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UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF ARKANSAS

_____, Individually and on behalf of all others
similarly situated,

Plaintiff,

v.

AMERICA’S CAR-MART, INC., DOUGLAS
W. CAMPBELL, VICKIE D. JUDY and
JONATHAN M. COLLINS,

Defendants.

Case No:

**CLASS ACTION COMPLAINT FOR
VIOLATIONS OF THE FEDERAL
SECURITIES LAWS**

JURY TRIAL DEMANDED

Plaintiff _____ (“Plaintiff”), individually and on behalf of all other persons similarly situated, by Plaintiff’s undersigned attorneys, for Plaintiff’s complaint against Defendants (defined below), alleges the following based upon personal knowledge as to Plaintiff and Plaintiff’s own acts, and information and belief as to all other matters, based upon, among other things, the investigation conducted by and through his attorneys, which included, among other things, a review of the Defendants’ public documents, public filings, wire and press releases published by and regarding America’s Car-Mart, Inc. (“Car-Mart” or the “Company”), and

information readily obtainable on the Internet. Plaintiff believes that substantial evidentiary support will exist for the allegations set forth herein after a reasonable opportunity for discovery.

NATURE OF THE ACTION

1. This is a class action on behalf of persons or entities who purchased or otherwise acquired publicly traded Car-Mart securities between September 9, 2023 and September 3, 2025, inclusive (the “Class Period”). Plaintiff seeks to recover compensable damages caused by Defendant’s violations of the federal securities laws under the Securities Exchange Act of 1934 (the “Exchange Act”).¹

JURISDICTION AND VENUE

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

3. This Court has jurisdiction over the subject matter of this action pursuant to 28 U.S.C. § 1331, and Section 27 of the Exchange Act (15 U.S.C. §78aa).

4. Venue is proper in this judicial district pursuant to 28 U.S.C. § 1391(b) and Section 27 of the Exchange Act (15 U.S.C. § 78aa(c)) as the alleged misstatements entered and the subsequent damages took place in this judicial district.

5. In connection with the acts, conduct and other wrongs alleged in this complaint, Defendants, directly or indirectly, used the means and instrumentalities of interstate commerce, including but not limited to, the United States mails, interstate telephone communications and the facilities of the national securities exchange.

¹ Unless otherwise stated, all emphasis is added and any internal citations are omitted.

PARTIES

6. Plaintiff, as set forth in the accompanying certification, incorporated by reference herein, purchased Car-Mart securities during the Class Period and was economically damaged thereby.

7. Defendant Car-Mart is incorporated in Texas and its principal executive offices are located at 1805 North 2nd Street, Suite 401, Rogers, Arkansas 72756. The Company's common stock trades on the NASDAQ Global Select Market (the "NASDAQ") under the ticker symbol "CRMT".

8. Defendant Car-Mart describes its business as follows:

The Company operates automotive dealerships in 12 states and is one of the largest publicly held automotive retailers in the United States focused exclusively on the "Integrated Auto Sales and Finance" segment of the used car market. The Company emphasizes superior customer service and the building of strong personal relationships with its customers. The Company operates its dealerships primarily in smaller cities throughout the South-Central United States, selling quality used vehicles and providing financing for substantially all of its customers.

9. Defendant Douglas W. Campbell ("Campbell") served as the Company's Chief Executive Officer, President, and as a director on the Board of Directors (the "Board") at all relevant times.

10. Defendant Vickie Judy ("Judy") served as the Company's Chief Financial Officer ("CFO") from the beginning of the Class Period until May 12, 2025. She now serves as Car-Mart's Chief Accounting Officer.

11. Defendant Jonathan Collins ("Collins") has served as the Company's CFO since May 12, 2025.

12. Defendants Campbell, Judy, and Collins are collectively referred to herein as the "Individual Defendants."

13. Each of the Individual Defendants:

- (a) directly participated in the management of the Company;
- (b) was directly involved in the day-to-day operations of the Company at the highest levels;
- (c) was privy to confidential proprietary information concerning the Company and its business and operations;
- (d) was directly or indirectly involved in drafting, producing, reviewing and/or disseminating the false and misleading statements and information alleged herein;
- (e) was directly or indirectly involved in the oversight or implementation of the Company's internal controls;
- (f) was aware of or recklessly disregarded the fact that the false and misleading statements were being issued concerning the Company; and/or
- (g) approved or ratified these statements in violation of the federal securities laws.

14. Car-Mart is liable for the acts of the Individual Defendants and its employees under the doctrine of *respondeat superior* and common law principles of agency because all of the wrongful acts complained of herein were carried out within the scope of their employment.

15. The scienter of the Individual Defendants and other employees and agents of the Company is similarly imputed to the Company under *respondeat superior* and agency principles.

16. Car-Mart and the Individual Defendants are collectively referred to herein as "Defendants."

SUBSTANTIVE ALLEGATIONS

Materially False and Misleading Statements Issued During the Class Period

17. On September 8, 2023, at market close, the Company filed with the SEC its quarterly report on Form 10-Q for the period ended July 31, 2023 (the “Q1 2024 Report”). Attached to the Q1 2024 Report were certifications pursuant to the Sarbanes-Oxley Act of 2002 (“SOX”) signed by Defendants Campbell and Judy attesting to the accuracy of financial reporting, the disclosure of any material changes to the Company’s internal control over financial reporting, and the disclosure of all fraud.

18. The Q1 2024 Report contained the following statement regarding the Company’s internal controls:

a) Evaluation of Disclosure Controls and Procedures

Management, with the participation of the Company’s Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of the Company’s disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the “Exchange Act”)), as of July 31, 2023. ***Based on that evaluation, the Company’s Chief Executive Officer and Chief Financial Officer have concluded that as of July 31, 2023, the Company’s disclosure controls and procedures were effective*** to provide reasonable assurance that information required to be disclosed by the Company in the reports it files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC rules and forms, and that such information is accumulated and communicated to management, including the Company’s Chief Executive Officer (principal executive officer) and Chief Financial Officer (principal financial officer), to allow timely decisions regarding required disclosure.

b) Changes of Disclosure Controls and Procedures

There were no changes in the Company’s internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) that occurred during the Company’s last fiscal quarter that have materially affected, or are reasonably likely to materially affect, the Company’s internal control over financial reporting.

19. The statements in ¶ 18 were materially false and misleading at the time they were made because, in reality (and as Car-Mart later admitted), Car-Mart had deficient internal controls

as a result of its failure to provide investors with full information regarding loan modifications for buyers experiencing financial difficulties, in violation of the applicable accounting rules.

20. Further, the financial statements within the Q1 2024 Report were materially false and misleading when made because the Company omitted material information about loan modifications, in violation of the applicable accounting rules.

21. The Q1 2024 Report incorporated by reference the risk disclosures contained in the Company's 2023 Annual Report, stating the following:

There have been no material changes to the Company's risk factors as previously disclosed in Item 1A to Part I of the Company's Form 10-K for the fiscal year ended April 30, 2023.

22. The 2023 Annual Report contained the following risk disclosure:

The Company may have a higher risk of delinquency and default than traditional lenders because it finances its sales of used vehicles to credit-impaired borrowers.

Substantially all of the Company's automobile contracts involve financing to individuals with impaired or limited credit histories, or higher debt-to-income ratios than permitted by traditional lenders. Financing made to borrowers who are restricted in their ability to obtain financing from traditional lenders generally entails a higher risk of delinquency, default and repossession, and higher losses than financing made to borrowers with better credit. Delinquency interrupts the flow of projected interest income and repayment of principal from a contract, and a default can ultimately lead to a loss if the net realizable value of the automobile securing the contract is insufficient to cover the principal and interest due on the contract or if the vehicle cannot be recovered. The Company's profitability depends, in part, upon its ability to properly evaluate the creditworthiness of non-prime borrowers and efficiently service such contracts. ***Although the Company believes that its underwriting criteria and collection methods enable it to manage the higher risks inherent in financing made to non-prime borrowers, no assurance can be given that such criteria or methods will afford adequate protection against such risks.*** If the Company experiences higher losses than anticipated, its financial condition, results of operations and business prospects could be materially and adversely affected.

23. The statement in ¶ 22 was materially false and misleading at the time it was incorporated by reference into the Q1 2024 Report. Specifically, it was materially false and misleading because it materially understated the risks involved in providing financing to individuals with impaired or limited credit histories, given that the Company did not provide

investors with sufficient information regarding loan modifications (in violation of the applicable accounting rules), which would eventually force a restatement. Further, the Company later shifted away from sales to individuals with impaired risks, further demonstrating that its business model was unsustainable.

24. On December 8, 2023, the Company filed with the SEC its quarterly report on Form 10-Q for the period ended October 31, 2023 (the “Q2 2024 Report”). Attached to the Q2 2024 Report were certifications pursuant to SOX signed by Defendants Campbell and Judy attesting to the accuracy of financial reporting, the disclosure of any material changes to the Company’s internal control over financial reporting, and the disclosure of all fraud.

25. The Q2 2024 Report contained the following statements about the Company’s internal controls:

a) Evaluation of Disclosure Controls and Procedures

Management, with the participation of the Company’s Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of the Company’s disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the “Exchange Act”)), as of October 31, 2023. ***Based on that evaluation, the Company’s Chief Executive Officer and Chief Financial Officer have concluded that as of October 31, 2023, the Company’s disclosure controls and procedures were effective*** to provide reasonable assurance that information required to be disclosed by the Company in the reports it files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC rules and forms, and that such information is accumulated and communicated to management, including the Company’s Chief Executive Officer (principal executive officer) and Chief Financial Officer (principal financial officer), to allow timely decisions regarding required disclosure.

b) Changes of Disclosure Controls and Procedures

There were no changes in the Company’s internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) that occurred during the Company’s last fiscal quarter that have materially affected, or are reasonably likely to materially affect, the Company’s internal control over financial reporting.

26. The statements in ¶ 25 were materially false and misleading at the time they were

made because, in reality (and as Car-Mart later admitted), Car-Mart had deficient internal controls as a result of its failure to provide investors with full information regarding loan modifications for buyers experiencing financial difficulties, in violation of the applicable accounting rules.

27. Further, the financial statements within the Q2 2024 Report were materially false and misleading when made because the Company omitted material information about loan modifications, in violation of the applicable accounting rules.

28. The Q2 2024 Report incorporated by reference the risk disclosures contained in the Company's 2023 Annual Report, stating the following:

There have been *no material changes to the Company's risk factors* as previously disclosed in Item 1A to Part I of the Company's Form 10-K for the fiscal year ended April 30, 2023.

29. The statement in ¶ 28 was materially false and misleading at the time it was made because, as discussed above, the 2023 Annual Report contained deficient risk disclosures, in violation of the applicable accounting rules.

30. On March 11, 2024, the Company filed with the SEC its quarterly report on Form 10-Q for the period ended January 31, 2024 (the "Q3 2024 Report"). Attached to the Q3 2024 Report were certifications pursuant to SOX signed by Defendants Campbell and Judy attesting to the accuracy of financial reporting, the disclosure of any material changes to the Company's internal control over financial reporting, and the disclosure of all fraud.

31. The Q3 2024 Report contained the following statements about Car-Mart's internal controls:

a) Evaluation of Disclosure Controls and Procedures

Management, with the participation of the Company's Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of the Company's disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act")), as of January 31, 2024. ***Based on that***

evaluation, the Company's Chief Executive Officer and Chief Financial Officer have concluded that the Company's disclosure controls and procedures were effective as of January 31, 2024. The Company's disclosure controls and procedures are designed to ensure that information required to be disclosed by the Company in the reports it files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC rules and forms, and that such information is accumulated and communicated to management, including the Company's Chief Executive Officer (principal executive officer) and Chief Financial Officer (principal financial officer), to allow timely decisions regarding required disclosure.

b) Changes of Disclosure Controls and Procedures

There were no changes in the Company's internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) that occurred during the Company's last fiscal quarter that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

32. The statements in ¶ 31 were materially false and misleading at the time they were made because, in reality (and as Car-Mart later admitted), Car-Mart had deficient internal controls as a result of its failure to provide investors with full information regarding loan modifications for buyers experiencing financial difficulties, in violation of the applicable accounting rules.

33. Further, the financial statements within the Q3 2024 Report were materially false and misleading when made because the Company omitted material information about loan modifications, in violation of the applicable accounting rules.

34. The Q3 2024 Report incorporated by reference the risk disclosures contained in the Company's 2023 Annual Report, stating the following:

There have been no material changes to the Company's risk factors as previously disclosed in Item 1A to Part I of the Company's Form 10-K for the fiscal year ended April 30, 2023.

35. The statement in ¶ 34 was materially false and misleading at the time it was made because, as discussed above, the 2023 Annual Report contained deficient risk disclosures, in violation of the applicable accounting rules.

36. On July 15, 2024, the Company filed with the SEC its annual report on Form 10-K

for the fiscal year ended April 30, 2024 (the “2024 Annual Report”). Attached to the 2024 Annual Report were certifications pursuant to SOX signed by Defendants Campbell and Judy attesting to the accuracy of financial reporting, the disclosure of any material changes to the Company’s internal control over financial reporting, and the disclosure of all fraud.

37. The 2024 Annual Report contained the following statements regarding the Company’s internal controls:

Disclosure Controls and Procedures

Management, with the participation of the Company’s President and Chief Executive Officer, and Chief Financial Officer, has evaluated the effectiveness of the Company’s disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the “Exchange Act”)), as of April 30, 2024. Based on that evaluation, the Company’s President and Chief Executive Officer and Chief Financial Officer have concluded that as of April 30, 2024, the Company’s disclosure controls and procedures were effective to provide reasonable assurance that information required to be disclosed by the Company in the reports it files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC rules and forms, and that such information is accumulated and communicated to management, including the Company’s Chief Executive Officer (principal executive officer) and Chief Financial Officer (principal financial officer), to allow timely decisions regarding required disclosure.

Management’s Report on Internal Control over Financial Reporting

Management of the Company is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act. The Company’s internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of the Company’s financial reporting and the preparation of financial statements for external purposes in accordance with U.S. generally accepted accounting principles.

Management assessed the effectiveness of the Company’s internal control over financial reporting as of April 30, 2024. In making this assessment, management used the criteria set forth in *The 2013 Internal Control-Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

Based on management’s assessment, management believes that the Company maintained effective internal control over financial reporting as of April 30, 2024.

The Company’s independent registered public accounting firm independently

assessed the effectiveness of the Company's internal control over financial reporting and has issued their report on the effectiveness of the Company's internal control over financial reporting at April 30, 2024. That report appears below.

38. The statements in ¶ 37 were materially false and misleading at the time they were made because, in reality (and as Car-Mart later admitted), Car-Mart had deficient internal controls as a result of its failure to provide investors with full information regarding loan modifications for buyers experiencing financial difficulties, in violation of the applicable accounting rules.

39. Further, the financial statements within the 2024 Annual Report were materially false and misleading when made because the Company omitted material information about loan modifications, in violation of the applicable accounting rules.

40. The 2024 Annual Report contained the following risk disclosure:

The Company may have a higher risk of delinquency and default than traditional lenders because it finances its sales of used vehicles to credit-impaired borrowers.

Substantially all of the Company's automobile contracts involve financing to individuals with impaired or limited credit histories, or higher debt-to-income ratios than permitted by traditional lenders. Financing made to borrowers who are restricted in their ability to obtain financing from traditional lenders generally entails a higher risk of delinquency, default and repossession, and higher losses than financing made to borrowers with better credit. Delinquency interrupts the flow of projected interest income and repayment of principal from a contract, and a default can ultimately lead to a loss if the net realizable value of the automobile securing the contract is insufficient to cover the principal and interest due on the contract or if the vehicle cannot be recovered. The Company's profitability depends, in part, upon its ability to properly evaluate the creditworthiness of non-prime borrowers and efficiently service such contracts. ***Although the Company believes that its underwriting criteria and collection methods enable it to manage the higher risks inherent in financing made to non-prime borrowers, no assurance can be given that such criteria or methods will afford adequate protection against such risks.*** If the Company experiences higher losses than anticipated, its financial condition, results of operations and business prospects could be materially and adversely affected.

41. The statement in ¶ 40 was materially false and misleading at the time it was made because it materially understated the risks involved in providing financing to individuals with impaired or limited credit histories, given that the Company did not provide investors with

sufficient information regarding loan modifications (in violation of the applicable accounting rules), which would eventually force a restatement. Further, the Company later shifted away from sales to individuals with impaired risks, further demonstrating that its business model was unsustainable.

42. On September 16, 2024, the Company filed with the SEC its quarterly report on Form 10-Q for the quarter ended July 31, 2024 (the “Q1 2025 Report”). Attached to the Q1 2025 Report were certifications pursuant to SOX signed by Defendants Campbell and Judy attesting to the accuracy of financial reporting, the disclosure of any material changes to the Company’s internal control over financial reporting, and the disclosure of all fraud.

43. The Q1 2025 Report contained the following statement about the Company’s internal controls:

a) Evaluation of Disclosure Controls and Procedures

Management, with the participation of the Company’s Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of the Company’s disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the “Exchange Act”)), as of July 31, 2024. ***Based on that evaluation, the Company’s Chief Executive Officer and Chief Financial Officer have concluded that the Company’s disclosure controls and procedures were effective as of July 31, 2024.*** The Company’s disclosure controls and procedures are designed to ensure that information required to be disclosed by the Company in the reports it files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC rules and forms, and that such information is accumulated and communicated to management, including the Company’s Chief Executive Officer (principal executive officer) and Chief Financial Officer (principal financial officer), to allow timely decisions regarding required disclosure.

b) Changes in Internal Control over Financial Reporting

There were improvements to the Company’s internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the three months ended July 31, 2024, that have positively impacted, the Company’s internal control over financial reporting.

During the first quarter of fiscal year 2025, the Company commenced the

implementation of a new core accounting platform, which included changes to the Company's general ledger, accounts payable, and fixed assets accounting processes. Management continues to review and enhance the design and documentation of the Company's internal control over financial reporting. To date, the implementation, integration, and transition have not materially affected the Company's internal control over financial reporting. As each phase of the implementation occurs, management will reassess the Company's processes and procedures, which may result in changes to the Company's internal control over financial reporting. There have been no other changes in the Company's internal control over financial reporting (as defined in Rule 13a-15(f) under the Exchange Act) that occurred during the three month period ending July 31, 2024 that have materially affected, or are reasonably likely to materially affect the Company's internal control over financial reporting.

44. The statements in ¶ 43 were materially false and misleading at the time they were made because, in reality (and as Car-Mart later admitted), Car-Mart had deficient internal controls as a result of its failure to provide investors with full information regarding loan modifications for buyers experiencing financial difficulties, in violation of the applicable accounting rules.

45. Further, the financial statements within the Q1 2025 Report were materially false and misleading when made because the Company omitted material information about loan modifications, in violation of the applicable accounting rules

46. The Q1 2025 Report contained the following statement about the risks facing the Company:

There have been *no material changes to the Company's risk factors* as previously disclosed in Item 1A to Part I of the Company's Form 10-K for the fiscal year ended April 30, 2024.

47. The statement in ¶ 46 was materially false and misleading at the time it was made because, as discussed above, the 2024 Annual Report contained materially false and misleading risk disclosures, in violation of the applicable accounting rules.

48. On December 9, 2024, the Company filed with the SEC its quarterly report on Form 10-Q for the quarter ended October 31, 2024 (the "Q2 2025 Report"). Attached to the Q2 2025 Report were certifications pursuant to SOX signed by Defendants Campbell and Judy attesting to

the accuracy of financial reporting, the disclosure of any material changes to the Company's internal control over financial reporting, and the disclosure of all fraud.

49. The Q2 2025 Report contained the following statement about the Company's internal controls:

a) Evaluation of Disclosure Controls and Procedures

Management, with the participation of the Company's Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of the Company's disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act")), as of October 31, 2024. ***Based on that evaluation, the Company's Chief Executive Officer and Chief Financial Officer have concluded that the Company's disclosure controls and procedures were effective as of October 31, 2024.*** The Company's disclosure controls and procedures are designed to ensure that information required to be disclosed by the Company in the reports it files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC rules and forms, and that such information is accumulated and communicated to management, including the Company's Chief Executive Officer (principal executive officer) and Chief Financial Officer (principal financial officer), to allow timely decisions regarding required disclosure.

b) Changes in Internal Control over Financial Reporting

There were no changes in the Company's internal control over financial reporting (as defined in Rule 13a-15(f) under the Exchange Act) that occurred during the three month period ending October 31, 2024 that have materially affected, or are reasonably likely to materially affect the Company's internal control over financial reporting.

50. The statements in ¶ 49 were materially false and misleading at the time they were made because, in reality (and as Car-Mart later admitted), Car-Mart had deficient internal controls as a result of its failure to provide investors with full information regarding loan modifications for buyers experiencing financial difficulties, in violation of the applicable accounting rules

51. The Q2 2025 Report contained the following statement about the risks facing the Company:

Except as set forth below, ***there have been no material changes to the Company's risk factors*** as previously disclosed in Item 1A to Part I of the Company's Form 10-K for the fiscal year ended April 30, 2024.

52. The statement in ¶ 51 was materially false and misleading at the time it was made because, as discussed above, the 2024 Annual Report contained materially false and misleading risk disclosures, in violation of the applicable accounting rules.

53. On August 8, 2025, the Company filed with the SEC its annual report on Form 10-K for the fiscal year ended April 30, 2025 (the “2025 Annual Report”). Attached to the 2025 Annual Report were certifications pursuant to SOX signed by Defendants Campbell and Collins attesting to the accuracy of financial reporting, the disclosure of any material changes to the Company’s internal control over financial reporting, and the disclosure of all fraud.

54. The 2025 Annual Report contained the following risk disclosure:

The Company may have a higher risk of delinquency and default than traditional lenders because it finances its sales of used vehicles to credit-impaired borrowers.

Substantially all of the Company’s automobile contracts involve financing to individuals with impaired or limited credit histories, or higher debt-to-income ratios than permitted by traditional lenders. Financing made to borrowers who are restricted in their ability to obtain financing from traditional lenders generally entails a higher risk of delinquency, default and repossession, and higher losses than financing made to borrowers with better credit. Delinquency interrupts the flow of projected interest income and repayment of principal from a contract, and a default can ultimately lead to a loss if the net realizable value of the automobile securing the contract is insufficient to cover the principal and interest due on the contract or if the vehicle cannot be recovered. ***The Company’s profitability depends, in part, upon its ability to properly evaluate the creditworthiness of non-prime borrowers and efficiently service such contracts. Although the Company believes that its underwriting criteria and collection methods enable it to manage the higher risks inherent in financing made to non-prime borrowers, no assurance can be given that such criteria or methods will afford adequate protection against such risks.*** Additionally, changes in regulatory or bankruptcy laws could have an impact on the Company’s losses. If the Company experiences higher losses than anticipated, its financial condition, results of operations and business prospects could be materially and adversely affected.

55. The statement in ¶ 54 was materially false and misleading at the time it was made because it materially understated the risks involved in providing financing to individuals with impaired or limited credit histories. Further, the Company later shifted away from sales to

individuals with impaired risks, demonstrating that its business model was fundamentally unsustainable.

56. The statements contained in ¶¶ 18, 20-22, 25, 27, 28, 31, 33, 34, 37, 39, 40, 43, 45, 46, 49, 51, 54 were materially false and/or misleading because they misrepresented and failed to disclose the following adverse facts pertaining to the Company's business, operations and prospects, which were known to Defendants or recklessly disregarded by them. Specifically, Defendants made false and/or misleading statements and/or failed to disclose that: (1) Car-Mart's financial statements were materially misstated as a result of omitted information regarding loan modifications for high-risk customers experiencing financial hardship, in violation of the applicable accounting rules; (2) as a result, Car-Mart attempted to conceal how high risk its business model was; (3) Car-Mart had deficient internal controls; (4) Despite representations to the contrary, Car-Mart's strategy of selling vehicles to sub-prime customers was fundamentally unsustainable, and Car-Mart would have to shift its strategy towards sales to lower risk customers, which would have a materially negative impact on sales; and (5) as a result, Defendants' statements about America's Car-Mart, Inc.'s business, operations, and prospects were materially false and misleading and/or lacked a reasonable basis at all relevant times.

THE TRUTH BEGINS TO EMERGE

57. On July 30, 2025, before the market opened, the Company issued a press release entitled "America's Car-Mart, Inc. Provides Update on Status of Its Annual Report on Form 10-K." The press release revealed that the Company would provide more disclosures relating to loan modifications for financially distressed customers in order to comply with the applicable accounting rules, that it would need to restate certain prior financial statements as a result, and finally, that its internal controls were deficient as a result of the issue, stating the following:

[Car-Mart] today announced that it is continuing its work to complete certain omitted disclosures to be included in the Company's Annual Report on Form 10-K for the fiscal year ended April 30, 2025 (the "Form 10-K") *related to loan modifications for customers experiencing financial difficulty*. The Company previously reported in a Form 12b-25 filing with the Securities and Exchange Commission ("SEC") on July 15, 2025, that it was working to include these required disclosures in the Form 10-K to meet applicable accounting standards and that the Company anticipated filing its Form 10-K within 15 calendar days from the original due date (the "Extension Period"). However, due to additional time needed to complete these disclosures, the Company was unable to file the Form 10-K within the Extension Period, which expired on July 29, 2025.

58. The Press Release further stated the following regarding "key points":

- **Additional Loan Information:** The additional disclosures required by applicable accounting standards will contain *more detailed information about loan modifications for customers experiencing financial difficulties*, which may give shareholders more insight into the Company's business model.
- **No Changes to Operating Results or Financial Condition:** The additional required disclosures will not affect the accuracy of the Company's previously reported financial results, including its earnings, balance sheet, cash flows, or shareholder equity.
- **Timing of Annual Report on Form 10-K:** The Company is working to complete these disclosures and will file its Form 10-K as soon as practicable.
- **Internal Control Impact:** The Company *has identified deficiencies in its internal processes for ensuring complete disclosures and expects to report one or more material weaknesses in its internal control over financial reporting in the upcoming Form 10-K*.
- **Effect on Historical Financial Statements:** Due to the required loan modification disclosures *being omitted from the notes to the Company's consolidated financial statements in the Company's quarterly reports for each quarterly period in fiscal years 2024 and 2025 and its annual report for fiscal year 2024, the Company's management determined that the financial statements included in these reports should no longer be relied upon*. The Company plans to report the omitted loan modification disclosures for the non-reliance periods in its Form 10-K for the fiscal year ended April 30, 2025.

59. The same press release further stated:

As part of the Company's year-end reporting process and the preparation of the Company's Form 10-K for the fiscal year ended April 30, 2025, *management identified the need to include disclosures related to loan modifications for borrowers experiencing financial difficulty, in accordance with Financial Accounting Standards Board Accounting Standards Codification ("ASC") 310-10-50-42 through 50-44*. The Company has determined that its previously issued financial statements contain material omissions of required disclosures under these ASC provisions.

Specifically, the Company determined that ***it did not provide the following required disclosures by class of financing receivable: (1) qualitative and quantitative information about the types of modifications utilized by the Company, including the total period-end amortized cost basis of the modified receivables and the percentage of modifications of receivables made to debtors experiencing financial difficulty relative to the total period-end amortized cost basis of receivables in the class of financing receivable; (2) the financial effect of the modification by type of modification, including information about the changes to the contractual terms as a result of the modification and the incremental effect of principal forgiveness on the amortized cost basis of the modified receivables, as applicable, or the reduction in weighted-average interest rates (versus a range) for interest rate reductions; and (3) receivable performance in the 12 months after a modification of a receivable made to a debtor experiencing financial difficulty.***

The Company has identified deficiencies in its internal control over financial reporting related to the omitted disclosures described above that existed at each of the affected periods described below. The Company continues to evaluate the impact of these deficiencies on its internal control over financial reporting and expects to report one or more material weaknesses in internal control over financial reporting in its Form 10-K, when such report is filed with the SEC.

As a result, the Company's management determined that certain previously issued financial statements should no longer be relied upon due to omission of the aforementioned information about loan modifications in the notes to those financial statements. The affected periods include quarterly reports for each quarter during fiscal years 2024 and 2025 through January 31, 2025, and its annual report for fiscal year 2024.

* * *

The Company expects to receive a notice from The Nasdaq Stock Market LLC (“Nasdaq”) indicating that as a result of the Company’s delay in filing the Form 10-K, the Company is not in compliance with the timely filing requirement for continued listing under Nasdaq Listing Rule 5250(c)(1). The Company does not expect the notice to have an immediate effect on the listing or trading of the Company’s common stock on The Nasdaq Global Select Market. The Company will issue a press release and file a Form 8-K with the SEC to announce the notification when received.

60. On July 30, 2025, the Company filed with the SEC a current report on Form 8-K in which it announced a financial restatement (the “Restatement Announcement”). The Restatement Announcement stated, in pertinent part, the following:

On July 29, 2025, the management and the Audit Committee of the Board of Directors of America’s Car-Mart, Inc. (the “Company”) ***concluded that certain previously issued financial statements should no longer be relied upon because of omissions in footnote***

disclosure related to loan modifications made to borrowers experiencing financial difficulty.

The Company does not expect these disclosure additions to result in any material impact on the Company's Consolidated Statements of Earnings, Consolidated Balance Sheets, Consolidated Statements of Cash Flow, or Consolidated Statements of Shareholders' Equity.

The Company is working to complete the necessary disclosures as soon as reasonably practicable.

As previously disclosed in the Company's Form 12b-25 filed on July 15, 2025, management identified the need to include disclosures related to loan modifications for borrowers experiencing financial difficulty, in accordance with Financial Accounting Standards Board Accounting Standards Codification ("ASC") 310-10-50-42 through 50-44. Following further analysis and review, the Company has determined that its previously issued financial statements contain material omissions of required disclosures under these ASC provisions.

Specifically, the Company determined that it did not provide the following required disclosures ***by class of financing receivable***: (1) ***qualitative and quantitative information about the types of modifications utilized by the Company***, including the total period-end amortized cost basis of the modified receivables and ***the percentage of modifications of receivables made to debtors experiencing financial difficulty relative to the total period-end amortized cost basis of receivables in the class of financing receivable***; (2) ***the financial effect of the modification by type of modification, including information about the changes to the contractual terms as a result of the modification and the incremental effect of principal forgiveness on the amortized cost basis of the modified receivables, as applicable, or the reduction in weighted-average interest rates (versus a range) for interest rate reductions***; and (3) ***receivable performance in the 12 months after a modification*** of a receivable made to a debtor experiencing financial difficulty.

61. The Restatement Announcement further stated the following:

The Company has identified deficiencies in its internal control over financial reporting related to the omission described above that existed at each of the affected periods described below. The Company continues to evaluate the impact of these deficiencies on its internal control over financial reporting and expects to report one or more material weaknesses in internal control over financial reporting in its upcoming Annual Report on Form 10-K for the fiscal year ended April 30, 2025, when such report is filed with the Securities and Exchange Commission ("SEC").

The financial statements that should no longer be relied upon include the Company's quarterly and annual financial statements included in the Quarterly Reports on Form 10-Q for each quarter during fiscal years 2024 and 2025 through January 31, 2025, and

its Annual Report on Form 10-K for fiscal year 2024, each as filed with the SEC (collectively, “Non-Reliance Periods”).

62. On this news, the Company’s stock fell \$3.70 per share, or 7.5%, to close at \$45.57 on July 30, 2025. The next day, it fell a further 1.1%, to close at \$45.04 per share.

63. On September 4, 2025, before the market opened, the Company issued a press release entitled “America’s Car-Mart Reports First Quarter Fiscal Year 2026 Results (the “Q1 2026 Release”). It revealed that sales volumes decreased 5.7% compared to Q1 of the 2025 fiscal year.

64. The poor result was as a result of the Company having to shift away from selling cars to consumers with very poor financial credit. The Q1 2026 Release included the following commentary from Defendant Campbell:

We are successfully executing on our focus to improve the quality of our portfolio. [. . .] Nearly 72% of our portfolio is now operating under enhanced underwriting standards. With the recent launch of LOS V2, we continue to sharpen our underwriting capability and are very optimistic about the opportunity to sell more cars to better customers creating a stronger foundation for sustainable returns.

65. On this news, the Company’s stock fell \$8.14 per share, or 18.2%, to close at \$36.51 on September 4, 2025.

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

PLAINTIFF’S CLASS ACTION ALLEGATIONS

67. Plaintiff brings this action as a class action pursuant to Federal Rule of Civil Procedure 23(a) and (b)(3) on behalf of a class consisting of all persons other than defendants who acquired Car-Mart securities publicly traded on the NASDAQ during the Class Period, and who were damaged thereby (the “Class”). Excluded from the Class are Defendants, the officers

and directors of the Company, members of the Individual Defendants' immediate families and their legal representatives, heirs, successors or assigns and any entity in which Defendants have or had a controlling interest.

68. The members of the Class are so numerous that joinder of all members is impracticable. Throughout the Class Period, the Company's securities were actively traded on the NASDAQ. While the exact number of Class members is unknown to Plaintiff at this time and can be ascertained only through appropriate discovery, Plaintiff believes that there are hundreds, if not thousands of members in the proposed Class.

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

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

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

- whether the Exchange Act was violated by Defendants' acts as alleged herein;
- whether statements made by Defendants to the investing public during the Class Period misrepresented material facts about the business and financial condition of the Company;

- whether Defendants' public statements to the investing public during the Class Period omitted material facts necessary to make the statements made, in light of the circumstances under which they were made, not misleading;
- whether the Defendants caused the Company to issue false and misleading filings during the Class Period;
- whether Defendants acted knowingly or recklessly in issuing false filings;
- whether the prices of the Company's securities during the Class Period were artificially inflated because of the Defendants' conduct complained of herein; and
- whether the members of the Class have sustained damages and, if so, what is the proper measure of damages.

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

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

- the Company's securities met the requirements for listing, and were listed and actively traded on the NASDAQ, an efficient market;
- as a public issuer, the Company filed public reports;
- the Company communicated with public investors via established market communication mechanisms, including through the regular dissemination of press

releases via major newswire services and through other wide-ranging public disclosures, such as communications with the financial press and other similar reporting services;

- the Company's securities were liquid and traded with moderate to heavy volume during the Class Period; and
- the Company was followed by a number of securities analysts employed by major brokerage firms who wrote reports that were widely distributed and publicly available.

74. Based on the foregoing, the market for the Company securities promptly digested current information regarding the Company from all publicly available sources and reflected such information in the prices of the common units, and Plaintiff and the members of the Class are entitled to a presumption of reliance upon the integrity of the market.

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

COUNT I
For Violations of Section 10(b) And Rule 10b-5 Promulgated Thereunder
Against All Defendants

76. Plaintiff repeats and realleges each and every allegation contained above as if fully set forth herein.

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

78. During the Class Period, Defendants, individually and in concert, directly or indirectly, disseminated or approved the false statements specified above, which they knew or deliberately disregarded were misleading in that they contained misrepresentations and failed to disclose material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading.

79. Defendants violated §10(b) of the 1934 Act and Rule 10b-5 in that they:

- employed devices, schemes and artifices to defraud;
- made untrue statements of material facts or omitted to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; or
- engaged in acts, practices and a course of business that operated as a fraud or deceit upon plaintiff and others similarly situated in connection with their purchases of the Company's securities during the Class Period.

80. Defendants acted with scienter in that they knew that the public documents and statements issued or disseminated in the name of the Company were materially false and misleading; knew that such statements or documents would be issued or disseminated to the investing public; and knowingly and substantially participated, or acquiesced in the issuance or dissemination of such statements or documents as primary violations of the securities laws. These defendants by virtue of their receipt of information reflecting the true facts of the Company, their control over, and/or receipt and/or modification of the Company's allegedly materially misleading statements, and/or their associations with the Company which made them privy to confidential proprietary information concerning the Company, participated in the fraudulent scheme alleged herein.

81. Individual Defendants, who are or were senior executives and/or directors of the Company, had actual knowledge of the material omissions and/or the falsity of the material statements set forth above, and intended to deceive Plaintiff and the other members of the Class, or, in the alternative, acted with reckless disregard for the truth when they failed to ascertain and disclose the true facts in the statements made by them or other Company's personnel to members of the investing public, including Plaintiff and the Class.

82. As a result of the foregoing, the market price of the Company's securities was artificially inflated during the Class Period. In ignorance of the falsity of Defendants' statements, Plaintiff and the other members of the Class relied on the statements described above and/or the integrity of the market price of the Company's securities during the Class Period in purchasing the Company's securities at prices that were artificially inflated as a result of Defendants' false and misleading statements.

83. Had Plaintiff and the other members of the Class been aware that the market price of the Company's securities had been artificially and falsely inflated by Defendants' misleading statements and by the material adverse information which Defendants did not disclose, they would not have purchased the Company's securities at the artificially inflated prices that they did, or at all.

84. As a result of the wrongful conduct alleged herein, Plaintiff and other members of the Class have suffered damages in an amount to be established at trial.

85. By reason of the foregoing, Defendants have violated Section 10(b) of the 1934 Act and Rule 10b-5 promulgated thereunder and are liable to the plaintiff and the other members of the Class for substantial damages which they suffered in connection with their purchase of the Company's securities during the Class Period.

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

86. Plaintiff repeats and realleges each and every allegation contained in the foregoing paragraphs as if fully set forth herein.

87. During the Class Period, the Individual Defendants participated in the operation and management of the Company, and conducted and participated, directly and indirectly, in the conduct of the Company's business affairs. Because of their senior positions, they knew the adverse non-public information about the Company's business practices

88. As officers of a public business, the Individual Defendants had a duty to disseminate accurate and truthful information with respect to the Company's financial condition and results of operations, and to correct promptly any public statements issued by the Company which had become materially false or misleading.

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

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

PRAYER FOR RELIEF

WHEREFORE, plaintiff, on behalf of himself and the Class, prays for judgment and relief as follows:

(a) declaring this action to be a proper class action, designating plaintiff as Lead Plaintiff and certifying plaintiff as a class representative under Rule 23 of the Federal Rules of Civil Procedure and designating plaintiff's counsel as Lead Counsel;

(b) awarding damages in favor of plaintiff and the other Class members against all defendants, jointly and severally, together with interest thereon;

(c) awarding plaintiff and the Class reasonable costs and expenses incurred in this action, including counsel fees and expert fees; and

(d) awarding plaintiff and other members of the Class such other and further relief as the Court may deem just and proper.

JURY TRIAL DEMANDED

Plaintiff hereby demands a trial by jury.

Dated:

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