

## Risk Factors Comparison 2024-05-23 to 2023-06-01 Form: 10-K

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

This annual report contains various “ forward- looking statements ” within the meaning of the Private Securities Litigation Reform Act of 1995 that are based on management’ s beliefs and assumptions, as well as information currently available to management. Statements other than those of historical fact, including, but not limited to those identified by the use of words such as “ anticipate, ” “ estimate, ” “ intend, ” “ plan, ” “ expect, ” **“ project, ”** “ believe, ” “ may, ” “ will, ” “ should, ” “ would, ” “ could, ” **“ continue, ” “ forecast, ”** and any variations of the foregoing and similar expressions, are forward- looking statements. Although we believe that the expectations reflected in any such forward- looking statements are reasonable, we can give no assurance that such expectations will prove to be correct. Any such statements are subject to certain risks, uncertainties, and assumptions. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, our actual financial results, performance or financial condition may vary materially from those anticipated, estimated, expected or implied by any forward- looking statements. Therefore, you should not rely on any of these forward- looking statements. Investors should consider the risk factors described in this annual report, in addition to the other information presented in this annual report and the other reports and registration statements the Company files with or furnishes to the SEC from time to time, in evaluating us, our business, and an investment in our securities. Any of the risk factors described in this annual report, as well as other risks, uncertainties, and possibly inaccurate assumptions underlying our plans and expectations, could result in harm to our business, results of operations and financial condition and cause the value of our securities to decline, which in turn could cause investors to lose all or part of their investment in our Company. These factors, among others, could also cause actual results to differ materially from those we have experienced in the past or those we may express or imply from time to time in any forward- looking statements we make. Investors are advised that it is impossible to identify or predict all risks, and those risks not currently known to us or those we currently deem immaterial could also affect us in the future. The following risks should not be construed as exclusive and should be read with the other cautionary statements that are in this annual report on Form 10- K. The Company does not undertake any obligation to update forward- looking statements, except as may be required by law, whether as a result of new information, future developments, or otherwise. Media and public characterization of consumer installment loans as being predatory or abusive could have a materially adverse effect on our business, prospects, results of operations and financial condition. Consumer activist groups and various other media sources continue to advocate for governmental and regulatory action to prohibit or severely restrict our products and services. These critics frequently characterize our products and services as predatory or abusive toward consumers. If this negative characterization of the consumer installment loans we make and / or ancillary services we provide becomes widely accepted by government policy makers or is embodied in legislative, regulatory, policy or litigation developments that adversely affect our ability to continue offering our products and services or the profitability of these products and services, our business, results of operations and financial condition would be materially and adversely affected. Furthermore, our industry is highly regulated, and announcements regarding new or expected governmental and regulatory action regarding consumer lending may adversely impact perceptions of our business even if such actions are not targeted at our operations and do not directly impact us. Interest rate fluctuations may adversely affect our borrowing costs, profitability and liquidity. Interest rate risk arises from the possibility that changes in interest rates will affect our results of operations and financial condition. Interest rates are highly sensitive to many factors that are beyond our control, including general economic conditions and policies of various governmental and regulatory agencies, in particular, the Federal Reserve Board. In response to elevated inflation, the Federal Reserve Board has increased interest rates on several occasions since early 2022. The Federal Reserve Board has indicated that it will raise rates further, if deemed necessary, to combat continued inflation growth. In addition, our profitability may be directly affected by the level of and fluctuations in interest rates, whether caused by changes in economic conditions or other factors that affect our borrowing costs. Changes in monetary policy, including changes in interest rates, could influence the amount of interest we pay on our revolving credit facility or any other floating interest rate obligations we may incur. Our profitability and liquidity could be materially adversely affected during any period of higher interest rates. See Part II, Item 7A, “ Quantitative and Qualitative Disclosure About Market Risk ” for additional information regarding our interest rate risk. We are exposed to credit risk in our lending activities. Our ability to collect on loans to individuals, our single largest asset group, depends on the ability and willingness of our borrowers to repay such loans. Our customers generally do not qualify for, or have difficulty qualifying for, credit from traditional sources of consumer credit. These traditional sources of consumer credit typically impose more stringent credit requirements than the personal loan products that we provide. As a result, the historical delinquency and default experience on our loans may be higher than those experienced by financial products arising from traditional sources of consumer credit. Any material adverse change in the ability or willingness of a significant portion of our borrowers to meet their obligations to us, whether due to changes in economic conditions, unemployment rates, the cost of consumer goods (particularly, but not limited to, food and energy costs) and inflationary pressures, disposable income, interest rates, health crises, natural disasters, acts of war or terrorism, political or social conditions, divorce, death, or other causes over which we have no control, would have a material adverse impact on our earnings and financial condition. Additionally, delinquency and default experience on our loans is likely to be more sensitive to changes in the economic climate in the areas in which our borrowers reside. Although new customers are required to submit a listing of personal property that will serve as collateral to secure their loans, the Company does not rely on the value of such collateral in the loan approval process and generally does not perfect its security interest in that collateral. Additionally, increases in the size of the loans we offer and average loan size could

increase the chance a borrower does not meet their obligations to us and could further increase our credit risk. Additional information regarding our credit risk is included in Part II, Item 7, “ Management’ s Discussion and Analysis of Financial Condition and Results of Operation- Allowance for Credit Losses. ” Our insurance operations are subject to a number of risks and uncertainties, including claims, catastrophic events, underwriting risks and dependence on a primary distribution channel. Insurance claims and policyholder liabilities are difficult to predict and may exceed the related reserves set aside for claims (losses) and associated expenses for claims adjudication (loss adjustment expenses). Additionally, events such as **cyber security** **cybersecurity** attacks and breaches and other types of catastrophes, and prolonged economic downturns, could adversely affect our financial condition and results of operations. Other risks relating to our insurance operations include changes to laws and regulations applicable to us, as well as changes to the regulatory environment, such as: changes to laws or regulations affecting capital and reserve requirements; frequency and type of regulatory monitoring and reporting; **restrictions on sales process**, consumer privacy, use of customer data and data security; benefits or loss ratio requirements; insurance producer licensing or appointment requirements; required disclosures to consumers; and collateral protection insurance (i. e., insurance some of our lender companies purchase, at the customer’ s expense, on that customer’ s loan collateral for the periods of time the customer fails to adequately, as required by his loan, insure his collateral). If our estimates of credit losses are not adequate to absorb actual losses, our provision for credit losses would increase, which would adversely affect our results of operations. To estimate the appropriate level of allowance for credit losses, we consider known and relevant internal and external factors that affect loan collectability, including the total amount of loan receivables outstanding, historical loan receivable charge- offs, our current collection patterns, and economic trends. Our methodology for establishing our allowance for credit losses is based on the guidance in ASC 326, and, in part, on our historic loss experience. If customer behavior changes as a result of economic, political, social, or other conditions, or if we are unable to predict how these conditions may affect our allowance for credit losses, our allowance for credit losses may be inadequate. Our allowance for credit losses is an estimate, and if actual credit losses are materially greater than our allowance for credit losses, our provision for credit losses would increase, which would result in a decline in our future earnings, and thus our results of operations could be adversely affected. Neither state regulators nor federal regulators regulate our allowance for credit losses. Additional information regarding our allowance for credit losses is included in Part II, Item 7, “ Management’ s Discussion and Analysis of Financial Condition and Results of Operations- Allowance for Credit Losses. ” In June of 2016, the FASB issued ASU 2016- 13, Financial Instruments- Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments (CECL). This ASU significantly changed the way that entities are required to measure credit losses. This standard requires that the estimated credit loss be based upon an “ expected credit loss ” approach rather than the “ incurred loss ” approach previously required. The new approach requires entities to measure all expected credit losses for financial assets based on historical experience, current conditions, and reasonable forecasts of collectability. As such, the expected credit loss model requires earlier recognition of credit losses than the incurred loss approach. CECL became effective for the Company April 1, 2020. Our financial results may be negatively affected as weak or deteriorating economic conditions are forecasted and alter our expectations for credit losses. In addition, due to the expansion of the time horizon over which we are required to estimate future credit losses under CECL, we may experience increased volatility in our future provisions for credit losses. The concentration of our revenues in certain states could adversely affect us. We currently operate consumer installment loan branches in sixteen states in the United States. Any adverse legislative or regulatory change in any one of our states or an economic downturn or catastrophic event that disproportionately affects one or more of our states, including in any of our larger states, could have a material adverse effect on our business, prospects, and results of operations or financial condition. See Part I, Item 1, “ Description of Business ” for information regarding the size of our business in the various states in which we operate. We may be unable to execute our business strategy due to economic conditions and these economic conditions could have a material adverse effect on our business, financial position, results of operations, and cash flows. Uncertainty and deterioration in general economic conditions in the U. S. historically have created a difficult operating environment for consumer lending. Our financial performance generally, and in particular the ability of our borrowers to make payments on outstanding loans, is highly dependent upon the business and economic environments in the markets where we operate and in the United States as a whole. Many factors, including factors that are beyond our control, may impact our financial position, liquidity, and results of operations and depend on management’ s ability to execute our business strategy. The U. S. economy is undergoing a period of significant uncertainty. These macro- economic factors include general inflation, unemployment levels, housing markets, commodity prices, energy costs, volatile interest rates, natural disasters, acts of war and terrorism. Additionally, many of our customers are primarily non- prime borrowers, who have historically been more likely to be affected by adverse macro- economic factors than prime borrowers. Currently, due to a number of factors, the global economy is experiencing inflationary pressures not seen in a significant period of time. We cannot predict the timing or the duration of any inflation or downturn in the economy and we are not immune to the effects of general worldwide economic conditions. During an economic downturn or recession, demand for credit products often decreases and credit losses in the financial services industry generally increase. Additionally, during an economic downturn, our loan servicing costs and collection costs may increase as we may have to expend greater time and resources on these activities. Key factors involved in the execution of our business strategy include achieving our desired loan volume and pricing strategies, the use of effective credit risk management techniques, marketing and servicing strategies, continued investment in technology to support operating efficiency, and continued access to funding and liquidity sources. Although our pricing strategy is intended to maximize the amount of economic profit we generate, within the confines of capital and infrastructure constraints, there can be no assurance that this strategy will have its intended effect. Our failure or inability to execute any element of our business strategy, due to economic conditions or otherwise, could materially adversely affect our financial position, liquidity, and results of operations. Our ability to execute our growth strategy is subject to significant risks, including some beyond our control, and may be adversely affected. Our growth strategy includes opening and acquiring branches in existing and new markets and is subject to

significant risks, some of which are beyond our control, including: • the prevailing laws and regulatory environment of each state in which we operate or seek to operate, and, to the extent applicable, federal laws and regulations, which are subject to change at any time; • our ability to obtain and maintain any regulatory approvals, government permits, or licenses that may be required; • the degree of competition in new markets and its effect on our ability to attract new customers; • our ability to obtain adequate financing for our expansion plans; and • our ability to attract, train, and retain qualified personnel to staff our new operations. We currently lack product and business diversification; as a result, our revenues and earnings may be disproportionately negatively impacted by external factors and may be more susceptible to fluctuations than more diversified companies. Our primary business activity is offering small consumer installment loans together with, in some states in which we operate, related ancillary products. Thus, any developments, whether regulatory, economic or otherwise, that would hinder, reduce the profitability of, or limit our ability to operate our small consumer installment loan business on the terms currently conducted would have a direct and adverse impact on our business, profitability, and perhaps even our viability. Our current lack of product and business diversification could inhibit our opportunities for growth, reduce our revenues and profits, and make us more susceptible to earnings fluctuations than many other financial institutions whose operations are more diversified. A reduction in demand for our products and a failure by us to adapt to such reduction could adversely affect our business and results of operations. The demand for the products we offer may be reduced due to a variety of factors, such as demographic patterns, changes in customer preferences or financial condition, regulatory restrictions that decrease customer access to particular products, or the availability of competing products, including through alternative or competing marketing channels. For example, we are highly dependent upon selecting and maintaining attractive branch locations. These locations are subject to local market conditions, including the employment available in the area, housing costs, traffic patterns, crime, and other demographic influences, any of which may quickly change, thereby negatively impacting demand for our products in the area. Should we fail to adapt to significant changes in our customers' demand for, or access to, our products, our revenues could decrease significantly and our operations could be harmed. Even if we do make changes to existing products or introduce new products and channels to fulfill customer demand, customers may resist or may reject such products. Moreover, the effect of any product change on the results of our business may not be fully ascertainable until the change has been in effect for some time, and by that time it may be too late to make further modifications to such product without causing further harm to our business, results of operations, and financial condition. Our policies and procedures for underwriting, processing, and servicing loans are subject to potential failure or circumvention, which may adversely affect our results of operations. We rely on certain inputs and verifications in the underwriting process to be performed by individual personnel at the branch level or a centralized location. If the training or supervision of our personnel fails to be effective, or if we are unable to attract and retain qualified employees, it is possible that our underwriting criteria would be improperly applied to a greater percentage of such applications. If such improper applications were to increase, delinquency and losses on our loan portfolio could increase and could increase significantly. In addition, we rely on certain third- party service providers in connection with loan underwriting and origination. Any error or failure by a third- party service provider in providing loan underwriting and origination services may cause us to originate loans to borrowers that do not meet our underwriting standards. In addition, in deciding whether to extend credit or enter into other transactions with customers and counterparties, we rely heavily on information provided by customers, counterparties, and other third parties, including credit bureaus and data aggregators, the inaccuracy or incompleteness of which may adversely affect our results of operations. We further rely on representations of customers and counterparties as to the accuracy and completeness of that information. If a significant percentage of our customers were to intentionally or negligently misrepresent any of this information, or provide incomplete information, and our internal processes were to fail to detect such misrepresentations in a timely manner, or any or all of the other components of the underwriting process described above were to fail, it could result in our approval of a loan that, based on our underwriting criteria, we would not have otherwise made. As a result, our results of operations and financial condition could be negatively impacted. We operate in a highly competitive market, and we cannot ensure that the competitive pressures we face will not have a material adverse effect on our results of operations, financial condition and liquidity. The consumer lending industry is highly competitive. We compete with other consumer finance companies as well as other types of financial institutions that offer similar consumer financial products and services. Some of these competitors may have greater financial, technical, and marketing resources than we possess. Some competitors may also have a lower cost of funds and access to funding sources that may not be available to us. While banks and credit card companies have decreased their lending to non- prime customers in recent years, there is no assurance that such lenders will not resume those lending activities. Further, because of increased regulatory pressure on payday lenders, many of those lenders are starting to make more traditional installment consumer loans in order to reduce regulatory scrutiny of their practices, which could increase competition in markets in which we operate. We cannot be sure that the competitive pressures we face will not have a material adverse effect on our results of operations, financial condition, and liquidity. We depend on secure information technology, and an attack on or a breach of those systems or those of third- party vendors could result in significant losses, unauthorized disclosure of confidential customer information, and reputational damage, which could materially adversely affect our business, financial condition and / or results of operations, and could lead to significant financial and legal exposure and reputational harm. Our operations rely heavily on the secure collection, processing, storage, and transmission of personal, confidential, and other information about us, our customers and third parties with which we do business. We process a significant number of customer transactions on a continuous basis through our computer systems and networks and are subject to increasingly more risk related to security systems as we enhance our mobile payment technologies and otherwise attempt to keep pace with rapid technological changes in the financial services industry. While we commit resources to the design, implementation, maintenance, **testing,** and monitoring of our networks and systems **and training of our employees,** we may be required to expend significant additional resources in the future to modify and enhance our security controls in response to new or more sophisticated threats, new regulations related to cybersecurity and other developments.

Additionally, there is no guarantee that our security controls can provide absolute security **or that our cybersecurity risk management program will be fully implemented, complied with or effective in preventing or mitigating future cybersecurity risks or successfully protect the confidentiality, integrity, and availability of our critical systems and information**. Despite the measures we implement to protect our systems and data, we may not be able to anticipate, identify, prevent or detect cyber- attacks, ransomware, computer viruses or other security breaches, particularly because the techniques used by attackers change frequently and often are not immediately detected, and because cyber- attacks can originate from a wide variety of sources, including third parties who are or may be involved in organized crime or linked to terrorist organizations or hostile foreign governments. Such third parties may seek to gain unauthorized access to our systems directly, by fraudulently inducing employees, customers, or other users of our systems, or by using equipment or security passwords belonging to employees, customers, third- party service providers, or other users of our systems. Or, they may seek to disrupt or disable our services through attacks such as denial- of- service attacks and ransomware attacks. In addition, **while we have a third- party risk management process for service providers, suppliers, and vendors, we cannot guarantee that their security controls and other protective measures will be successful in preventing an attack on their systems, which could negatively impact our operations or data.** We may be unable to identify, or may be significantly delayed in identifying, cyber- attacks and incidents due to the increasing use of techniques and tools that are designed to circumvent controls, to avoid detection, and to remove or obfuscate forensic artifacts. As a result, our computer systems, software and networks, as well as those of third- party vendors we utilize, may be vulnerable to unauthorized access, computer viruses, malicious attacks and other events that could have a security impact beyond our control. Our staff, technologies, systems, networks, and those of third- parties we utilize also may become the target of cyber- attacks, unauthorized access, malicious code, computer viruses, denial of service attacks, ransomware, and physical attacks that could result in information security breaches, the unauthorized release, gathering, monitoring, misuse, loss or destruction of our or our customers' confidential, proprietary and other information, or otherwise disrupt our or our ~~customers~~ **vendors'** operations. We also routinely transmit and receive personal, confidential and proprietary information through third parties, which may be vulnerable to interception, misuse, or mishandling. If one or more of such events occur, personal, confidential, and other information processed and stored in, and transmitted through our computer systems and networks, or those of third- party vendors, could be compromised or could cause interruptions or malfunctions in our operations that could result in significant losses, loss of confidence and business from customers, customer dissatisfaction, significant litigation, regulatory exposures, and harm to our reputation and brand. In the event personal, confidential, or other information is threatened, intercepted, misused, mishandled, or compromised, we may be required to expend significant additional resources to modify our protective measures, to investigate the circumstances surrounding the event, and implement mitigation and remediation measures. We also may be subject to fines, penalties, litigation (including securities fraud class action lawsuits), regulatory investigation costs and settlements and financial losses that are either not insured against or not fully covered through any insurance maintained by us. If one or more of such events occur, our business, financial condition and / or results of operations could be significantly and adversely affected. Any interruption of our information systems could adversely affect us. Our business and reputation may be materially impacted by information system failures or network disruptions. We rely heavily on communications and information systems to conduct our business. Each branch is part of an information network that is designed to permit us to maintain adequate cash inventory, reconcile cash balances on a daily basis, and report revenues and expenses to our headquarters. Any failure or interruption of these systems, including any failure of our back- up systems, network outages, slow performance, breaches, unauthorized access, misuse, computer viruses, or other failures or disruptions could result in disruption to our business or the loss or theft of confidential information, including customer information. A disruption could impair our ability to offer and process our loans, provide customer service, perform collections or other necessary business activities, which could result in a loss of customer confidence or business, subject us to additional regulatory scrutiny or negative publicity, or expose us to civil litigation and possible financial liability, or otherwise materially adversely affect our financial condition and operating results. Furthermore, we may not be able to immediately detect any such breach, which may increase the losses that we would suffer. In addition, our existing insurance policies may not reimburse us for all of the damages that we might incur as a result of a breach or other information system failure or network disruption. We may not be able to make technological improvements as quickly as some of our competitors, which could harm our ability to compete with our competitors and adversely affect our results of operations, financial condition, and liquidity. 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 and, in particular, the success of our centralized operations, will depend, in part, upon our ability to address the needs of our customers by using technology to provide products and services that will satisfy customer 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 or be successful in marketing these products and services to our existing and new customers. Failure to successfully keep pace with technological change affecting the financial services industry could harm our ability to compete with our competitors and adversely affect our results of operations, financial condition, and liquidity. We are subject to data privacy laws, which may significantly increase our compliance and technology costs resulting in a material adverse effect on our results of operations and financial condition. We are subject to various federal and state privacy, data protection, and information security laws and regulations, including requirements concerning security breach notification. Various federal and state regulatory agencies require us to notify customers in the event of a security breach. Moreover, federal and state legislators are increasingly considering and implementing new guidance, laws, and regulations. Compliance with current or future privacy, data protection and information security laws affecting customer or employee data to which we are subject could result in higher compliance and technology costs and could materially and adversely affect our profitability. Our failure to comply with privacy, data protection and

information security laws may require us to change our business practices or operational structure, and could subject us to potentially significant regulatory and / or governmental investigations and / or actions, litigation, fines, sanctions, and damage to our reputation. We are also subject to the risk of theft or misuse of physical customer and employee records at our facilities. Our branch offices and centralized headquarters have physical and electronic customer records necessary for day- to- day operations that contain extensive confidential information about our customers. We also retain physical records in various storage locations. The loss or theft of customer information and data from our branch offices, headquarters, or other storage locations could subject us to additional regulatory scrutiny and penalties and could expose us to civil litigation and possible financial liability, which could have a material adverse effect on our results of operations, financial condition and liquidity. In addition, if we cannot locate original documents (or copies, in some cases) for certain loans receivables, we may not be able to collect on those loans receivables. Our off- site data center-centers and centralized IT functions are susceptible to disruption by catastrophic events, which could have a material adverse effect on our business, results of operations, and financial condition. Our information systems, and administrative and management processes could be disrupted if a catastrophic event, such as severe weather, natural disaster, power outage, act of war or terror or similar event, destroyed or severely damaged our infrastructure. Any such catastrophic event or other unexpected disruption of our headquarters' functions or off- site data center-centers could have a material adverse effect on our business, results of operations, and financial condition. A small number of our shareholders have the ability to significantly influence matters requiring shareholder approval and such shareholders may have interests which conflict with the interests of our other security holders. As of March 31, 2023-2024, based on filings made with the SEC and other information made available to us, Prescott General Partners, LLC and its affiliates beneficially owned approximately 43-46.8-0% of our common stock. As a result, these shareholders are able to significantly influence matters presented to shareholders, 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, including executive compensation arrangements. Their interests may conflict with the interests of our other security holders. Initiating and processing potential acquisitions may be unsuccessful or difficult, leading to losses and increased delinquencies, which could have a material adverse effect on our results of operations. We have previously acquired, and in the future may acquire, assets or businesses, including large portfolios of loans receivables, either through the direct purchase of such assets or the purchase of the equity of a company with such a portfolio. Since we will not have originated or serviced the loans we acquire, we may not be aware of legal or other deficiencies related to origination or servicing, and our due diligence efforts of the acquisition prior to purchase may not uncover those deficiencies. Further, we may have limited recourse against the seller of the portfolio. In pursuing these transactions, we may experience, among other things:

- overvaluing potential targets;
- difficulties in integrating any acquired companies or branches into our existing business, including integration of account data into our information systems;
- inability to realize the benefits we anticipate in a timely fashion, or at all;
- unexpected losses due to the acquisition of loan portfolios with loans originated using less stringent underwriting criteria;
- significant costs, charges, or write- downs;
- unforeseen operating difficulties that require significant financial and managerial resources that would otherwise be available for the ongoing development and expansion of our existing operations.

Risks Related to our Indebtedness We depend to a substantial extent on borrowings under our revolving credit agreement to fund our liquidity needs. Our revolving credit agreement allows us to borrow up to \$ 685-580.0 million, with an accordion feature permitting the maximum aggregate commitments to increase to \$ 785-730.0 million provided that certain conditions are met, through, The maturity date of the revolving credit agreement is June 7, 2024-2026. Pursuant to the terms of our revolving credit agreement, we are required to comply with a number of covenants and conditions, including a minimum borrowing base calculation. If our existing sources of liquidity become insufficient to satisfy our financial needs or our access to these sources becomes unexpectedly restricted, we may need to try to raise additional capital in the future. If such an event were to occur, we can give no assurance that such alternate sources of liquidity would be available to us at all or on favorable terms. Additional information regarding our liquidity risk is included in Part II, Item 7, " Management' s Discussion and Analysis of Financial Condition and Results of Operations- Liquidity and Capital Resources. " Our current debt and any additional debt we may incur in the future could negatively impact our business, prevent us from satisfying our debt obligations and adversely affect our financial condition. We may incur a substantial amount of debt in the future. As of March 31, 2023-2024, the Company' s debt outstanding was \$ 595-496.3-0 million, net of \$ 3-2.5-4 million unamortized debt issuance costs related to the unsecured senior notes payable, and a total debt- to- equity ratio of approximately 1.6-2 to 1.0. The amount of debt we may incur in the future could have important consequences, including the following:

- our ability to obtain additional financing for working capital, debt refinancing, share repurchases or other purposes could be impaired;
- a substantial portion of our cash flows from operations will be dedicated to paying principal and interest on our debt, reducing funds available for other purposes;
- we may be vulnerable to interest rate increases, as borrowings under our revolving credit agreement bear interest at variable rates, as may any future debt that we incur;
- we may be at a competitive disadvantage to competitors that are not as highly leveraged;
- we could be more vulnerable to adverse developments in our industry or in general economic conditions;
- we may be restricted from taking advantage of business opportunities or making strategic acquisitions;
- we may be limited in our flexibility in planning for, or reacting to, changes in our business and the industry in which we operate;
- we may have difficulty satisfying our obligations under the debt if accelerated upon the occurrence of an event of default; and
- we may be more vulnerable to periods of negative or slow growth in the general economy or in our business.

In addition, meeting our anticipated liquidity requirements is contingent upon our continued compliance with our revolving credit agreement. An acceleration of our debt would have a material adverse effect on our liquidity and our ability to continue as a going concern. If our debt obligations increase, whether due to the increased cost of existing indebtedness or the incurrence of additional indebtedness, the consequences described above could be magnified. Although the terms of our revolving credit agreement contain restrictions on our ability to incur additional debt, as well as any future debt that we incur, these restrictions are subject,

or likely to be subject, in the case of any future debt, to exceptions that could permit us to incur a substantial amount of additional debt. In addition, our existing and future debt agreements will not prevent us from incurring certain liabilities that do not constitute indebtedness as defined for purposes of those debt agreements. If new debt or other liabilities are added to our current debt levels, the risks associated with our having substantial debt could intensify. As of March 31, 2023-2024, we had \$ 318-355.79 million available for borrowing under our revolving credit agreement, subject to borrowing base limitations and other specified terms and conditions. We may not be able to generate sufficient cash flows to service our outstanding debt and fund operations and may be forced to take other actions to satisfy our obligations under such debt. Our ability to make scheduled payments on the principal of, to pay interest on, or to refinance our indebtedness will depend in part on our cash flows from operations, which are subject to regulatory, economic, financial, competitive, and other factors beyond our control. We may not generate a level of cash flows from operations sufficient to permit us to meet our debt service obligations. If we are unable to generate sufficient cash flows from operations to service our debt, we may be required to sell assets, refinance all or a portion of our existing debt, obtain additional financing, or obtain additional equity capital on terms that may be onerous or highly dilutive. There can be no assurance that any refinancing will be possible or that any asset sales or additional financing can be completed on acceptable terms or at all. The terms of our debt limit how we conduct our business. Our revolving credit agreement contains covenants that restrict our ability to, among other things: • incur and guarantee debt; • pay dividends or make other distributions on or redeem or repurchase our stock; • make investments or acquisitions; • create liens on our assets; • sell assets; • merge with or into other companies; • enter into transactions with shareholders and other affiliates; and • make capital expenditures. Our revolving credit agreement also imposes requirements that we maintain specified financial measures not in excess of, or not below, specified levels. In particular, our revolving credit agreement requires, among other things, that we maintain (i) at all times a specified minimum consolidated net worth, (ii) as of the end of each fiscal quarter, a minimum ratio of consolidated net income available for fixed charges for the period of four consecutive fiscal quarters most recently ended to consolidated fixed charges for that period of not less than a specified minimum, (iii) at all times a specified maximum ratio of total debt on a consolidated basis to consolidated adjusted net worth and (iv) at all times a specified maximum collateral performance indicator. These covenants limit the manner in which we can conduct our business and could prevent us from engaging in favorable business activities or financing future operations and capital needs and impair our ability to successfully execute our strategy and operate our business. The indenture governing our 7.0% senior notes due 2026 (the “Notes”) contains certain covenants that, among other things, limit the Company’s ability and the ability of its restricted subsidiaries to (i) incur additional indebtedness or issue certain disqualified stock and preferred stock; (ii) pay dividends or distributions or redeem or purchase capital stock; (iii) prepay subordinated debt or make certain investments; (iv) transfer and sell assets; (v) create or permit to exist liens; (vi) enter into agreements that restrict dividends, loans and other distributions from their subsidiaries; (vii) engage in a merger, consolidation or sell, transfer or otherwise dispose of all or substantially all of their assets; and (viii) engage in transactions with affiliates. However, these covenants are subject to a number of important detailed qualifications and exceptions. A breach of any of the covenants in our revolving credit agreement would result in an event of default thereunder. Any event of default would permit the creditors to accelerate the related debt, which could also result in the acceleration of any other or future debt containing a cross-acceleration or cross-default provision. In addition, an event of default under our revolving credit agreement would permit the lenders thereunder to terminate all commitments to extend further credit under the revolving credit agreement. Furthermore, if we were unable to repay the amounts due and payable under the revolving credit agreement or any other secured debt we may incur, the lenders thereunder could cause the collateral agent to proceed against the collateral securing that debt. In the event our creditors accelerate the repayment of our debt, there can be no assurance that we would have sufficient assets to repay that debt, and our financial condition, liquidity and results of operations would suffer. A breach of our covenants under the Notes would have similar consequences. Additional information regarding our revolving credit facility and Notes is included in Part II, Item 7 “Management’s Discussion and Analysis of Financial Condition and Results of Operations- Liquidity and Capital Resources.” The conditions of the U. S. and international capital markets may adversely affect lenders with which we have relationships, causing us to incur additional costs and reducing our sources of liquidity, which may adversely affect our financial position, liquidity and results of operations. Turbulence in the global or domestic capital markets or other macro-economic factors can result in disruptions in the financial sector, including bank failures, and can affect lenders with which we have relationships, including members of the syndicate of banks that are lenders under our revolving credit agreement. Disruptions in the financial sector may increase our exposure to credit risk and adversely affect the ability of lenders to perform under the terms of their lending arrangements with us. Failure by our lenders to perform under the terms of our lending arrangements could cause us to incur additional costs that may adversely affect our liquidity, financial condition, and results of operations. There can be no assurance that future disruptions in the financial sector will not occur that could have adverse effects on our business. Additional information regarding our liquidity and related risks is included in Part II, Item 7, “Management’s Discussion and Analysis of Financial Condition and Results of Operations- Liquidity and Capital Resources.” Risks Related to Legal Proceedings and Regulation Federal legislative or regulatory proposals, initiatives, actions, or changes that are adverse to our operations or result in adverse regulatory proceedings, or our failure to comply with existing or future federal laws and regulations, could force us to modify, suspend, or cease part or all of our nationwide operations. We are subject to numerous federal laws and regulations that affect our lending operations. From time to time, we may become involved in formal and informal reviews, investigations, examinations, proceedings, and information-gathering requests by federal and state government and self-regulatory agencies. Should we become subject to such an investigation, examination, or proceeding, the matter could result in material adverse consequences to us, including, but not limited to, increased compliance costs, adverse judgments, significant settlements, fines, penalties, injunction, or other actions. ~~The~~ Although these laws and regulations have remained substantially unchanged for many years, the laws and regulations directly affecting our lending activities have been under review and subject to change in recent years as a result of

various developments and changes in economic conditions, the make-up of the executive and legislative branches of government, and the political and media focus on issues of consumer and borrower protection. Any changes in such laws and regulations could force us to modify, suspend, or cease part or, in the worst case, all of our existing operations. It is also possible that the scope of federal regulations could change or expand in such a way as to preempt what has traditionally been state law regulation of our business activities. **See Part I, Item 1, "Description of Business- Government Regulation" for more information regarding legislation we are subject to and related risks. The Company is under the supervisory authority of the CFPB. Regulations issued by the CFPB or examinations by the CFPB could adversely impact earnings due to, among other things, increased compliance costs or costs due to noncompliance.** In July 2010 the Dodd- Frank Act was enacted. The Dodd- Frank Act restructured and enhanced the regulation and supervision of the financial services industry and created the CFPB, an agency with sweeping regulatory and enforcement authority over consumer financial transactions. The CFPB's rulemaking and enforcement authority extends to certain non- depository institutions, including us. The CFPB is specifically authorized, among other things, to take actions to prevent companies providing consumer financial products or services and their service providers from engaging in unfair, deceptive or abusive acts or practices in connection with consumer financial products and services, and to issue rules requiring enhanced disclosures for consumer financial products or services. The CFPB also has authority to interpret, enforce, and issue regulations implementing enumerated consumer laws, including certain laws that apply to our business. Further, the CFPB has authority to designate non- depository "larger participants" in certain markets for consumer financial services and products for purposes of the CFPB's supervisory authority under the Dodd- Frank Act. Such designated "larger participants" are subject to reporting and on- site compliance examinations by the CFPB, which may result in increased compliance costs and potentially greater enforcement risks based on these supervisory activities. Although the CFPB has not yet developed a "larger participant" rule that directly covers the Company's installment lending business, the Company believes that the implementation of any such rules would likely bring the Company's business under the CFPB's direct supervisory authority. In addition, even in the absence of a "larger participant" rule, the CFPB has the power to order individual nonbank financial institutions to submit to supervision where the CFPB has reasonable cause to determine that the institution is engaged in "conduct that poses risks to consumers" under 12 USC 5514 (a) (1) (C). In 2022, the CFPB announced that it has begun using this "dormant authority" to examine nonbank entities and the CFPB is attempting to expand the number of nonbank entities it currently supervises. Specifically, the CFPB **has previously notified the Company that it is seeking to establish such supervisory authority over the Company. Since then, The Company disagrees that the CFPB has reasonable cause to to supervise issued a public designation order setting forth its determination that the Company has responded met the legal requirements for supervision (the " Order"). Pursuant to the terms of the Order, the CFPB has notice, and is awaiting further response from the CFPB. If the CFPB ultimately determines it has supervisory authority over the Company, until such time as then the Order is terminated. Importantly, while the Order establishes that the CFPB has supervisory authority over the Company, it does not constitute a finding that the Company has engaged in wrongdoing, nor does it require any immediate action on the part of the Company. However, the outcome of such supervision could result in operational changes which could reduce our ability to operate profitably or increase compliance costs. The supervision could also result in additional examinations, litigation, consent orders or administrative proceedings, which could require considerable resources, time, effort and attention from our management, and may be subject to result in operational changes, among other things, examination by the CFPB monetary penalties or declines in our stock price.** Although the Dodd- Frank Act prohibits the CFPB from setting interest rates on consumer loans, efforts to create a federal usury cap, applicable to all consumer credit transactions and substantially below rates at which the Company could continue to operate profitably, are still ongoing. Any federal legislative or regulatory action that severely restricts or prohibits the provision of small- loan consumer credit and similar services on terms substantially similar to those we currently provide would, if enacted, have a material adverse impact on our business, prospects, results of operations, and financial condition. Any federal law that would impose a maximum annualized credit rate cap in the range of 36 % on our products would, if enacted, almost certainly eliminate our ability to continue our current operations. Given the uncertainty associated with the manner in which various expected provisions of the Dodd- Frank Act have been and are expected to continue to be implemented by the various regulatory agencies and through regulations, the full extent of the impact such requirements will have on our operations remains unclear; however, these regulations have increased and are expected to further increase our cost of doing business and time spent by management on regulatory matters, which may have a material adverse effect on the Company's operations and results. In 2017, the CFPB issued a final rule **under its unfair, deceptive and abusive acts and practices rulemaking authority relating to payday and certain high- cost installment loans (the " Rule") under its unfair, deceptive and abusive acts and practices rulemaking authority relating to payday, vehicle title, and similar loans. The final rule- Rule originally required lenders originating short- term loans and longer- term balloon payment loans to first make a good- faith reasonable determination that the consumer has the ability to repay the covered loan along with current obligations and expenses (" ability to repay requirements"); however, the ability to repay requirements was rescinded in July 2020. The final rule also curtails repeated unsuccessful attempts to debit consumers' accounts for short- term loans, balloon payment loans, and installment loans that involve a payment authorization and an annual percentage rate over 36 % (" payment requirements"). The Rule' Although the Company does not make loans with terms of 45 days or less or obtain access to a customer's ability to repay requirements were rescinded in July 2020 bank account or paycheck for repayment of any of its loans, it does make some vehicle- secured loans with an annual percentage rate within the scope of the final rule. The final rule has significant differences from the CFPB's proposed rules announced on June 2, 2016. Implementation of the Rule's payment requirements may require changes to the Company's practices and procedures for such loans, which could materially and adversely affect the Company's ability to make such loans, the cost of making such loans, the Company's ability to, or frequency with which it could, refinance any such loans, and the profitability of such loans. Additionally, any further regulatory changes to the Rule could have effects beyond**

those currently contemplated that could further materially and adversely impact our business and operations. In addition to the specific matters described above, other aspects of our business may be the subject of future CFPB ~~rule-making~~ **rulemaking**. The enactment of one or more of such regulatory changes, or the exercise of broad regulatory authority by regulators, including but not limited to, the CFPB, having jurisdiction or supervisory authority over the Company's business or discretionary consumer financial transactions, generically, could materially and adversely affect our business, results of operations and prospects. See Part I, Item 1, "Description of Business- Government Regulation" for more information regarding legislation we are subject to and related risks. Litigation and regulatory actions, including challenges to the arbitration clauses in our customer agreements, could subject us to significant class actions, fines, penalties, judgments and requirements resulting in increased expenses and potential material adverse effects on our business, results of operations and financial condition. In the normal course of business, from time to time, we have been involved in various legal actions, including arbitration, class actions and other litigation, arising in connection with our business activities. All such legal proceedings are inherently unpredictable and, regardless of the merits of the claims, litigation is often expensive, time consuming, disruptive to our operations and resources, and distracting to management. If resolved against us, such legal proceedings could result in excessive verdicts and judgments, injunctive relief, equitable relief, and other adverse consequences that may affect our financial condition and how we operate our business. Similarly, if we settle such legal proceedings, it may affect our financial condition and how we operate our business. Future court decisions, alternative dispute resolution awards, business expansion or legislative activity may increase our exposure to litigation and regulatory investigations. In some cases, substantial non-economic remedies or punitive damages may be sought. Although we maintain liability insurance coverage, there can be no assurance that such coverage will cover any particular verdict, judgment, or settlement that may be entered against us, that such coverage will prove to be adequate, or that such coverage will continue to remain available on acceptable terms, if at all. If in any legal proceeding we incur liability or defense costs that exceed our insurance coverage or that are not within the scope of our insurance coverage, it could have a material adverse effect on our business, financial condition, and results of operations. Certain legal actions include claims for substantial compensatory and punitive damages, or claims for indeterminate amounts of damages. While the arbitration provisions in our customer agreements historically have limited our exposure to consumer class action litigation, there can be no assurance that we will be successful in enforcing our arbitration clause in the future. There may also be legislative, administrative or regulatory efforts to directly or indirectly prohibit the use of pre-dispute arbitration clauses, or we may be compelled as a result of competitive pressure or reputational concerns to voluntarily eliminate pre-dispute arbitration clauses. Additionally, if we are subject to regulatory actions or other litigation, we may not be able to maintain all requisite licenses and permits or obtain additional licenses and permits necessary for future business operations, and the failure to satisfy those or other regulatory requirements could have a material adverse effect on our business, financial condition, and results of operations. Material changes in laws or regulations applicable to us could also subject us to additional licensing, registration and other regulatory requirements in the future or could adversely affect our business, financial condition, and results of operations. Unfavorable state legislation, executive orders, or regulatory actions, adverse outcomes in litigation or regulatory proceedings or failure to comply with existing laws and regulations could force us to cease, suspend or modify our operations in a state, potentially resulting in a material adverse effect on our business, results of operations and financial condition. In addition to federal laws and regulations, we are subject to numerous state laws and regulations that affect our lending activities. Many of these regulations impose detailed and complex constraints on the terms of our loans, lending forms and operations. Failure to comply with applicable laws and regulations could subject us to regulatory enforcement action that could result in the assessment against us of civil, monetary, or other penalties, including the suspension or revocation of our licenses to lend in one or more jurisdictions. As discussed elsewhere in this report, the Company's operations are subject to extensive state and federal laws and regulations, and changes in those laws or regulations or their application could have a material adverse effect on the Company's business, results of operations, prospects, or ability to continue operations in the jurisdictions affected by these changes. See Part I, Item 1, "Description of Business- Government Regulation" for more information regarding this legislation and related risks. Passage of adverse legislation, such as rate caps on financial lending products or similar initiatives, in any of the states in which we operate could have a material adverse effect on the Company's business, results of operations, prospects, or ability to continue operations in the jurisdictions affected by such changes. We can give no assurance that the laws and regulations that govern our business, or the interpretation or administration of those laws and regulations, will remain unchanged or that any such future changes will not materially and adversely affect or in the worst case, eliminate the Company's lending practices, operations, profitability, or prospects. In addition, any adverse change in existing laws or regulations, or any adverse interpretation or litigation relating to existing laws and regulations in any state in which we operate, could subject us to liability for prior operating activities or could lower or eliminate the profitability of our operations going forward by, among other things, reducing the amount of interest and fees we can charge in connection with our loans. If these or other factors lead us to close our branches in a state, then in addition to the loss of net revenues attributable to that closing, we would also incur closing costs such as lease cancellation payments and we would have to write off assets that we could no longer use. If we were to suspend rather than permanently cease our operations in a state, we may also have continuing costs associated with maintaining our branches and our employees in that state, with little or no revenues to offset those costs. Changes in local laws and regulations or interpretations of local laws and regulations could negatively impact our business, results of operations, and financial condition. In addition to state and federal laws and regulations, our business is subject to various local laws and regulations, such as local zoning regulations. Local zoning boards and other local governing bodies have been increasingly restricting the permitted locations of consumer finance companies. Any future actions taken to require special use permits for or impose other restrictions on our ability to provide products could adversely affect our ability to expand our operations or force us to attempt to relocate existing branches. If we were forced to relocate any of our branches, in addition to the costs associated with the relocation, we may be required to hire new employees in the new areas, which may adversely impact the operations of



those branches. Relocation of an existing branch may also hinder our collection abilities, as our business model relies in part on the locations of our branches being close to where our customers live in order to successfully collect on outstanding loans. Changes in laws or regulations may have a material adverse effect on all aspects of our business in a particular state and on our overall business, financial condition, and results of operations, including our ability to generate new loans and the manner in which existing loans are serviced and collected. **Defaults by, or force majeure events involving, our third-party vendors and service providers could adversely impact our business. We rely upon third parties for the performance of certain functions within our operations. If the third-party contracts were breached or disrupted by events of force majeure, we may be exposed to the inability to service the needs of our customers.** ~~liabilities under follow-on litigation from our~~ ~~or~~ ~~previous settlement~~ ~~replace the third party~~ ~~with the SEC and~~ ~~an alternative provider~~ ~~DOJ for our previously disclosed FCPA issue in Mexico, which~~ ~~a timely manner. Such failure~~ could have a material adverse effect on our business and liquidity. On August 6, 2020, the Company announced that it had reached resolution with both the SEC and the DOJ with respect to the FCPA matter in Mexico. See Part II, Item 7, “Management’s Discussion and Analysis of Financial Condition and Results of Operations-Regulatory Matters,” for more information. The Company could face additional third-party claims by shareholders and/or other stakeholders of the Company relating to this settlement. Any such litigation may be expensive and would likely consume significant time and attention of the Company’s senior management. We may incur substantial expenses responding to such actions, which may have a material impact on our business. Our use of third-party vendors and service providers is subject to regulatory review. The CFPB and other regulators have issued regulatory guidance focusing on the need for financial institutions to perform due diligence and ongoing monitoring of third-party vendor and service provider relationships, **results which increases the scope of operations** management involvement and decreases the benefit that we receive from using third-party vendors. Moreover, if our regulators conclude that we have not met the standards for oversight of our third-party vendors, we could be subject to enforcement actions, civil monetary penalties, supervisory orders to cease and desist or other remedial actions, which could have a material adverse effect on our business, reputation, financial condition and operating results. Further, federal and state regulators have been scrutinizing the practices of lead aggregators and providers recently. If regulators place restrictions on certain practices by lead aggregators or providers, our ability to use them as a source for applicants could be affected. Employee misconduct or misconduct by third parties acting on our behalf could harm us by subjecting us to monetary loss, significant legal liability, regulatory scrutiny, and reputational harm. There is a risk that our employees or third-party contractors could engage in misconduct that adversely affects our business. Due to the general decentralized nature in which the loan application process occurs, employee misconduct or error in the application or closing process could also result in the origination of loans that do not satisfy our underwriting standards, which could in turn have a material adverse effect on our results of operations and financial condition. Additionally, for example, if an employee or a third-party contractor were to engage in, or be accused of engaging in, illegal or suspicious activities including fraud or theft, we could suffer direct losses from the activity. Additionally, we could be subject to regulatory sanctions and suffer serious harm to our reputation, financial condition, customer relationships and ability to attract future customers. Employee or third-party misconduct could prompt regulators to allege or to determine based upon such misconduct that we have not established adequate supervisory systems and procedures to inform employees of applicable rules or to detect violations of such rules. Our branches have experienced employee fraud from time to time, and it is not always possible to deter employee or third-party misconduct. The precautions that we take to detect and prevent misconduct may not be effective in all cases. Misconduct by our employees or third-party contractors, or even unsubstantiated allegations of misconduct, could result in a material adverse effect on our reputation and our business. **We sell loan accounts that are charged-off, which may result in increased regulator scrutiny, potential reputational damage and financial loss. As part of our business, from time to time, we may sell loans that are charged off. If we do not appropriately assess a debt buyer’s collection practices for compliance with laws and regulations, there is risk potential. Failure to appropriately select and manage debt buyers can lead to additional regulatory scrutiny, penalties and potentially limit our collection practices on certain debts. In addition, if we do not maintain and provide sufficient documentation of the loans sold, debt buyers may pursue collection without complete and accurate information, subjecting us to potential fines by regulators as well as repurchase risk from debt buyers.**

**General Risk Factors** Our risk management efforts may not be effective. We could incur substantial losses and our business operations could be disrupted if we are unable to effectively identify, manage, monitor, and mitigate financial risks, such as credit risk, interest rate risk, prepayment risk, liquidity risk, and other market-related risks, as well as regulatory and operational risks related to our business, assets, and liabilities. Our risk management policies, procedures, and techniques may not be sufficient to identify all of the risks we are exposed to, mitigate the risks we have identified, or identify additional risks to which we may become subject in the future. We may experience significant turnover in our senior management, and our business may be adversely affected by the transitions in our senior management team. Executive leadership transitions can be inherently difficult to manage and may cause disruption to our business. In addition, management transition inherently causes some loss of institutional knowledge, which can negatively affect strategy and execution, and our results of operations and financial condition could be negatively impacted as a result. The loss of services of one or more other members of senior management, or the inability to attract qualified permanent replacements, could have a material adverse effect on our business. If we fail to successfully attract and appoint permanent replacements with the appropriate expertise, we could experience increased employee turnover and harm to our business, results of operations, cash flow and financial condition. The search for permanent replacements could also result in significant recruiting and relocation costs. The departure, transition, or replacement of key personnel could significantly impact the results of our operations. If we cannot continue to hire and retain high-quality employees, our business and financial results may be negatively affected. Our future success significantly depends on the continued service and performance of our key management personnel. Competition for these employees is intense. Our operating results could be adversely affected by higher employee turnover or increased salary and benefit costs. Like most

businesses, our employees are important to our success and we are dependent in part on our ability to retain the services of our key management, operational, compliance, finance, and administrative personnel. We have built our business on a set of core values, and we attempt to hire employees who are committed to these values. We want to hire and retain employees who will fit our culture of compliance and of providing exceptional service to our customers. In order to compete and to continue to grow, we must attract, retain, and motivate employees, including those in executive, senior management, and operational positions. As our employees gain experience and develop their knowledge and skills, they become highly desired by other businesses. Therefore, to retain our employees, we must provide a satisfying work environment and competitive compensation and benefits. If costs to retain our skilled employees increase, then our business and financial results may be negatively affected. Changes in federal, state and local tax law, interpretations of existing tax law, or adverse determinations by tax authorities, could increase our tax burden or otherwise adversely affect our financial condition or results of operations. We are subject to taxation at the federal, state and local levels. Furthermore, we are subject to regular review and audit by tax authorities. While we believe our tax positions will be sustained, the final outcome of tax audits and related litigation may differ materially from the tax amounts recorded in our Consolidated Financial Statements, which could adversely impact our cash flows and financial results. Damage to our reputation could negatively impact our business. Maintaining a strong reputation is critical to our ability to attract and retain customers, investors, and employees. Harm to our reputation can arise from many sources, including employee misconduct, misconduct by third-party service providers or other vendors, litigation or regulatory actions, failure by us to meet minimum standards of service and quality, inadequate protection of customer information, and compliance failures. Negative publicity regarding our Company (or others engaged in a similar business or similar activities), whether or not accurate, may damage our reputation, which could have a material adverse effect on our business, results of operations, and financial condition. ~~We have goodwill, which is subject to periodic review and testing for impairment. At March 31, 2023, our total assets contained \$ 7. 4 million of goodwill. Under GAAP, goodwill is subject to periodic review and testing to determine if it is impaired. Unfavorable trends in our industry and unfavorable events or disruptions to our operations resulting from adverse legislative or regulatory actions or from other unpredictable causes could result in goodwill impairment charges.~~ If we fail to maintain appropriate controls and procedures, we may not be able to accurately report our financial results, which could have a material adverse effect on our operations, financial condition, and the trading price of our common stock. We are required to maintain disclosure controls and procedures and internal control over financial reporting. Section 404 (a) of the Sarbanes Oxley Act requires us to include in our annual reports on Form 10- K an assessment by management of the effectiveness of our internal control over financial reporting. Section 404 (b) of the Sarbanes Oxley Act requires us to engage our independent registered public accounting firm to attest to the effectiveness of our internal control over financial reporting. We expect to incur significant expenses and to devote resources to Section 404 compliance on an ongoing basis. It is difficult for us to predict how long it will take or costly it will be to complete the assessment of the effectiveness of our internal control over financial reporting for each year and to remediate any deficiencies in our internal control over financial reporting. If we identify a material weakness in our controls and procedures, our ability to record, process, summarize, and report financial information accurately and within the time periods specified in the rules and forms of the SEC could be adversely affected. In addition, remediation of a material weakness would require our management to devote significant time and incur significant expense. A material weakness is a deficiency, or a combination of deficiencies, such that there is a reasonable possibility that a material misstatement of our annual or interim financial statements will not be prevented or detected on a timely basis. If we are unable to maintain effective controls and procedures we could lose investor confidence in the accuracy and completeness of our financial reports, and we may be subject to investigation or sanctions by the SEC. Any such consequence or other negative effect could adversely affect our operations, financial condition, and the trading price of our common stock. Regular turnover among our managers and other employees at our branches makes it more difficult for us to operate our branches and increases our costs of operations, which could have an adverse effect on our business, results of operations and financial condition. The annual turnover as of March 31, ~~2023-2024~~ among our branch employees was approximately ~~47-42~~ **48**%. This turnover increases our cost of operations and makes it more difficult to operate our branches. If we are unable to keep our employee turnover rates consistent with historical levels or if unanticipated problems arise from our high employee turnover, our business, results of operations, and financial condition could be adversely affected. Absence of dividends could reduce our attractiveness to investors. Since 1989, we have not declared or paid cash dividends on our common stock and may not pay cash dividends in the foreseeable future. As a result, our common stock may be less attractive to certain investors than the stock of dividend-paying companies. Investors may need to rely on sales of their common stock after price appreciation, which may not occur, as the only way to realize future gains on their investment. Various provisions of our charter documents and applicable laws could delay or prevent a change of control that shareholders may favor. Provisions of our articles of incorporation, South Carolina law, and the laws in several of the states in which our operating subsidiaries are incorporated could delay or prevent a change of control that the holders of our common stock may favor or may impede the ability of our shareholders to change our management. In particular, our articles of incorporation and South Carolina law, among other things, authorize our ~~board~~ **Board** of ~~directors~~ **Directors** to issue preferred stock in one or more series, without shareholder approval, and will require the affirmative vote of holders of two-thirds of our outstanding shares of voting stock, to approve our merger or consolidation with another corporation. Additional information regarding the similar effect of laws in certain states in which we operate is described in Part 1, Item 1, “ Description of Business- Government Regulation. ” Overall stock market volatility may materially and adversely affect the market price of our common stock. The Company’ s common stock price has been and is likely to continue to be subject to significant volatility. Securities markets worldwide experience significant price and volume fluctuations. This market volatility, as well as general economic, market, or political conditions, could reduce the market price of shares of our common stock in spite of our operating performance. Additionally, a variety of factors could cause the price of the common stock to fluctuate, perhaps substantially, including: general market fluctuations resulting from factors not directly

related to the Company's operations or the inherent value of its common stock; state or federal legislative or regulatory proposals, initiatives, actions or changes that are, or are perceived to be, adverse to our operations or the broader consumer finance industry in general; announcements of developments related to our business; fluctuations in our operating results and the provision for credit losses; low trading volume in our common stock; decreased availability of our common stock resulting from stock repurchases and concentrations of ownership by large or institutional investors; general conditions in the financial service industry; disruption to the domestic financial services industry, the domestic or global economy, including inflationary pressures, or the domestic or global credit or capital markets; changes in financial estimates by securities analysts; our failure to meet the expectations of securities analysts or investors; negative commentary regarding our Company and corresponding short-selling market behavior; adverse developments in our relationships with our customers; investigations or legal proceedings brought against the Company or its officers; or significant changes in our senior management team. Changes to accounting rules, regulations or interpretations could significantly affect our financial results. New accounting rules or regulations, changes to existing accounting rules or regulations, and changing interpretations of existing rules and regulations have been issued or occurred and may continue to be issued or occur in the future. Our methodology for valuing our receivables and otherwise accounting for our business is subject to change depending upon the changes in, and interpretation of, accounting rules, regulations, or interpretations. Any such changes to accounting rules, regulations, or interpretations could negatively affect our reported results of operations and could negatively affect our financial condition through increased cost of compliance. In addition, the FASB may propose changes to financial accounting and reporting standards that govern key aspects of our financial statements, including areas where assumptions or estimates are required. As a result of changes to financial accounting or reporting standards, whether promulgated or required by the FASB or other regulators, we could be required to change certain assumptions or estimates we previously used in preparing our financial statements, which could negatively impact how we record and report our results of operations and financial condition. If assumptions or estimates we use in preparing our financial statements are incorrect or are required to change, our reported results of operations and financial condition may be adversely affected. We are required to use certain assumptions and estimates in preparing our financial statements under GAAP, including determining allowances for credit losses, the fair value of financial instruments, asset impairment, reserves related to litigation and other legal matters, the fair value of share-based compensation, valuation of income, and other taxes and regulatory exposures. In addition, significant assumptions and estimates are involved in determining certain disclosures required under GAAP, including those involving the fair value of our financial instruments. If the assumptions or estimates underlying our financial statements are incorrect, the actual amounts realized on transactions and balances subject to those estimates will be different, and this could have a material adverse effect on our results of operations and financial condition. In addition, the FASB may propose changes to several financial accounting and reporting standards that govern key aspects of our financial statements, including areas where assumptions or estimates are required. As a result of changes to financial accounting or reporting standards, whether promulgated or required by the FASB or other regulators, we could be required to change certain assumptions or estimates we previously used in preparing our financial statements, which could negatively impact how we record and report our results of operations and financial condition. The future issuance of additional shares of our common stock in connection with potential acquisitions or otherwise will dilute all other shareholders. Except in certain circumstances, we are not restricted from issuing additional shares of common stock, including any securities that are convertible into or exchangeable for, or that represent the right to receive, common stock. The market price of shares of our common stock could decline as a result of sales of a large number of shares of common stock in the market or the perception that such sales could occur. We intend to continue to evaluate acquisition opportunities and may issue shares of common stock in connection with these acquisitions. Any shares of common stock issued in connection with acquisitions, the exercise of outstanding stock options, or otherwise would dilute the percentage ownership held by our existing shareholders. Item 1B. Unresolved Staff Comments