **2029 Senior Notes, and** the **Senior Notes and 2029 Senior** Notes are not required to be guaranteed by any subsidiaries we may acquire or create in the future. Therefore, in any bankruptcy, liquidation or similar proceeding, all claims of creditors (including trade creditors) of our subsidiaries will have priority over our equity interests in such subsidiaries (and therefore the claims of our creditors, including holders of the Senior Notes **and 2029 Senior Notes** ) with respect to the assets of such subsidiaries. Even if we are recognized as a creditor of one or more of our subsidiaries, our claims would still be effectively subordinated to any security interests in the assets of any such subsidiary and to any indebtedness or other liabilities of any such subsidiary senior to our claims. Consequently, the **Senior Notes and 2029** Senior Notes are structurally subordinated to all indebtedness and other liabilities (including trade payables) of any of our subsidiaries and any subsidiaries that we may in the future acquire or establish as financing vehicles or otherwise. The indenture governing the Senior Notes **and 2029 Senior Notes** does not prohibit us or our subsidiaries from incurring additional indebtedness in the future or granting liens on our assets or the assets of our subsidiaries to secure any such additional indebtedness. In addition, future debt and security agreements entered into by our subsidiaries may contain various restrictions, including restrictions on payments by our subsidiaries to us and the transfer by our subsidiaries of assets pledged as collateral. The indenture governing the **Senior Notes and 2029** Senior Notes contains limited protection for holders of the Senior Notes **and 2029 Senior Notes** . The indenture under which the **Senior Notes and 2029** Senior Notes were issued offers limited protection to holders of the Senior Notes **and 2029 Senior Notes** . The terms of the indenture and the **Senior Notes and 2029** Senior Notes do not restrict our or any of our subsidiaries' ability to engage in, or otherwise be a party to, a variety of corporate transactions, circumstances or events that could have an adverse impact on the Senior Notes **and 2029 Senior Notes** . In particular, the terms of the indenture and the **Senior Notes and 2029** Senior Notes does not place any restrictions on our or our subsidiaries' ability to: ● issue debt securities or otherwise incur additional indebtedness or other obligations, including (1) any indebtedness or other obligations that would be equal in right of payment to the Senior Notes **and 2029 Senior Notes** , (2) any indebtedness or other obligations that would be secured and therefore rank effectively senior in right of payment to the Senior Notes **and 2029 Senior Notes** to the extent of the value of the assets securing such indebtedness or other obligations, (3) indebtedness of ours that is guaranteed by one or more of our subsidiaries and which therefore would be structurally senior to the Senior Notes and **2029 Senior Notes and** (4) securities, indebtedness or obligations issued or incurred by our subsidiaries that would be senior to our equity interests in our subsidiaries and therefore rank structurally senior to the **Senior Notes and 2029** Senior Notes with respect to the assets of our subsidiaries; ● pay dividends on, or purchase or redeem or make any payments in respect of, capital stock or other securities subordinated in right of payment to the **Senior Notes and 2029** Senior Notes; ● sell assets (other than certain limited restrictions on our ability to consolidate, merge or sell all or substantially all of our assets); ● enter into transactions with affiliates; ● create liens (including liens on the shares of our subsidiaries) or enter into sale and leaseback transactions; ● make investments; or ● create restrictions on the payment of dividends or other amounts to us from our subsidiaries. In addition, the indenture does not include any protection against certain events, such as a change of control, a leveraged recapitalization or ~~“~~**"** going private ~~”~~**"** transaction (which may result in a significant increase of our indebtedness levels), restructuring or similar transactions. Furthermore, the terms of the indenture and the **Senior Notes and 2029 Senior** Notes does not protect holders of the **Senior Notes and 2029** Senior Notes in the event that we experience changes (including significant adverse changes) in our financial condition, results of operations or credit ratings, as they do not require that we or our subsidiaries adhere to any financial tests or ratios or specified levels of net worth, revenues, income, cash flow, or liquidity. Also, an event of default or acceleration under our other indebtedness would not necessarily result in an ~~“~~**"** event of default ~~”~~**"** under the **Senior Notes and 2029** Senior Notes. Our ability to recapitalize, incur additional debt and take a number of other actions that are not limited by the terms of the indenture may have important consequences for holders of the Senior Notes **and 2029 Senior Notes** , including making it more difficult for us to satisfy our obligations with respect to the Senior Notes **and 2029 Senior Notes** or negatively affecting the trading value of the **Senior Notes and 2029** Senior Notes. Other debt we issue or incur in the future could contain more protections for its holders than the indenture and the Senior Notes **and 2029 Senior Notes** , including additional covenants and events of default. The issuance or incurrence of any such debt with incremental protections could affect the market for and trading levels and prices of the Senior Notes **and 2029 Senior Notes** . ~~19We~~ **18We** may not be able to generate sufficient cash to service all of our debt, and may be forced to take other actions to satisfy our obligations under such indebtedness, which may not be successful. Our ability to make scheduled payments on, or to refinance our obligations under, our debt will depend on our financial and operating performance and that of our subsidiaries, which, in turn, will be subject to prevailing economic and competitive conditions and to financial and business factors, many of which may be beyond our control. We may not maintain a level of cash flow from operating activities sufficient to permit us to pay the principal, premium, if any, and interest on our indebtedness. If our cash flow and capital resources are insufficient to fund our debt service obligations, we may be forced to reduce or delay capital expenditures, sell assets, seek to obtain additional equity capital or restructure our debt. In the future, our cash flow and capital resources may not be sufficient for payments of interest on, and principal of, our debt, and such alternative measures may not be successful and may not permit us to meet our scheduled debt service obligations. We may not be able to refinance any of our indebtedness or obtain additional financing. In the absence of such operating results and resources, we could face substantial liquidity problems and might be required to dispose of material assets or operations to meet our debt service and other obligations. We may not be able to consummate those sales, or if we do, at an opportune time, the proceeds that we realize may not be adequate to meet debt service obligations when due. Repayment of our indebtedness, to a certain degree, is also dependent on the generation of cash flows by our subsidiaries (none of which are guarantors of the Senior Notes **and 2029 Senior Notes** ) and their ability to make such cash available to us, by dividend, loan, debt repayment, or otherwise. Our subsidiaries may not be able to, or be permitted to, make distributions or other payments to enable us to make payments in respect of our indebtedness. Each of our subsidiaries is a distinct legal entity and, under certain circumstances, applicable U. S. and foreign legal and contractual restrictions may limit our ability to obtain cash from our subsidiaries. In the event that we do not receive distributions or other payments from our subsidiaries, we may be unable to make required payments on our indebtedness. An increase in market interest rates could result in a decrease in the value of the Senior Notes **and 2029 Senior Notes** . In general, as market interest rates rise, notes bearing interest at a fixed rate decline in value. Consequently, if market interest rates increase, the market value of the Senior Notes **and 2029 Senior Notes** may decline. We may issue additional notes. Under the terms of the indenture governing the Senior Notes **and 2029 Senior Notes** , we may from time to time without notice to, or the consent of, the holders of the **Senior Notes and 2029** Senior Notes, create and issue additional notes which may rank equally with the **Senior Notes and 2029** Senior Notes. If any such additional notes are not fungible with the Senior Notes **and 2029 Senior Notes** initially offered hereby for U. S. federal income tax purposes, such additional notes will have one or more separate CUSIP numbers. The ~~rating~~ **ratings** for the **Senior Notes and 2029** Senior Notes could at any time be revised downward or withdrawn entirely at the discretion of the issuing rating agency. Ratings only reflect the views of the issuing rating agency or agencies and such ratings could at any time be revised downward or withdrawn entirely at the discretion of the issuing rating agency. A rating is not a recommendation to purchase, sell or hold the Senior Notes **and 2029 Senior Notes** . Ratings do not reflect market prices or suitability of a security for a particular investor and the ~~rating~~ **ratings** of the **Senior Notes and 2029** Senior Notes may not reflect all risks related to us and our business, or the structure or market value of the Senior Notes **and 2029 Senior Notes** . We may elect to issue other securities for which we may seek to obtain a rating in the future. If we issue other securities with a rating, such ratings, if they are lower than market expectations or are subsequently lowered or withdrawn, could adversely affect the market for or the market value of the **Senior Notes and 2029** Senior Notes. Note Regarding Risk Factors The risk factors presented above are all of the ones that we currently consider material. However, they are not the only ones facing our company. Additional risks not presently known to us, or which we currently consider immaterial, also may adversely affect us. There may be risks that a particular investor views differently from us, and our analysis might be wrong. If any of the risks that we face actually occurs, our business, financial condition and operating results could be materially adversely affected and could differ materially from any possible results suggested by any forward- looking statements that we have made or might make. In such case, the trading price of our common stock or other securities could decline, and you could lose part or all of your investment. We expressly disclaim any obligation to update or revise any forward- looking statements, whether as a result of new information, future events or otherwise, except as required by law. ~~20ITEM~~ **19ITEM** 1B. UNRESOLVED STAFF COMMENTS