UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF TEXAS
AUSTIN DIVISION

KEVIN BRADLEY, Individually and on Behalf of All Others Similarly Situated, Plaintiff, v. OPEN LENDING CORPORATION, CHARLES D. JEHL, KEITH A. JEZEK, and JOHN J. FLYNN, Defendants.	Case No. 1:25-cv-00650 **DEMAND FOR JURY TRIAL**

CLASS ACTION COMPLAINT FOR VIOLATIONS OF THE FEDERAL SECURITIES LAWS

Plaintiff Kevin Bradley ("Plaintiff"), individually and on behalf of all others similarly situated, by and through his attorneys, alleges the following upon information and belief, except as to those allegations concerning Plaintiff, which are alleged upon personal knowledge. Plaintiff's information and belief is based upon, among other things, his counsel's investigation, which includes without limitation: (a) review and analysis of regulatory filings made by Open Lending Corporation ("Open Lending" or the "Company") with the United States ("U.S.") Securities and Exchange Commission ("SEC"); (b) review and analysis of press releases and media reports issued by and disseminated by Open Lending; and (c) review of other publicly available information concerning Open Lending.

NATURE OF THE ACTION AND OVERVIEW

1. This is a class action on behalf of persons and entities that purchased or otherwise acquired Open Lending securities between February 24, 2022 and March 31, 2025, inclusive (the "Class Period"). Plaintiff pursues claims against the Defendants under the Securities Exchange Act of 1934 (the "Exchange Act").

2. Open Lending is a provider of loan services to automotive lenders. The Company specializes in loan analytics, risk-based pricing, and risk modeling and targets the financing needs of near-prime and non-prime borrowers. The Company's flagship product, the Lenders Protection Platform, is a cloud-based automotive lending enablement platform, designed to underwrite default insurance by linking automotive lenders to the Company's insurance partners. The platform purports to use risk-based pricing models which enable automotive lenders to assess the credit risk of a potential borrower using data-driven analysis powered by the Company's proprietary data and real-time underwriting of automotive loan default insurance coverage from insurers. The Company's revenue is comprised of program fees paid by automotive lenders for the use of its platform to underwrite loans, profit-sharing with the Company's insurance partners which provide

default insurance to automotive lenders, and fees paid by insurance partners for claims administration services.

3. On March 17, 2025, before the market opened, Open Lending disclosed that it would be unable to timely file its Annual Report for 2024 as it "require[d] additional time to finalize its accounting and review processes specifically ***related to its profit share revenue and related contract assets***."

4. On this news, the Company's share price fell $0.40, or 9.28%, to close at $3.91 per share on March 17, 2025, on unusually heavy trading volume. The stock continued to fall the following trading day, declining $0.42, or 10.87%, to close at $3.49 on March 18, 2025, on unusually heavy trading volume.

5. Then, on March 31, 2025, after the market closed, Open Lending released its fourth quarter and full year 2024 financial results, revealing quarterly revenue of negative $56.9 million due in part to "***a $81.3 million reduction in estimated profit share revenues related to business in historic vintages***" … "primarily due to heightened delinquencies and corresponding defaults associated with loans originated in 2021 through 2024." The Company identified "three factors primarily contributed to this reduction of estimated profit share." First, a "deterioration of the Company's 2021 and 2022 vintages" resulting in loans which were "worth significantly less than their corresponding outstanding loan balances." This factor accounted for "approximately 40% of the Company's total negative change." Second, the Company "identified two cohorts of borrowers, borrowers with credit builder tradelines and borrowers with fewer positive tradelines, that caused its 2023 and 2024 vintages to underperform." This factor "accounted for approximately 40% of the Company's total negative change." Third, the Company revealed "continued elevated delinquencies and ultimate defaults" which "accounted for approximately 20% of the Company's

total negative change." Additionally, the Company disclosed a net loss of $144 million, due to the Company being "negatively impacted by the recording of a valuation allowance on [its] deferred tax assets of $86.1 million, which increased [its] income tax expense during the period."

6. In a separate press release, the Company also announced that it had appointed a new Chief Executive Officer and a new Chief Operating Officer, effective immediately, both of whom would be replacing Charles D. Jehl, who had been operating as the Company's Chief Executive Officer, Chief Operating Officer and Chief Financial Officer simultaneously.

7. On this news, the Company's share price fell $1.59 or 57.61%, to close at $1.17 per share on April 1, 2025, on unusually heavy trading volume.

8. Throughout the Class Period, Defendants made materially false and/or misleading statements, as well as failed to disclose material adverse facts about the Company's business, operations, and prospects. Specifically, Defendants: (1) misrepresented the capabilities of the Company's risk-based pricing models; (2) issued materially misleading statements regarding the Company's profit share revenue; (3) failed to disclose the Company's 2021 and 2022 vintage loans had become worth significantly less than their corresponding outstanding loan balances; and (4) misrepresented the underperformance of the Company's 2023 and 2024 vintage loans. As a result of the foregoing, Defendants' positive statements about the Company's business, operations, and prospects were materially misleading and/or lacked a reasonable basis.

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

JURISDICTION AND VENUE

10. The claims asserted herein arise under 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).

11. 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).

12. Venue is proper in the Austin Division of the Western District of Texas pursuant to 28 U.S.C. § 1391(b) and Section 27 of the Exchange Act (15 U.S.C. § 78aa(c)). Substantial acts in furtherance of the alleged fraud or the effects of the fraud have occurred in this Judicial District. Many of the acts charged herein, including the dissemination of materially false and/or misleading information, occurred in substantial part in this Judicial District. In addition, the Company's principal executive offices are located in the Austin Division of the Western District of Texas.

13. In connection with the acts, transactions, and conduct alleged herein, Defendants directly and indirectly used the means and instrumentalities of interstate commerce, including the United States mail, interstate telephone communications, and the facilities of a national securities exchange.

PARTIES

14. Plaintiff Kevin Bradley, as set forth in the accompanying certification, incorporated by reference herein, purchased Open Lending securities during the Class Period, and suffered damages as a result of the federal securities law violations and false and/or misleading statements and/or material omissions alleged herein.

15. Defendant Open Lending is incorporated under the laws of Delaware with its principal executive offices located at 1501 MoPac Expressway, Suite 450, Austin, Texas 78746. Open Lending's common shares trade on the NASDAQ exchange under the symbol "LPRO."

16. Defendant Charles D. Jehl ("Jehl") was the Company's Chief Financial Officer ("CFO"), at all relevant times and also served as the Company's Chief Executive Officer ("CEO") and Chief Operating Officer from March 22, 2024 until March 31, 2025.

17. Defendant Keith A. Jezek ("Jezek") was the Company's Chief Executive Officer ("CEO") from October 6, 2022 until March 22, 2024.

18. Defendant John J. Flynn ("Flynn") was the Company's CEO from April, 2000 until October 6, 2022.

19. Defendants Jehl, Jezek, and Flynn (together, the "Individual Defendants"), because of their positions with the Company, possessed the power and authority to control the contents of the Company's reports to the SEC, press releases and presentations to securities analysts, money and portfolio managers and institutional investors, i.e., the market. The Individual Defendants were provided with copies of the Company's reports and press releases alleged herein to be misleading prior to, or shortly after, their issuance and had the ability and opportunity to prevent their issuance or cause them to be corrected. Because of their positions and access to material non-public information available to them, the Individual Defendants knew that the adverse facts specified herein had not been disclosed to, and were being concealed from, the public, and that the positive representations which were being made were then materially false and/or misleading. The Individual Defendants are liable for the false statements pleaded herein.

SUBSTANTIVE ALLEGATIONS

Background

20. Open Lending is a provider of loan services to automotive lenders. The Company specializes in loan analytics, risk-based pricing, and risk modeling and targets the financing needs of near-prime and non-prime borrowers. The Company's flagship product, the Lenders Protection Platform, is a cloud-based automotive lending enablement platform, designed to underwrite default

insurance by linking automotive lenders to the Company's insurance partners. The platform purports to use risk-based pricing models which enable automotive lenders to assess the credit risk of a potential borrower using data-driven analysis powered by the Company's proprietary data and real-time underwriting of automotive loan default insurance coverage from insurers. The Company's revenue is comprised of program fees paid by automotive lenders for the use of its platform to underwrite loans, profit-sharing with the Company's insurance partners which provide default insurance to automotive lenders, and fees paid by insurance partners for claims administration services.

Materially False and Misleading

<u>Statements Issued During the Class Period</u>

21. The Class Period begins on February 24, 2022.[1] On that day, Open Lending issued a press release announcing its financial results for the fiscal quarter ended December 31, 2021 and provided supplemental financial information. The press release and supplemental financial information were filed with the SEC attached as exhibits 99.1 and 99.2, respectively, on a Form 8-K. The press release and supplemental financial information purported to provide the Company's financial results and assure investors that changes in contract assets were driven by realized portfolio performance as opposed to changes in prospective estimates. Specifically, the press release and supplemental financial information stated as follows, in relevant part:

> **Three Months Ended December 31, 2021 Highlights**
>
> •The Company facilitated 42,639 certified loans during the fourth quarter of 2021, compared to 26,822 certified loans in the fourth quarter of 2020
>
> •***Total revenue was $51.6 million,*** compared to $39.6 million in the fourth quarter of 2020

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[1] Unless otherwise stated, all emphasis in bold and italics hereinafter is added, and all footnotes are omitted.

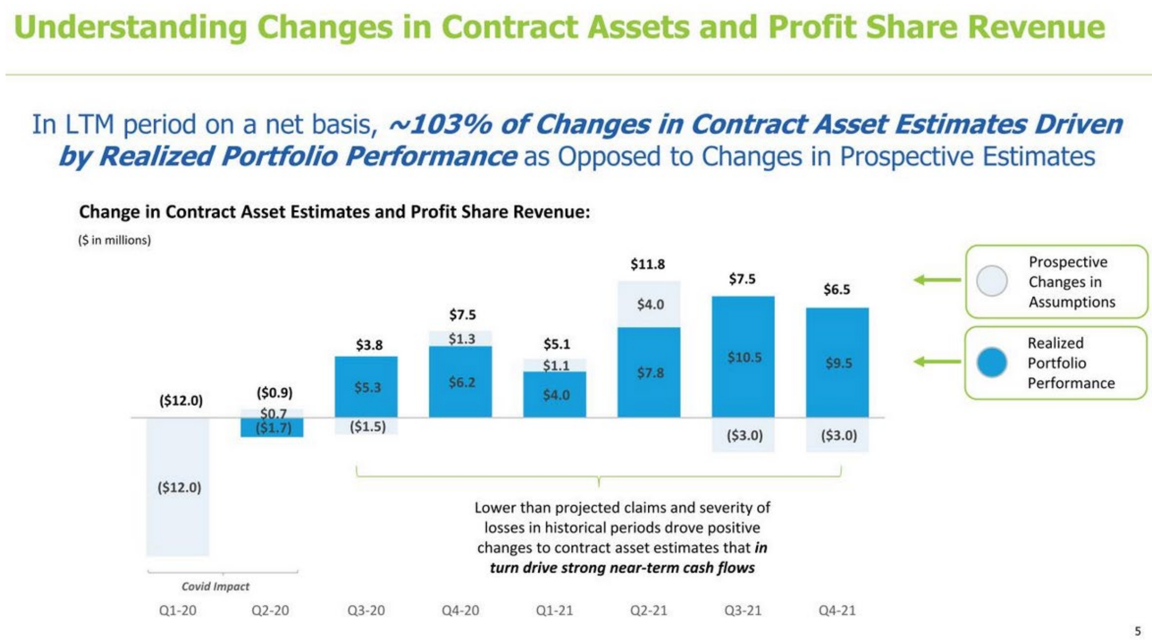
*   *   *

Twelve Months Ended December 31, 2021 Highlights

•The Company facilitated 171,697 certified loans, compared to 94,226 certified loans in 2020

•***Total revenue was $215.7 million***, compared to $108.9 million in 2020

*   *   *



22. On February 28, 2022, the Company submitted its annual report for the fiscal year ended December 31, 2021 on a Form 10-K filed with the SEC (the "FY21 10-K"). The FY21 10-K affirmed the previously reported financial results. The FY21 10-K reported the Company's revenue, including profit share revenue as well as its anticipated profit share on historical business, as follows in relevant part:

Revenue

	Year Ended December 31,	
	2021	2020
	($ in thousands)	
Profit share		
New certified loan originations	$ 102,324	$ 62,032
Change in estimated future revenues	30,891	(1,640)
Total profit share	**133,215**	**60,392**
Program fees	**75,630**	**43,995**
Claims administration and other service fees	**6,810**	**4,505**
Total revenue	**$ 215,655**	**$ 108,892**

Total revenue increased by $106.8 million, or 98%, for the year ended December 31, 2021 as compared to the year ended December 31, 2020, driven by an increase in anticipated profit share, program fees and claims administration and other service fee revenues on new originations and the change in estimated future revenues on historical vintages. As the loan default rate, default severity and prepayment rate continued to improve during the year ended December 31, 2021, our anticipated profit share on historical business increased.

Profit share revenue increased by $72.8 million, or 121%, for the year ended December 31, 2021 as compared to the year ended December 31, 2020. ***During 2021, we recorded $102.3 million in anticipated profit share,*** associated with 171,697 new certified loans, for an average of $596 per new certified loan, as compared to $62.0 million in anticipated profit share, associated with 94,226 new certified loans, for an average of $658 per new certified loan during the year ended December 31, 2020. ***In addition, during 2021, we recorded $30.9 million in estimated future profit share on business written in historic periods,*** as compared to a decrease of $1.6 million in estimated future profit share on historical vintages, during 2020.

23. The FY21 10-K reported the Company's purported profit share revenue recognition procedure as follows in relevant part:

Profit Share Revenue Recognition

We recognize revenue in accordance with Financial Accounting Standards Board, Accounting Standards Codification Topic 606, Revenue from Contracts with Customers. Application of ASC 606 requires us to make judgments and estimates related to the classification, measurement and recognition of revenue. Our revenue primarily consists of profit share, program fees derived from contracts with lending institutions and claims administration service fees from contracts with insurance carriers, and is recognized when the contractual performance obligation is satisfied.

The primary judgment relating to the recognition of revenue is the estimation of our profit share with our insurance partners, which relies on market rate assumptions and our proprietary database, which has been accumulated over the last 20 years. To determine the profit share revenue, we use forecasts of loan-level earned premium and insurance claim payments. These forecasts are driven by the projection of loan defaults, prepayments and severity rates. These assumptions are based on our observations of the historical behavior for loans with similar risk characteristics. The assumptions also take consideration of forecast adjustments under various macroeconomic conditions and the current mix of the underlying portfolio of our insurance partners. To the extent these assumptions change, our profit share revenue will be adjusted.

For profit share revenue recognition purposes, particularly to measure the profit share variable consideration, ***we update our forecast of loan default and prepayment assumptions on a quarterly basis.*** The loan default rate also incorporates multiple macro-economic scenarios with conservatism embedded in a stressed scenario to ensure a representation of an economic recession.

We back-test the major estimate assumptions to ensure the accuracy of the revenue recognition model. We also benchmark back-testing results of our forecasted default rates against those reported by auto lenders. We update our profit-share forecasting model on an annual basis, resulting in a forecasted prepayment rate consistent with actual prepayment rates.

24. The FY21 10-K further touted the Company's purported risk-based pricing model, as follows, in relevant part:

Our Key Product

LPP, our flagship product, is an automotive lending program designed to underwrite default insurance on loans made to near-prime and non-prime borrowers. The program uses risk-based pricing models and links automotive lenders and insurance companies. LPP enables lenders to assess the credit risk of a potential borrower within five seconds using data driven analysis, enabling the lender to generate an all-inclusive interest rate for a loan for the borrower.

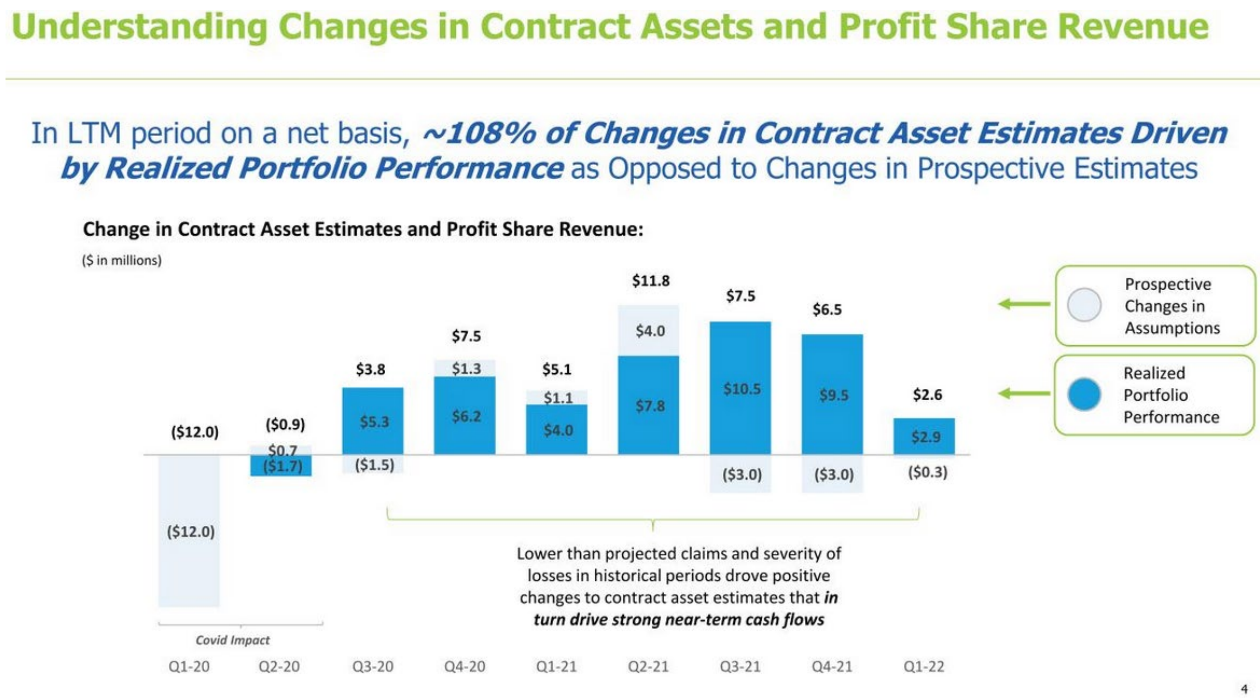
Our interest rate pricing is customized to each automotive lender, reflecting the cost of capital, loan servicing costs, loan acquisition costs, expected recovery rates and target return on assets. Using our risk models, we project monthly loan performance results, including expected losses and prepayments for automotive lenders that use LPP. The product of this process is a risk-based interest rate, inclusive of elements to recover all projected costs, program fees and insurance premiums, given the risk of the loan, to return a targeted return on asset goal.

LPP is powered by technology that delivers speed, scalability and decision-making support for automotive lenders. It supports the full transaction lifecycle, including

> credit application, underwriting, real-time insurance approval, settlement, servicing, invoicing of insurance premiums and fees and advance data analytics of automotive lender's portfolio under the program. Through electronic system integration, our software technology connects us to all parties in our ecosystem.
>
> A key element of our product is the unique database that drives risk decisioning using data accumulated over the last 20 years. At origination when a loan is insured, all attributes of the transaction are stored in our database. Through the claims management process, we ultimately get loan life performance data on each insured loan. Having granular origination and performance data allows our data scientists and actuaries to constantly evolve and refine risk models, based on actual experience and third-party information sources.
>
> LPP risk models use a score in assessing and pricing risk on automotive loan applications. ***This score combines credit bureau data and Fair Credit Reporting Act ("FCRA") compliant alternative consumer data to more effectively assess risk and determine the appropriate insurance premium for any given loan application.***

25. On May 5, 2022, Open Lending issued a press release announcing its financial results for the fiscal quarter ended March 31, 2022 and provided supplemental financial information. The press release and supplemental financial information were filed with the SEC attached as exhibits 99.1 and 99.2, respectively, on a Form 8-K. The press release and supplemental financial information purported to provide the Company's financial results and assure investors that changes in contract assets were driven by realized portfolio performance as opposed to changes in prospective estimates. Specifically the press release and supplemental financial information stated as follows, in relevant part:

> **Three Months Ended March 31, 2022 Highlights**
>
> •The Company facilitated 43,944 certified loans during the first quarter of 2022, compared to 33,318 certified loans in the first quarter of 2021
>
> •Total revenue was $50.1 million during the first quarter of 2022, compared to $44.0 million in the first quarter of 2021
>
> * * *



26. On May 6, 2022, the Company submitted its quarterly report for the period ended March 31, 2022 on a Form 10-Q filed with the SEC, affirming the previously reported financial results. The filing reported the Company's purported profit share revenue and estimated profit share on historic business, as follows in relevant part:

Revenue

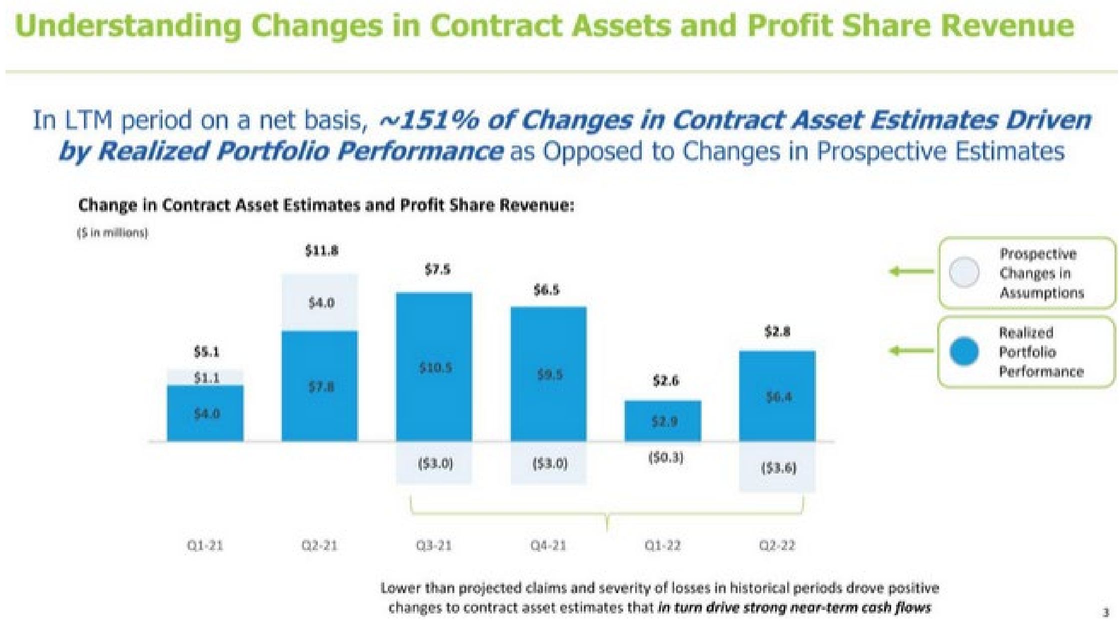
	Three Months Ended March 31,	
	2022	2021
	(in thousands)	
Profit share		
New certified loan originations	$ 25,669	$ 22,656
Change in estimated future revenues	2,641	5,074
Total profit share	**28,310**	**27,730**
Program fees	**19,726**	**14,911**
Claims administration and other service fees	**2,032**	**1,367**
Total revenue	**$ 50,068**	**$ 44,008**

Total revenue increased by $6.1 million, or 14%, for the three months ended March 31, 2022, as compared to the same period in 2021, driven by an increase in anticipated profit share, program fees and claims administration and other service fee revenues on new originations and the change in estimated future

> ***revenues on historical vintages.*** As the loan default rate and severity of losses continued to be lower than anticipated during the three months ended March 31, 2022, our estimated profit share on historic business increased.
>
> ***Profit share revenue increased by $0.6 million, or 2%, during the three months ended March 31, 2022, as compared to the same period in 2021. During the three months ended March 31, 2022, we recorded $25.7 million in anticipated profit share associated with 43,944 new certified loans for an average of $584 per loan*** as compared to $22.7 million in anticipated profit share associated with 33,318 certified loans for an average of $680 per loan during the three months ended March 31, 2021. In addition, during the three months ended March 31, 2022 we recorded $2.6 million in estimated future profit share on business in historic vintages, as compared to $5.1 million in estimated future profit share on historic vintages during the three months ended March 31, 2021.

27. On August 4, 2022, Open Lending issued a press release announcing its financial results for the fiscal quarter ended June 30, 2022 and provided supplemental financial information. The press release and supplemental financial information were filed with the SEC attached as exhibits 99.1 and 99.2, respectively, on a Form 8-K. The press release and supplemental financial information purported to provide the Company's financial results and assure investors that changes in contract assets were driven by realized portfolio performance as opposed to changes in prospective estimates. Specifically the press release and supplemental financial information stated as follows, in relevant part:

> **Three Months Ended June 30, 2022 Highlights**
>
> •The Company facilitated 44,531 certified loans during the second quarter of 2022, compared to 46,408 certified loans in the second quarter of 2021
>
> •Total revenue was $52.0 million during the second quarter of 2022, compared to $61.1 million in the second quarter of 2021
>
> * * *



28. On August 5, 2022, the Company submitted its quarterly report for the period ended June 30, 2022 on a Form 10-Q filed with the SEC, affirming the previously reported financial results. The filing reported the Company's purported profit share revenue and estimated profit share on historic business, as follows in relevant part:

Revenue

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
	(in thousands)			
Profit share				
New certified loan originations	$ 26,333	$ 27,017	$ 52,002	$ 49,673
Change in estimated future revenues	2,824	11,825	5,465	16,899
Total profit share	**29,157**	**38,842**	**57,467**	**66,572**
Program fees	**20,731**	**20,597**	**40,457**	**35,508**
Claims administration and other service fees	**2,156**	**1,686**	**4,188**	**3,053**
Total revenue	**$ 52,044**	**$ 61,125**	**$ 102,112**	**$ 105,133**

* * *

During the three months ended June 30, 2022, we recorded $26.3 million in anticipated profit share associated with 44,531 certified loans for an average of $591 per loan as compared to $27.0 million in anticipated profit share associated

> with 46,408 certified loans for an average of $582 per loan during the three months ended June 30, 2021. ***During the six months ended June 30, 2022, we recorded $52.0 million in anticipated profit share associated with 88,475 certified loans for an average of $588 per loan*** as compared to $49.7 million in anticipated profit share associated with 79,726 certified loans for an average of $623 per loan during the six months ended June 30, 2021.
>
> In addition, during the three and six months ended June 30, 2022, ***we recorded $2.8 million and $5.5 million, respectively, in estimated future revenue on business in historic vintages as a result of lower than anticipated claims and severity of losses***, as compared to $11.8 million and $16.9 million in estimated future revenue on business in historic vintages during the three and six months ended June 30, 2021, respectively.

29. On November 3, 2022, Open Lending issued a press release announcing its financial results for the fiscal quarter ended September 30, 2022 and provided supplemental financial information. The press release and supplemental financial information were filed with the SEC attached as exhibits 99.1 and 99.2, respectively, on a Form 8-K. The press release and supplemental financial information purported to provide the Company's financial results and assure investors that changes in contract assets were driven by realized portfolio performance as opposed to changes in prospective estimates. Specifically the press release and supplemental financial information stated as follows, in relevant part:

> **Three Months Ended September 30, 2022 Highlights**
>
> •The Company facilitated 42,186 certified loans during the third quarter of 2022, compared to 49,332 certified loans in the third quarter of 2021
>
> •Total revenue was $50.7 million during the third quarter of 2022, compared to $58.9 million in the third quarter of 2021

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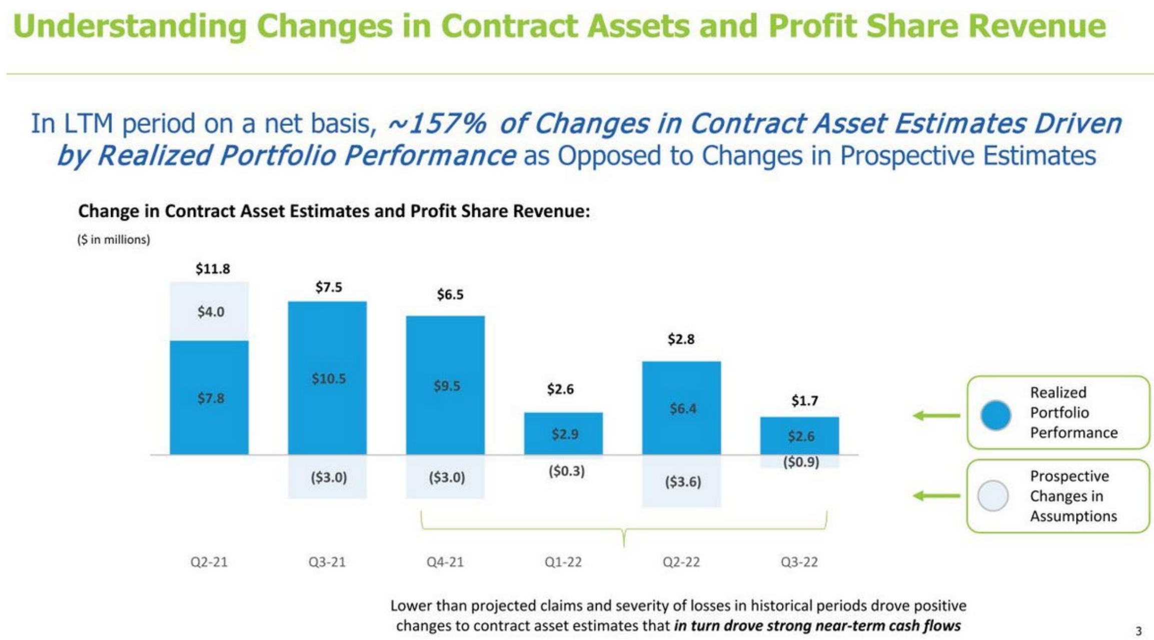

30. On November 4, 2022, the Company submitted its quarterly report for the period ended September 30, 2022 on a Form 10-Q filed with the SEC, affirming the previously reported financial results. The filing reported the Company's purported profit share revenue and estimated profit share on historic business, as follows in relevant part:

Revenue

	Three Months Ended September 30, 2022	Three Months Ended September 30, 2021	Nine Months Ended September 30, 2022	Nine Months Ended September 30, 2021
	(in thousands)			
Profit share				
New certified loan originations	$ 24,853	$ 27,932	$ 76,855	$ 77,605
Change in estimated future revenues	1,670	7,515	7,135	24,414
Total profit share	**26,523**	**35,447**	**83,990**	**102,019**
Program fees	**21,845**	**21,638**	**62,302**	**57,146**
Claims administration and other service fees	**2,293**	**1,807**	**6,481**	**4,860**
Total revenue	**$ 50,661**	**$ 58,892**	**$ 152,773**	**$ 164,025**

* * *

During the three months ended September 30, 2022, we recorded $24.9 million in anticipated profit share associated with 42,186 certified loans for an average of $589 per loan as compared to $27.9 million in anticipated profit share associated with 49,332 certified loans for an average of $566 per loan during the three months ended September 30, 2021. ***During the nine months ended September 30, 2022, we recorded $76.9 million in anticipated profit share associated with 130,661 certified loans for an average of $588 per loan*** as compared to $77.6 million in anticipated profit share associated with 129,058 certified loans for an average of $601 per loan during the nine months ended September 30, 2021.

In addition, during the three and nine months ended September 30, 2022, we recorded $1.7 million and $7.1 million, respectively, in estimated future revenue related to business in historic vintages primarily as a result of lower severity of losses, as compared to $7.5 million and $24.4 million in estimated future revenue related to business in historic vintages during the three and nine months ended September 30, 2021, respectively.

31. On February 23, 2023, Open Lending issued a press release announcing its financial results for the fiscal quarter and full year ended December 31, 2022 and provided supplemental financial information. The press release and supplemental financial information were filed with the SEC attached as exhibits 99.1 and 99.2, respectively, on a Form 8-K. The press release and supplemental financial information purported to provide the Company's financial results and assure investors that changes in contract assets were driven by realized portfolio performance as opposed to changes in prospective estimates. Specifically the press release and supplemental financial information stated as follows, in relevant part:

Three Months Ended December 31, 2022 Highlights

•The Company facilitated 34,550 certified loans during the fourth quarter of 2022, compared to 42,639 certified loans in the fourth quarter of 2021.

•Total revenue was $26.8 million during the fourth quarter of 2022, compared to $51.6 million in the fourth quarter of 2021. The fourth quarter of 2022 was impacted by a $12.8 million reduction in estimated future revenues related to business in historic vintages.

•Gross profit was $21.9 million during the fourth quarter of 2022, compared to $46.9 million in the fourth quarter of 2021.

•Net loss was $4.2 million during the fourth quarter of 2022, compared to net income of $27.8 million in the fourth quarter of 2021.

•Adjusted EBITDA was $8.5 million during the fourth quarter of 2022, compared to $36.6 million in the fourth quarter of 2021.

Twelve Months Ended December 31, 2022 Highlights

•The Company facilitated 165,211 certified loans during the year ended December 31, 2022, compared to 171,697 certified loans in the prior year.

•Total revenue was $179.6 million during the year ended December 31, 2022, compared to $215.7 million in the prior year.

•Gross profit was $159.6 million during the year ended December 31, 2022, compared to $197.0 million in the prior year.

•Net income was $66.6 million during the year ended December 31, 2022, compared to $146.1 million in the prior year.

•Adjusted EBITDA was $105.7 million during the year ended December 31, 2022, compared to $155.0 million in the prior year.

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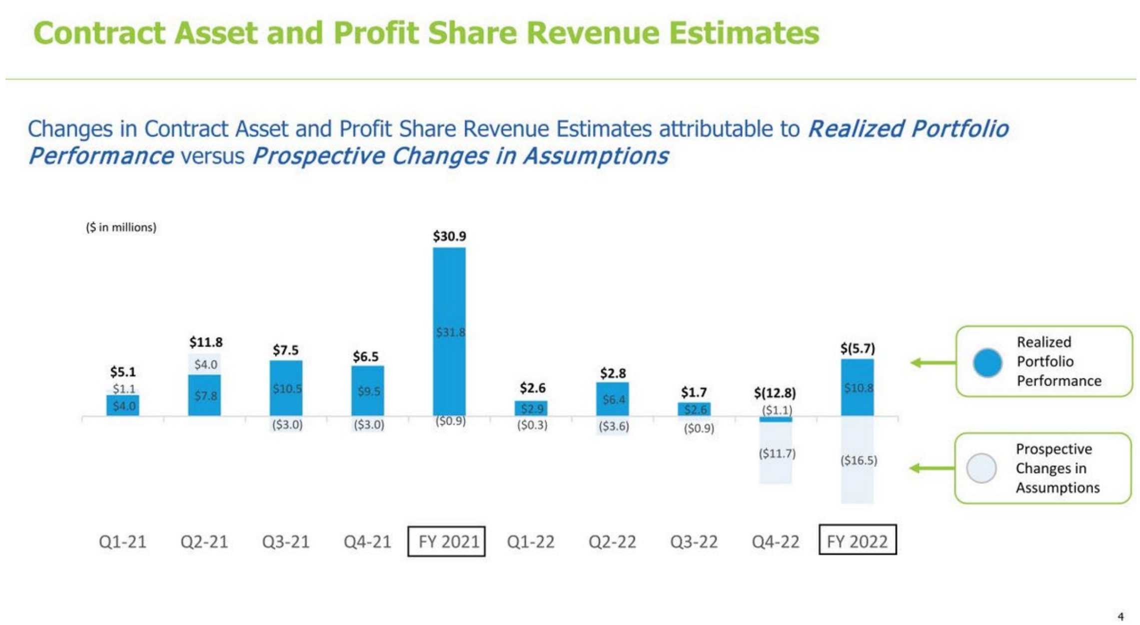

32. On February 28, 2023, the Company submitted its quarterly report for the fiscal quarter and full year ended December 31, 2022 on a Form 10-K filed with the SEC (the "FY22 10-K"). The FY22 10-K affirmed the previously reported financial results. The FY22 10-K further

reported the Company's purported profit share revenue and estimated profit share on historic business, as follows in relevant part:

Revenue

	Year Ended December 31,			
	2022		2021	
	($ in thousands)			
Profit share				
New certified loan originations	$	95,733	$	102,324
Change in estimated future revenues		(5,677)		30,891
Total profit share		**90,056**		**133,215**
Program fees		**80,611**		**75,630**
Claims administration and other service fees		**8,927**		**6,810**
Total revenue	**$**	**179,594**	**$**	**215,655**

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During the year ended December 31, 2022, we recorded $95.7 million in anticipated profit share associated with 165,211 certified loans for an average of $579 per loan, as compared to $102.3 million in anticipated profit share associated with 171,697 certified loans for an average of $596 per loan during the year ended December 31, 2021.

In addition, during the year ended December 31, 2022, we recorded a $5.7 million reduction in estimated future profit share revenues related to business in historic vintages primarily as a result of higher than anticipated prepayment rates, partially offset by lower loan default rates and severity of losses. During the year ended December 31, 2021, we recorded a $30.9 million increase in estimated future profit share revenues on certified loans originated in historic vintages primarily due to lower than anticipated prepayment rates, loan default rates and severity of losses.

33. The FY22 10-K further reported the Company's purported profit share revenue recognition procedure as follows in relevant part:

Profit Share Revenue Recognition

We recognize revenue in accordance with the Financial Accounting Standards Board's Accounting Standards Codification ("ASC") Topic 606, *Revenue from Contracts with Customers* ("ASC 606"). Application of ASC 606 requires us to make judgments and estimates related to the classification, measurement and recognition of revenue. Our revenue primarily consists of profit share, program fees derived from contracts with lending institutions and claims administration service fees from contracts with insurance carriers and is recognized when the contractual performance obligation is satisfied.

The primary judgment relating to the recognition of revenue is the estimation of our profit share with our insurance partners. ***On a quarterly basis, we use a forecast model to project loan-level earned premiums and insurance claim payments. Our forecasts are driven by our projections of prepayment rate, loan default rate and severity of loss. These forecast assumptions are derived from an analysis of the historical performance of the active loan portfolio, prevailing default and prepayment trends, and macroeconomic projections. To the extent these forecast assumptions change, our profit share revenue will be adjusted.***

We continually assess the default and prepayment assumptions of our core forecast model against reported performance and lender delinquency data. We make updates to the forecast model to ensure that default and prepayment rate projections align with actual experience.

We evaluate our forecast assumptions for prepayment rate, loan default rate and default severity of loss by performing a sensitivity analysis calculating the impact on profit share revenue of a hypothetical 10% increase and decrease in each assumption.

34. The FY22 10-K touted the Company's purported risk-based pricing model as follows in relevant part:

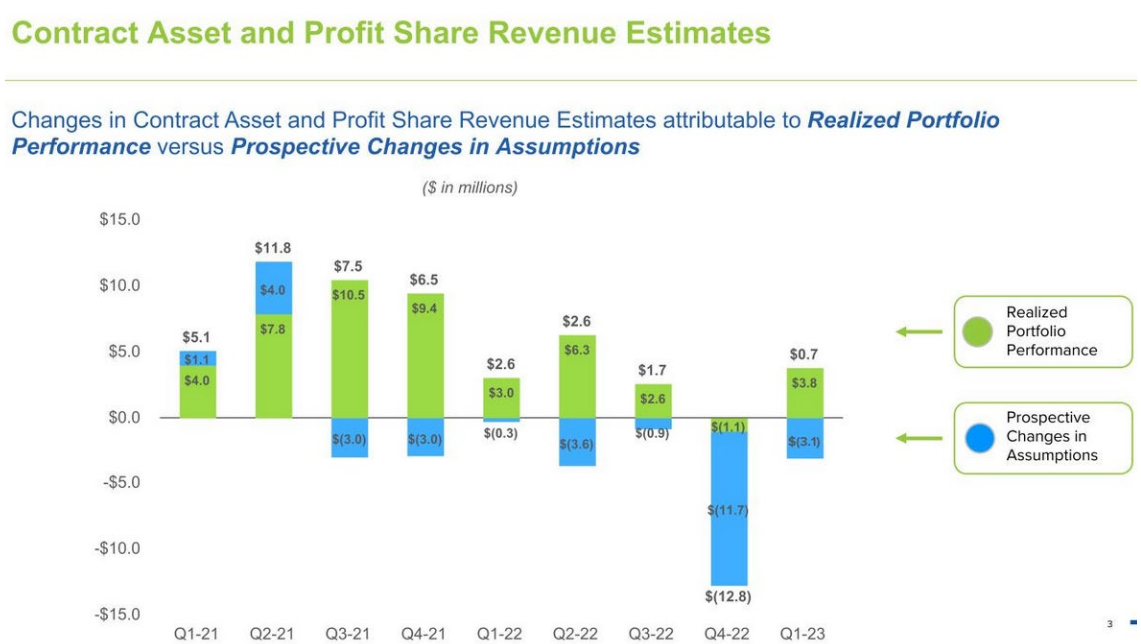
Lenders Protection Platform

Our flagship product, Lenders Protection Platform ("LPP"), is a cloud-based automotive lending platform. LPP supports loans made to near-prime and non-prime borrowers and is designed to underwrite default insurance by linking automotive lenders to insurance companies. The platform uses risk-based pricing models that enable automotive lenders to assess the credit risk of a potential borrower using data driven analysis. Our proprietary risk models project loan performance including expected losses and prepayments in arriving at the optimal rate. With five second decisioning, LPP generates a risk-based, all-inclusive interest rate for a loan that is customized to each automotive lender, reflecting cost of capital, loan servicing and acquisition costs, expected recovery rates and target return on assets. LPP risk models use a proprietary score in assessing and pricing risk on automotive loan applications. This score combines credit bureau data and Fair Credit Reporting Act ("FCRA") compliant alternative consumer data to ***more effectively assess risk and determine the appropriate insurance premium for any given loan application.***

35. On May 9, 2023, Open Lending issued a press release announcing its financial results for the fiscal quarter ended March 31, 2023 and provided supplemental financial information. The press release and supplemental financial information were filed with the SEC attached as exhibits 99.1 and 99.2, respectively, to a Form 8-K. The press release and supplemental financial information purported to provide the Company's financial results and assure investors that changes in contract assets were attributable to realized portfolio performance as opposed to changes in prospective changes in assumptions. Specifically the press release and supplemental financial information stated as follows, in relevant part:

> **Three Months Ended March 31, 2023 Highlights**
>
> •The Company facilitated 32,408 certified loans during the first quarter of 2023, compared to 43,944 certified loans in the first quarter of 2022
>
> •Total revenue was $38.4 million during the first quarter of 2023, compared to $50.1 million in the first quarter of 2022

* * *



36. On May 10, 2023, the Company submitted its quarterly report for the period ended March 31, 2023 on a Form 10-Q filed with the SEC, affirming the previously reported financial

results. The filing reported the Company's purported profit share revenue and estimated profit share on historic business, as follows in relevant part:

Revenue

	Three Months Ended March 31,	
	2023	2022
	(in thousands)	
Profit Share		
New certified loan originations	$ 17,888	$ 25,669
Change in estimated future revenues	714	2,641
Total profit share	**18,602**	**28,310**
Program fees	**17,301**	**19,726**
Claims administration and other service fees	**2,458**	**2,032**
Total revenue	**$ 38,361**	**$ 50,068**

* * *

During the three months ended March 31, 2023, we recorded $17.9 million in anticipated profit share associated with 32,408 new certified loans for an average of $552 per loan as compared to $25.7 million in anticipated profit share associated with 43,944 certified loans for an average of $584 per loan during the three months ended March 31, 2022.

In addition, during the three months ended March 31, 2023 we recorded ***$0.7 million in estimated future profit share related to business in historic vintages primarily due to lower than anticipated severity of losses and prepayment rates,*** partially offset by higher loan defaults. During the three months ended March 31, 2022, we recorded ***$2.6 million in estimated future profit share revenues on certified loans originated in historic vintages primarily due to lower than anticipated loan default rates and severity of losses,*** partially offset by higher prepayment rates.

37. On August 8, 2023, Open Lending issued a press release announcing its financial results for the fiscal quarter ended June 30, 2023 and provided supplemental financial information. The press release and supplemental financial information were filed with the SEC attached as exhibits 99.1 and 99.2, respectively, to a Form 8-K. The press release and supplemental financial information purported to provide the Company's financial results and assure investors that

"changes in contract assets from profit share revenue estimates have stabilized." Specifically the press release and supplemental financial information stated as follows, in relevant part:

Three Months Ended June 30, 2023 Highlights

•The Company facilitated 34,354 certified loans during the second quarter of 2023, compared to 44,531 certified loans in the second quarter of 2022

•Total revenue was $38.2 million during the second quarter of 2023, compared to $52.0 million in the second quarter of 2022

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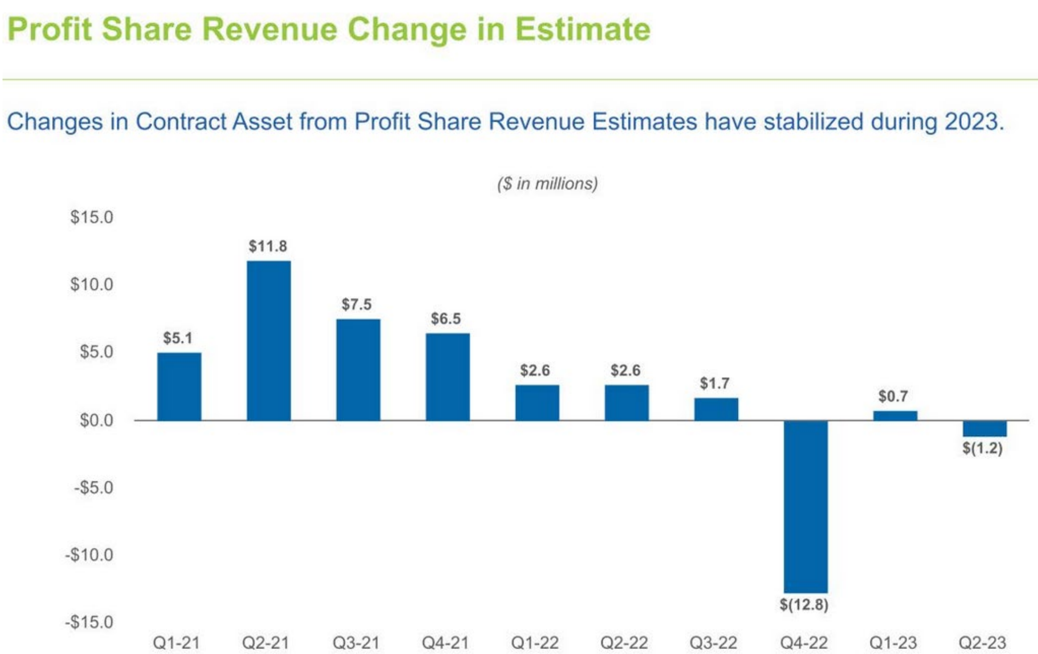


38. On August 9, 2023, the Company submitted its quarterly report for the period ended June 30, 2023 on a Form 10-Q filed with the SEC, affirming the previously reported financial results. The filing reported the Company's purported profit share revenue and estimated profit share on historic business, as follows in relevant part:

Revenue

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
	(in thousands)			
Profit Share				
New certified loan originations	$ 18,983	$ 26,333	$ 36,871	$ 52,002
Change in estimated revenues	(1,174)	2,824	(460)	5,465
Total profit share	**17,809**	**29,157**	**36,411**	**57,467**
Program fees	**17,893**	**20,731**	**35,194**	**40,457**
Claims administration and other service fees	**2,452**	**2,156**	**4,910**	**4,188**
Total revenue	**$ 38,154**	**$ 52,044**	**$ 76,515**	**$ 102,112**

* * *

During the three months ended June 30, 2023, we recorded $19.0 million in anticipated profit share associated with 34,354 new certified loans for an average of $553 per loan as compared to $26.3 million in anticipated profit share associated with 44,531 certified loans for an average of $591 per loan during the three months ended June 30, 2022. In addition, during the three months ended June 30, 2023, we recorded a reduction of $1.2 million in profit share revenue related to business in historic vintages primarily due to higher than anticipated prepayments and loan defaults, partially offset by lower than anticipated severity of losses. ***During the three months ended June 30, 2022, we recorded an increase of $2.8 million in profit share revenue related to business in historic vintages primarily due to lower than anticipated loan defaults and severity of losses***, partially offset by higher prepayment rates.

39. On November 7, 2023, Open Lending issued a press release announcing its financial results for the fiscal quarter ended September 30, 2023. The press release purported to provide the Company's financial results. Specifically the press release stated as follows, in relevant part:

Three Months Ended September 30, 2023 Highlights

•The Company facilitated 29,959 certified loans during the third quarter of 2023, compared to 42,186 certified loans in the third quarter of 2022.

•Total revenue was $26.0 million during the third quarter of 2023, compared to $50.7 million in the third quarter of 2022. The third quarter of 2023 was impacted by an $8.1 million reduction in estimated future profit share revenues related to business in historic vintages as compared to a $1.7 million increase for the third quarter of 2022.

40. On November 8, 2023, the Company submitted its quarterly report for the period ended September 30, 2023 on a Form 10-Q filed with the SEC, affirming the previously reported financial results. The filing reported the Company's purported profit share revenue and estimated profit share on historic business, as follows in relevant part:

Revenue

	Three Months Ended September 30,				Nine Months Ended September 30,			
	2023		2022		2023		2022	
	(in thousands)							
Profit Share								
New certified loan originations	$	16,079	$	24,853	$	52,950	$	76,855
Change in estimated revenues		(8,057)		1,670		(8,517)		7,135
Total profit share		**8,022**		**26,523**		**44,433**		**83,990**
Program fees		**15,416**		**21,845**		**50,610**		**62,302**
Claims administration and other service fees		**2,568**		**2,293**		**7,478**		**6,481**
Total revenue	**$**	**26,006**	**$**	**50,661**	**$**	**102,521**	**$**	**152,773**

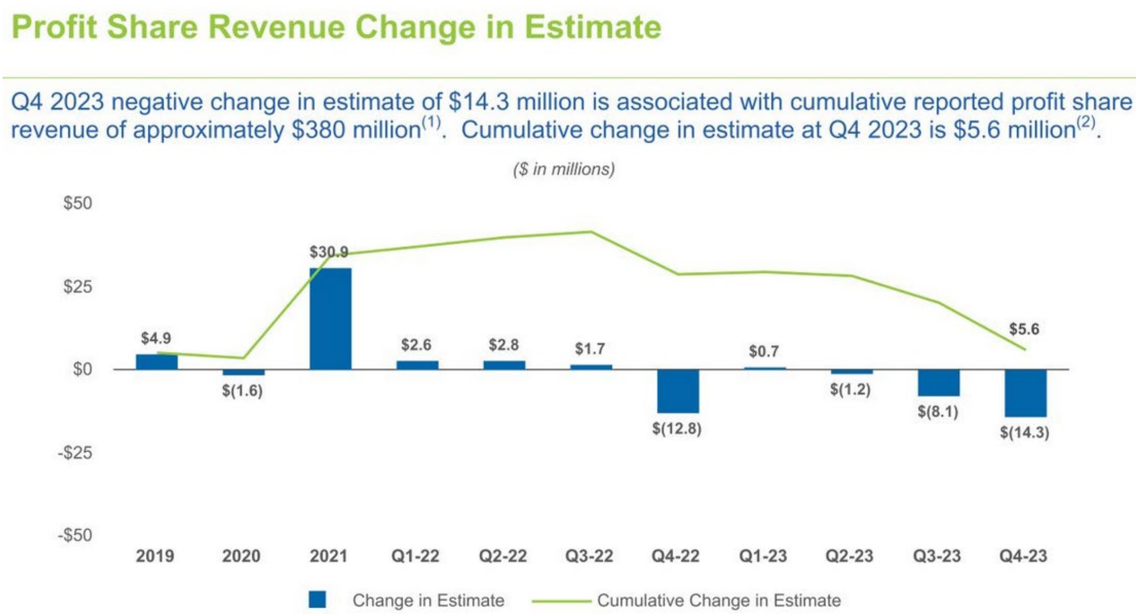
* * *

During the three months ended September 30, 2023, we recorded $16.1 million in anticipated profit share associated with 29,959 new certified loans for an average of $537 per loan as compared to $24.9 million in anticipated profit share associated with 42,186 certified loans for an average of $589 per loan during the three months ended September 30, 2022. In addition, during the three months ended September 30, 2023, we recorded a reduction of $8.1 million in profit share revenue related to business in historic vintages primarily due to higher than anticipated loan defaults, partially offset by lower than anticipated severity of losses and prepayment rates. ***During the three months ended September 30, 2022, we recorded an increase of $1.7 million in profit share revenue related to business in historic vintages primarily due to lower than anticipated severity of losses.***

41. On February 27, 2024, Open Lending issued a press release announcing its financial results for the fiscal quarter and full year ended December 31, 2023 and provided supplemental financial information. The press release and supplemental financial information were filed with the SEC attached as exhibits 99.1 and 99.2, respectively, to a Form 8-K. The press release and supplemental financial information purported to provide the Company's financial results and assure investors that the Company's negative change profit share revenue was merely $14.3

million compared with cumulative reported profit share revenue of approximately $380 million. Specifically the press release and supplemental financial information stated as follows, in relevant part:

> **Three Months Ended December 31, 2023 Highlights**
>
> •The Company facilitated 26,263 certified loans during the fourth quarter of 2023, compared to 34,550 certified loans in the fourth quarter of 2022.
>
> •Total revenue was $14.9 million during the fourth quarter of 2023, compared to $26.8 million in the quarter of 2022. The fourth quarter of 2023 was negatively impacted by a $14.3 million reduction in estimated future profit share revenues related to business in historic vintages as compared to a $12.8 million reduction in the fourth quarter of 2022.
>
> •Gross profit was $9.6 million during the fourth quarter of 2023, compared to $21.9 million in the fourth quarter of 2022.
>
> •Net loss was $4.8 million during the fourth quarter of 2023, compared to a $4.2 million net loss in the fourth quarter of 2022.
>
> •Adjusted EBITDA was $(2.1) million during the fourth quarter of 2023, compared to $8.5 million in the fourth quarter of 2022.
>
> **Twelve Months Ended December 31, 2023 Highlights**
>
> •The Company facilitated 122,984 certified loans during the year ended December 31, 2023, compared to 165,211 certified loans in the prior year.
>
> •Total revenue was $117.5 million during the year ended December 31, 2023, compared to $179.6 million in the prior year. The year ended 2023 was negatively impacted by a $22.8 million reduction in estimated future profit share revenues related to business in historic vintages as compared to a $5.7 million reduction in the prior year.
>
> •Gross profit was $95.2 million during the year ended December 31, 2023, compared to $159.6 million in the prior year.
>
> •Net income was $22.1 million during the year ended December 31, 2023, compared to $66.6 million in the prior year.
>
> •Adjusted EBITDA was $50.2 million during the year ended December 31, 2023, compared to $105.7 million in the prior year.
>
> * * *



42. On February 28, 2024, the Company submitted its annual report for the fiscal year ended December 31, 2023 on a Form 10-K filed with the SEC (the "FY23 10-K"). The FY23 10-K affirmed the previously reported financial results. The FY23 10-K further stated the following regarding the Company's revenue, including profit share revenue as well as its anticipated profit share on historical business, as follows in relevant part:

Revenue

	Year Ended December 31,	
	2023	2022
	($ in thousands)	
Program Fees	$ 64,092	$ 80,611
Profit share		
New certified loan originations	66,113	95,733
Change in estimated revenues	(22,812)	(5,677)
Total profit share	43,301	90,056
Claims administration and other service fees	10,067	8,927
Total revenue	$ 117,460	$ 179,594

* * *

During the year ended December 31, 2023, we recorded $66.1 million in anticipated profit share associated with 122,984 certified loans for an average of

$538 per loan, as compared to $95.7 million in anticipated profit share associated with 165,211 certified loans for an average of $579 per loan during the year ended December 31, 2022.

In addition, during the year ended December 31, 2023, we recorded a reduction of $22.8 million in estimated profit share revenues related to business in historic vintages primarily as a result of higher than anticipated loan default rates and prepayment rates, partially offset by lower than anticipated severity of losses. During the year ended December 31, 2022, we recorded a reduction of $5.7 million in estimated profit share revenues related to business in historic vintages primarily as a result of higher than anticipated prepayment rates, partially offset by lower loan default rates and severity of losses.

43. The FY23 10-K further reported the Company's purported profit share revenue recognition procedure as follows in relevant part:

Profit Share Revenue Recognition

We recognize revenue in accordance with the Financial Accounting Standards Board's Accounting Standards Codification ("ASC") Topic 606, Revenue from Contracts with Customers ("ASC 606"). Application of ASC 606 requires us to make judgments and estimates related to the classification, measurement and recognition of revenue. Our revenue primarily consists of program fees derived from contracts with lending institutions, profit share and claims administration service fees from contracts with insurance carriers and is recognized when the contractual performance obligation is satisfied.

The primary judgment relating to the recognition of revenue is the estimation of our profit share with our insurance partners. ***On a quarterly basis, we use a forecast model to project loan-level earned premiums and insurance claim payments. Our forecasts are driven by our projections of prepayment rate, loan default rate and severity of loss.***

These forecast assumptions are derived from an analysis of the historical performance of the active loan portfolio, prevailing default and prepayment trends, and macroeconomic projections. ***To the extent these forecast assumptions change, our profit share revenue will be adjusted.***

We continually assess the default and prepayment assumptions of our core forecast model against reported performance and lender delinquency data. We make updates to the forecast model to ensure that default and prepayment rate projections align with actual experience.

We evaluate our forecast assumptions for prepayment rate, loan default rate and default severity of loss by performing a sensitivity analysis calculating the impact on profit share revenue of a hypothetical 10% increase and decrease in each assumption.

44. The FY23 10-K touted the Company's purported risk-based pricing model as follows in relevant part:

Lenders Protection Platform

Our flagship product, the Lenders Protection™ platform ("LPP"), is a cloud-based automotive lending platform. LPP supports loans made to near-prime and non-prime borrowers and is designed to underwrite default insurance by linking automotive lenders to insurance companies. The platform uses risk-based pricing models which enable automotive lenders to assess the credit risk of a potential borrower using data driven analysis. ***Our proprietary risk models project loan performance, including expected losses and prepayments, in arriving at the optimal rate***. With five-second decisioning, LPP recommends a risk-based, all-inclusive interest rate for a loan that is customized to each automotive lender, reflecting cost of capital, loan servicing and acquisition costs, expected recovery rates and target return on assets. LPP risk models use a proprietary score in assessing and pricing risk on automotive loan applications. This score combines credit bureau data and Fair Credit Reporting Act ("FCRA")-compliant alternative consumer data to ***more effectively assess risk and determine the appropriate insurance premium for any given loan application.***

45. On May 7, 2024, Open Lending issued a press release announcing its financial results for the fiscal quarter ended March 31, 2024 and provided supplemental financial information. The press release and supplemental financial information were filed with the SEC attached as exhibits 99.1 and 99.2, respectively, to a Form 8-K. The press release and supplemental financial information purported to assure investors the Company's negative change in profit share revenue estimates was merely $1.1 million compared to a cumulative reported profit share revenue of approximately $395 million. Specifically, the press release and supplemental financial information stated as follows, in relevant part:

Three Months Ended March 31, 2024 Highlights

•The Company facilitated 28,189 certified loans during the first quarter of 2024, compared to 32,408 certified loans in the first quarter of 2023.

•Total revenue was $30.7 million during the first quarter of 2024, compared to $38.4 million in the first quarter of 2023. The first quarter of 2024 was negatively impacted by a $1.1 million reduction in estimated future profit share revenues related to business in historic vintages as compared to a $0.7 million increase in the first quarter of 2023.

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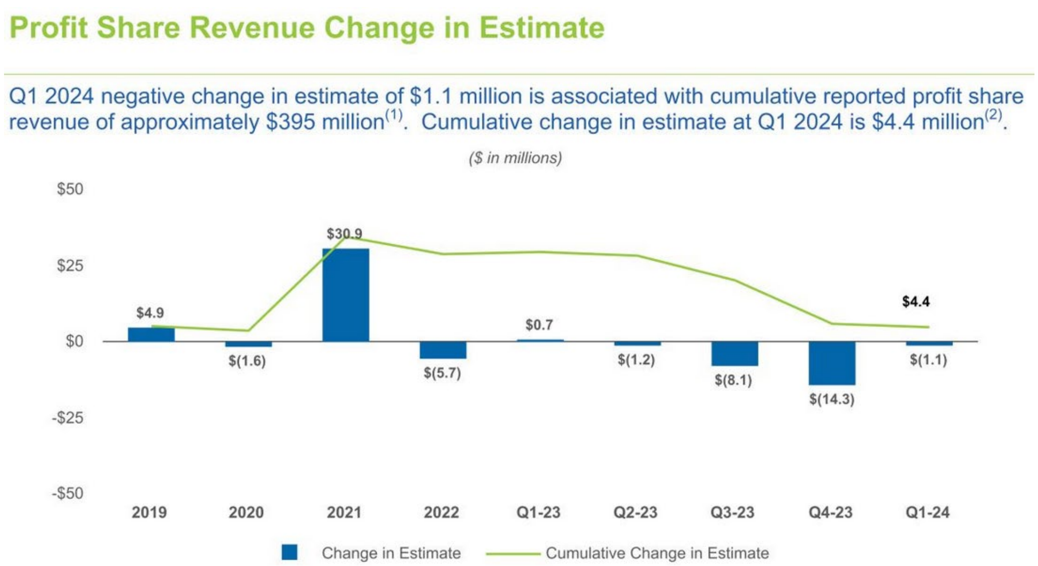


46. On May 8, 2024, , the Company submitted its quarterly report for the period ended March 31, 2024 on a Form 10-Q filed with the SEC, affirming the previously reported financial results. The filing reported the Company's purported profit share revenue and estimated profit share on historic business, as follows in relevant part:

Revenue

	Three Months Ended March 31,	
	2024	2023
	(in thousands)	
Program fees	**$ 14,309**	**$ 17,301**
Profit Share		
New certified loan originations	15,030	17,888
Change in estimated revenues	(1,148)	714
Total profit share	**13,882**	**18,602**
Claims administration and other service fees	**2,554**	**2,458**
Total revenue	**$ 30,745**	**$ 38,361**

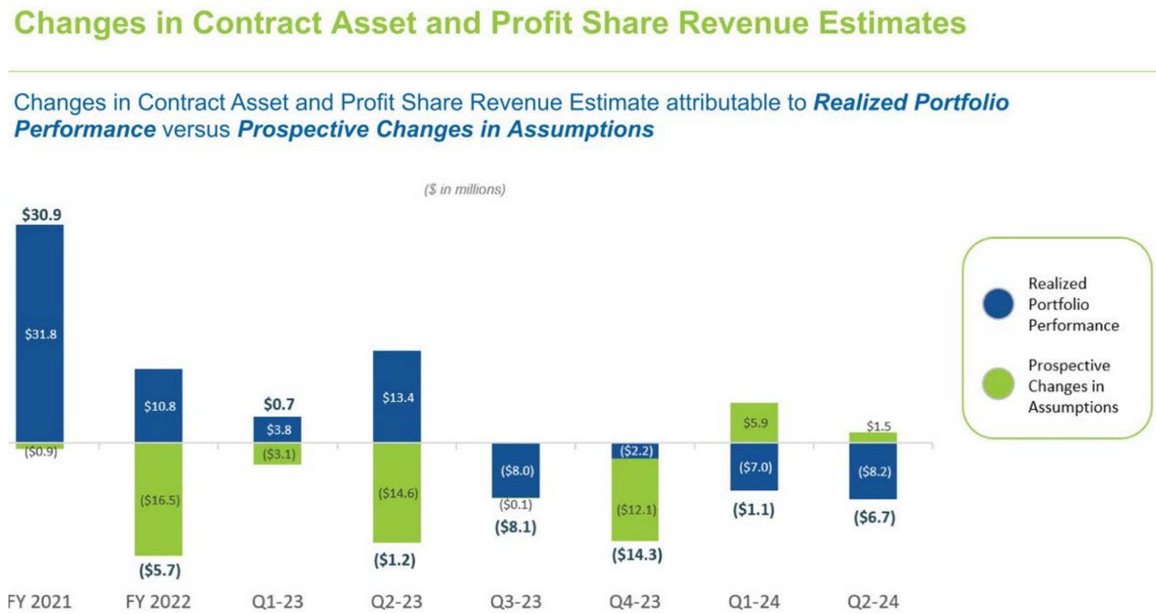
*   *   *

> During the three months ended March 31, 2024, we recorded $15.0 million in anticipated profit share associated with 28,189 new certified loans for an average of $533 per loan as compared to $17.9 million in anticipated profit share associated with 32,408 certified loans for an average of $552 per loan during the three months ended March 31, 2023. In addition, during the three months ended March 31, 2024, we recorded a reduction of $1.1 million in profit share revenue related to business in historic vintages primarily due to higher than anticipated loan defaults, partially offset by lower than anticipated severity of losses and prepayment rates. During the three months ended March 31, 2023, we recorded an increase of $0.7 million in profit share revenue related to business in historic vintages primarily due to lower than anticipated severity of losses.

47. On August 8, 2024, Open Lending issued a press release announcing its financial results for the fiscal quarter ended June 30, 2024 and provided supplemental financial information. The press release and supplemental financial information were filed with the SEC attached as exhibits 99.1 and 99.2, respectively, to a Form 8-K. The press release and supplemental financial information purported to provide the Company's financial results and assure investors that changes in profit share revenue were attributable to realized portfolio performance as opposed to changes in prospective estimates. Specifically the press release and supplemental financial information stated as follows, in relevant part:

> **Three Months Ended June 30, 2024 Highlights**
>
> •The Company facilitated 28,963 certified loans during the second quarter of 2024, compared to 34,354 certified loans in the second quarter of 2023.
>
> •Total revenue was $26.7 million during the second quarter of 2024, compared to $38.2 million in the second quarter of 2023. The second quarter of 2024 was negatively impacted by a $6.7 million reduction in estimated future profit share revenues related to business in historic vintages as compared to a $1.2 million reduction in the second quarter of 2023.

*   *   *



48. On August 9, 2024, the Company submitted its quarterly report for the period ended June 30, 2024 on a Form 10-Q filed with the SEC, affirming the previously reported financial results. The filing reported the Company's purported profit share revenue and estimated profit share on historic business, as follows in relevant part:

Revenue

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
	(in thousands)			
Program fees	$ 14,836	$ 17,893	$ 29,145	$ 35,194
Profit share				
New certified loan originations	15,989	18,983	31,019	36,871
Change in estimated revenues	(6,656)	(1,174)	(7,804)	(460)
Total profit share	9,333	17,809	23,215	36,411
Claims administration and other service fees	2,558	2,452	5,112	4,910
Total revenue	$ 26,727	$ 38,154	$ 57,472	$ 76,515

* * *

During the three months ended June 30, 2024, we recorded $16.0 million in anticipated profit share associated with 28,963 new certified loans for an average of $552 per loan as compared to $19.0 million in anticipated profit share associated with 34,354 certified loans for an average of $553 per loan during the three months ended June 30, 2023. In addition, during the three months ended June 30, 2024, we recorded a reduction of $6.7 million in profit share revenue related to business in historic vintages primarily due to higher than anticipated loan defaults, partially offset by lower than anticipated severity of losses. During the three months ended June 30, 2023, we recorded a decrease of $1.2 million in profit share revenue related to business in historic vintages primarily due to higher than anticipated prepayments and loan defaults, partially offset by lower than anticipated severity of losses.

49. On November 7, 2024, Open Lending issued a press release announcing its financial results for the fiscal quarter ended September 30, 2024, and provided supplemental financial information. The press release and supplemental financial information were filed with the SEC attached as exhibits 99.1 and 99.2, respectively, to a Form 8-K. The press release and supplemental financial information purported to provide the Company's financial results and assure investors that the Company's negative change in cumulative profit share revenue estimate was merely $7 million compared with the cumulatively previously reported profit share revenue of approximately $403 million. Specifically the press release and supplemental financial information stated as follows, in relevant part:

Three Months Ended September 30, 2024 Highlights

•The Company facilitated 27,435 certified loans during the third quarter of 2024, compared to 29,959 certified loans in the third quarter of 2023.

•Total revenue was $23.5 million during the third quarter of 2024, compared to $26.0 million in the third quarter of 2023. The third quarter of 2024 was negatively impacted by a $7.0 million reduction in estimated future profit share revenues related to business in historic vintages as compared to a $8.1 million reduction in the third quarter of 2023.

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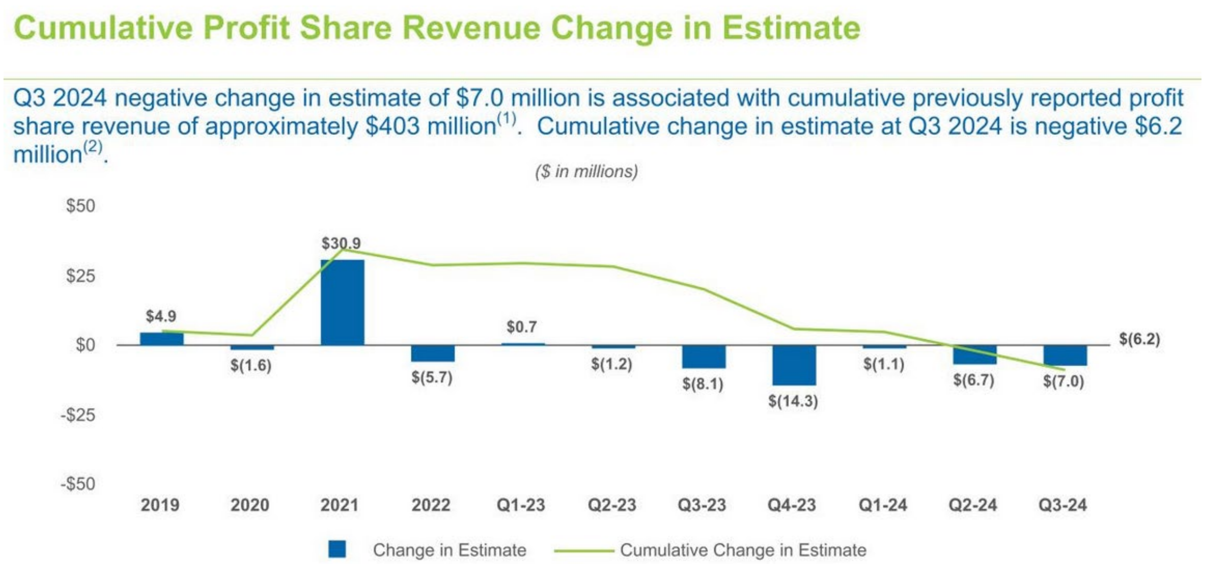

50. On November 8, 2024, the Company submitted its quarterly report for the period ended September 30, 2024 on a Form 10-Q filed with the SEC, affirming the previously reported financial results. The filing reported the Company's purported profit share revenue and estimated profit share on historic business, as follows in relevant part:

Revenue

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
	(in thousands)			
Program fees	$ 14,161	$ 15,416	$ 43,306	$ 50,610
Profit share				
New certified loan originations	13,782	16,079	44,801	52,950
Change in estimated revenues	(6,960)	(8,057)	(14,764)	(8,517)
Total profit share	6,822	8,022	30,037	44,433
Claims administration and other service fees	2,493	2,568	7,605	7,478
Total revenue	$ 23,476	$ 26,006	$ 80,948	$ 102,521

* * *

During the three months ended September 30, 2024, we recorded $13.8 million in anticipated profit share associated with 27,435 new certified loans for an average of $502 per loan as compared to $16.1 million in anticipated profit share associated with 29,959 certified loans for an average of $537 per loan during the three months ended September 30, 2023. In addition, during the three months ended September 30, 2024, we recorded a reduction of $7.0 million in profit share revenue related to business in historic vintages. Of the $7.0 million, $4.0 million is primarily

> due to higher than anticipated loan defaults, partially offset by lower than anticipated severity of losses. The incremental $3.0 million reduction in profit share revenue represents an estimated, non-recurring liability for future claim payments and previous profit share receipts. During the three months ended September 30, 2023, we recorded a decrease of $8.1 million in profit share revenue related to business in historic vintages primarily due to higher than anticipated prepayments and loan defaults, partially offset by lower than anticipated severity of losses.

51. The above statements identified in ¶¶ 21-50 were materially false and/or misleading, and failed to disclose material adverse facts about the Company's business, operations, and prospects. Specifically, Defendants: (1) misrepresented the capabilities of the Company's risk-based pricing models; (2) issued materially misleading statements regarding the Company's profit share revenue; (3) failed to disclose the Company's 2021 and 2022 vintage loans had become worth significantly less than their corresponding outstanding loan balances; and (4) misrepresented the underperformance of the Company's 2023 and 2024 vintage loans. As a result of the foregoing, Defendants' positive statements about the Company's business, operations, and prospects were materially misleading and/or lacked a reasonable basis.

<u>Disclosures at the End of the Class Period</u>

52. On March 17, 2025, before the market opened, Open Lending disclosed that it would be unable to timely file its Annual Report for 2024 as it "requires additional time to finalize its accounting and review processes specifically ***related to its profit share revenue and related contract assets***." Specifically, on that date, the Company filed a form NT 10-K with the SEC, which stated as follows, in relevant part:

> Open Lending Corporation (the "Company") determined that it was unable, without unreasonable effort or expense, to file its Annual Report on Form 10-K for the fiscal year ended December 31, 2024 (the "Form 10-K") by the prescribed due date because the Company requires additional time to finalize its accounting and review processes specifically related to its profit share revenue and related contract assets. ***Each quarter, the Company evaluates and updates its profit share revenue forecast and recognizes a change in estimate adjustment to its profit share revenue and related contract assets. The Company requires additional time to***

> ***finalize such analysis, incorporate the results into its financial statements and complete the audit procedures.***

53. On this news, the Company's share price fell $0.40 or 9.28%, to close at $3.91 per share on March 17, 2025, on unusually heavy trading volume. The stock continued to fall the following trading day, declining $0.42, or 10.87%, to close at $3.49 on March 18, 2025, on unusually heavy trading volume.

54. Then, on March 31, 2025, after the market closed, Open Lending released its fourth quarter and full year 2024 financial results, revealing quarterly revenue of negative $56.9 million due in part to "***a $81.3 million reduction in estimated profit share revenues related to business in historic vintages***" … "primarily due to heightened delinquencies and corresponding defaults associated with loans originated in 2021 through 2024." The Company identified "three factors primarily contributed to this reduction of estimated profit share." First, a "deterioration of the Company's 2021 and 2022 vintages" which "were generated when used car values reached an all-time high in late 2021," resulting in loans which were "worth significantly less than their corresponding outstanding loan balances." This factor accounted for "approximately 40% of the Company's total negative change." Second, the Company "identified two cohorts of borrowers, borrowers with credit builder tradelines and borrowers with fewer positive tradelines, that caused its 2023 and 2024 vintages to underperform." This factor "accounted for approximately 40% of the Company's total negative change." Third, the Company revealed "continued elevated delinquencies and ultimate defaults" which "accounted for approximately 20% of the Company's total negative change." Additionally, the Company disclosed a net loss of $144 million, due to the Company being "negatively impacted by the recording of a valuation allowance on [its] deferred tax assets of $86.1 million, which increased [its] income tax expense during the period." Specifically, the press release stated as follows, in relevant part:

Three Months Ended December 31, 2024 Highlights

•The Company facilitated 26,065 certified loans during the fourth quarter of 2024, compared to 26,263 certified loans in the fourth quarter of 2023.

•Total revenue was $(56.9) million during the fourth quarter of 2024, compared to $14.9 million in the fourth quarter of 2023. The fourth quarter of 2024 was negatively impacted by a $81.3 million reduction in estimated profit share revenues related to business in historic vintages as compared to a $14.3 million reduction in the fourth quarter of 2023.

•Gross loss was $63.2 million during the fourth quarter of 2024, compared to gross profit of $9.6 million in the fourth quarter of 2023.

•Net loss was $144.4 million during the fourth quarter of 2024, compared to a net loss of $4.8 million in the fourth quarter of 2023. The fourth quarter of 2024 was negatively impacted by the recording of a valuation allowance on our deferred tax assets of $86.1 million, which increased our income tax expense during the period.

•Adjusted EBITDA was $(73.1) million during the fourth quarter of 2024, compared to $(2.1) million in the fourth quarter of 2023.

Twelve Months Ended December 31, 2024 Highlights

•The Company facilitated 110,652 certified loans during the year ended December 31, 2024, compared to 122,984 certified loans in the prior year.

•Total revenue was $24.0 million during the year ended December 31, 2024, compared to $117.5 million in the prior year. The year ended December 31, 2024 was negatively impacted by a $96.1 million reduction in estimated profit share revenues related to business in historic vintages as compared to a $22.8 million reduction in the prior year.

•Gross profit was $0.2 million during the year ended December 31, 2024, compared to $95.2 million in the prior year.

•Net loss was $135.0 million during the year ended December 31, 2024, compared to net income of $22.1 million in the prior year.

•Adjusted EBITDA was $(42.9) million during the year ended December 31, 2024, compared to $50.2 million in the prior year.

Adjusted EBITDA is a non-GAAP financial measure. A reconciliation of this non-GAAP financial measure to its most directly comparable GAAP financial measure is provided in the financial table included at the end of this press release. An explanation of this measure and how it is calculated is also included under the heading “Non-GAAP Financial Measures.”

Fourth Quarter 2024 Impact Related to Profit Share Revenue Change in Estimates

Each quarter, the Company evaluates and updates its profit share revenue forecast and makes adjustments to its profit share revenue and related contract assets accordingly. Following this evaluation, for the fourth quarter of 2024, adjustments attributable to the Company's profit share revenue forecast resulted in a negative change in estimate of $81.3 million, primarily due to heightened delinquencies and corresponding defaults associated with loans originated in 2021 through 2024.

As discussed below, three factors primarily contributed to this reduction of estimated profit share.

First, there was continued deterioration of the Company's 2021 and 2022 vintages. These certified loans were generated when used car values reached an all-time high in late 2021, driven by pandemic-related disruptions in the supply chain. The subsequent decline in used car values has increased the likelihood of default on vehicles that are now worth significantly less than their corresponding outstanding loan balances. Adjustments to the forecasted performance of the Company's 2021 and 2022 vintages accounted for approximately 40% of the Company's total negative change in estimate for the fourth quarter of 2024.

Second, continued elevated delinquencies and ultimate defaults as a result of broader macroeconomic conditions accounted for approximately 20% of the Company's total negative change in estimate for the fourth quarter of 2024.

Finally, the Company identified two cohorts of borrowers, borrowers with credit builder tradelines and borrowers with fewer positive tradelines, that caused its 2023 and 2024 vintages to underperform. Adjustments to the forecasted performance of loans to these two cohorts of borrowers accounted for approximately 40% of the Company's total negative change in estimate for the fourth quarter of 2024.

As a result of the profit share change in estimate adjustment, for the fourth quarter of 2024, the Company reduced its contract assets by $33.7 million and recorded an excess profit share receipts liability of $47.6 million, attributable to the change in its expected profit share revenue. Any future adjustments to the Company's profit share revenue forecasts, positive or negative, will impact profit share revenue.

55. In a separate press release the same day the Company also announced that it had appointed a new CEO as well as a new COO, effective immediately, both of whom would be replacing Defendant Jehl, who had been operating as the Company's CEO, COO and CFO simultaneously. That press release stated as follows, in relevant part:

Executive Transition

> On March 31, 2025, the Board of Directors (the "Board") of Open Lending Corporation (the "Company") announced that the Board has appointed Jessica Buss as the Chief Executive Officer of the Company, effective immediately. Charles D. Jehl will continue to serve as the interim Chief Financial Officer during a transitionary period and will remain a non-employee member of the Board following such transitionary period. The Board is conducting a comprehensive search process to identify a permanent Chief Financial Officer. On March 31, 2025 the Board also appointed Michelle Glasl as the Chief Operating Officer of the Company, effective immediately.

56. On this news, the Company's share price fell $1.59 or 57.61%, to close at $1.17 per share on April 1, 2025, on unusually heavy trading volume.

CLASS ACTION ALLEGATIONS

57. 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 and entities that purchased or otherwise acquired Open Lending securities between February 24, 2022 and March 31, 2025, , inclusive, and who were damaged thereby (the "Class"). Excluded from the Class are Defendants, the officers and directors of the Company, at all relevant times, members of their immediate families and their legal representatives, heirs, successors, or assigns, and any entity in which Defendants have or had a controlling interest.

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

59. 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.

60. 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.

61. 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:

(a) whether the federal securities laws were violated by Defendants' acts as alleged herein;

(b) whether statements made by Defendants to the investing public during the Class Period omitted and/or misrepresented material facts about the business, operations, and prospects of Open Lending; and

(c) to what extent the members of the Class have sustained damages and the proper measure of damages.

62. 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 makes 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.

UNDISCLOSED ADVERSE FACTS

63. The market for Open Lending's securities was open, well-developed and efficient at all relevant times. As a result of these materially false and/or misleading statements, and/or failures to disclose, Open Lending's securities traded at artificially inflated prices during the Class

Period. Plaintiff and other members of the Class purchased or otherwise acquired Open Lending's securities relying upon the integrity of the market price of the Company's securities and market information relating to Open Lending, and have been damaged thereby.

64. During the Class Period, Defendants materially misled the investing public, thereby inflating the price of Open Lending's securities, by publicly issuing false and/or misleading statements and/or omitting to disclose material facts necessary to make Defendants' statements, as set forth herein, not false and/or misleading. The statements and omissions were materially false and/or misleading because they failed to disclose material adverse information and/or misrepresented the truth about Open Lending's business, operations, and prospects as alleged herein.

65. At all relevant times, the material misrepresentations and omissions particularized in this Complaint directly or proximately caused or were a substantial contributing cause of the damages sustained by Plaintiff and other members of the Class. As described herein, during the Class Period, Defendants made or caused to be made a series of materially false and/or misleading statements about Open Lending's financial well-being and prospects. These material misstatements and/or omissions had the cause and effect of creating in the market an unrealistically positive assessment of the Company and its financial well-being and prospects, thus causing the Company's securities to be overvalued and artificially inflated at all relevant times. Defendants' materially false and/or misleading statements during the Class Period resulted in Plaintiff and other members of the Class purchasing the Company's securities at artificially inflated prices, thus causing the damages complained of herein when the truth was revealed.

LOSS CAUSATION

66. Defendants' wrongful conduct, as alleged herein, directly and proximately caused the economic loss suffered by Plaintiff and the Class.

67. During the Class Period, Plaintiff and the Class purchased Open Lending's securities at artificially inflated prices and were damaged thereby. The price of the Company's securities significantly declined when the misrepresentations made to the market, and/or the information alleged herein to have been concealed from the market, and/or the effects thereof, were revealed, causing investors' losses.

SCIENTER ALLEGATIONS

68. As alleged herein, Defendants acted with scienter since Defendants knew that the public documents and statements issued or disseminated in the name of the Company were materially false and/or 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 federal securities laws. As set forth elsewhere herein in detail, the Individual Defendants, by virtue of their receipt of information reflecting the true facts regarding Open Lending, their control over, and/or receipt and/or modification of Open Lending's allegedly materially misleading misstatements and/or their associations with the Company which made them privy to confidential proprietary information concerning Open Lending, participated in the fraudulent scheme alleged herein.

APPLICABILITY OF PRESUMPTION OF RELIANCE (FRAUD-ON-THE-MARKET DOCTRINE)

69. The market for Open Lending's securities was open, well-developed and efficient at all relevant times. As a result of the materially false and/or misleading statements and/or failures to disclose, Open Lending's securities traded at artificially inflated prices during the Class Period. On February 28, 2022 the Company's share price closed at a Class Period high of $20.83 per share. Plaintiff and other members of the Class purchased or otherwise acquired the Company's securities

relying upon the integrity of the market price of Open Lending's securities and market information relating to Open Lending, and have been damaged thereby.

70. During the Class Period, the artificial inflation of Open Lending's shares was caused by the material misrepresentations and/or omissions particularized in this Complaint causing the damages sustained by Plaintiff and other members of the Class. As described herein, during the Class Period, Defendants made or caused to be made a series of materially false and/or misleading statements about Open Lending's business, prospects, and operations. These material misstatements and/or omissions created an unrealistically positive assessment of Open Lending and its business, operations, and prospects, thus causing the price of the Company's securities to be artificially inflated at all relevant times, and when disclosed, negatively affected the value of the Company shares. Defendants' materially false and/or misleading statements during the Class Period resulted in Plaintiff and other members of the Class purchasing the Company's securities at such artificially inflated prices, and each of them has been damaged as a result.

71. At all relevant times, the market for Open Lending's securities was an efficient market for the following reasons, among others:

(a) Open Lending shares met the requirements for listing, and was listed and actively traded on the NASDAQ, a highly efficient and automated market;

(b) As a regulated issuer, Open Lending filed periodic public reports with the SEC and/or the NASDAQ;

(c) Open Lending regularly communicated with public investors via established market communication mechanisms, including through regular dissemination of press releases on the national circuits of major newswire services and through other wide-ranging public disclosures, such as communications with the financial press and other similar reporting services; and/or

(d) Open Lending was followed by securities analysts employed by brokerage firms who wrote reports about the Company, and these reports were distributed to the sales force and certain customers of their respective brokerage firms. Each of these reports was publicly available and entered the public marketplace.

72. As a result of the foregoing, the market for Open Lending's securities promptly digested current information regarding Open Lending from all publicly available sources and reflected such information in Open Lending's share price. Under these circumstances, all purchasers of Open Lending's securities during the Class Period suffered similar injury through their purchase of Open Lending's securities at artificially inflated prices and a presumption of reliance applies.

73. A Class-wide presumption of reliance is also appropriate in this action under the Supreme Court's holding in *Affiliated Ute Citizens of Utah v. United States*, 406 U.S. 128 (1972), because the Class's claims are, in large part, grounded on Defendants' material misstatements and/or omissions. Because this action involves Defendants' failure to disclose material adverse information regarding the Company's business operations and financial prospects—information that Defendants were obligated to disclose—positive proof of reliance is not a prerequisite to recovery. All that is necessary is that the facts withheld be material in the sense that a reasonable investor might have considered them important in making investment decisions. Given the importance of the Class Period material misstatements and omissions set forth above, that requirement is satisfied here.

NO SAFE HARBOR

74. The statutory safe harbor provided for forward-looking statements under certain circumstances does not apply to any of the allegedly false statements pleaded in this Complaint. The statements alleged to be false and misleading herein all relate to then-existing facts and conditions. In addition, to the extent certain of the statements alleged to be false may be characterized as forward looking, they were not identified as "forward-looking statements" when made and there were no meaningful cautionary statements identifying important factors that could cause actual results to differ materially from those in the purportedly forward-looking statements. In the alternative, to the extent that the statutory safe harbor is determined to apply to any forward-looking statements pleaded herein, Defendants are liable for those false forward-looking statements because at the time each of those forward-looking statements was made, the speaker had actual knowledge that the forward-looking statement was materially false or misleading, and/or the forward-looking statement was authorized or approved by an executive officer of Open Lending who knew that the statement was false when made.

FIRST CLAIM

Violation of Section 10(b) of The Exchange Act and

Rule 10b-5 Promulgated Thereunder

Against All Defendants

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

76. During the Class Period, Defendants carried out a plan, scheme and course of conduct which was intended to and, throughout the Class Period, did: (i) deceive the investing public, including Plaintiff and other Class members, as alleged herein; and (ii) cause Plaintiff and other members of the Class to purchase Open Lending's securities at artificially inflated prices. In

furtherance of this unlawful scheme, plan and course of conduct, Defendants, and each defendant, took the actions set forth herein.

77. Defendants (i) employed devices, schemes, and artifices to defraud; (ii) made untrue statements of material fact and/or omitted to state material facts necessary to make the statements not misleading; and (iii) engaged in acts, practices, and a course of business which operated as a fraud and deceit upon the purchasers of the Company's securities in an effort to maintain artificially high market prices for Open Lending's securities in violation of Section 10(b) of the Exchange Act and Rule 10b-5. All Defendants are sued either as primary participants in the wrongful and illegal conduct charged herein or as controlling persons as alleged below.

78. Defendants, individually and in concert, directly and indirectly, by the use, means or instrumentalities of interstate commerce and/or of the mails, engaged and participated in a continuous course of conduct to conceal adverse material information about Open Lending's financial well-being and prospects, as specified herein.

79. Defendants employed devices, schemes and artifices to defraud, while in possession of material adverse non-public information and engaged in acts, practices, and a course of conduct as alleged herein in an effort to assure investors of Open Lending's value and performance and continued substantial growth, which included the making of, or the participation in the making of, untrue statements of material facts and/or omitting to state material facts necessary in order to make the statements made about Open Lending and its business operations and future prospects in light of the circumstances under which they were made, not misleading, as set forth more particularly herein, and engaged in transactions, practices and a course of business which operated as a fraud and deceit upon the purchasers of the Company's securities during the Class Period.

80. Each of the Individual Defendants' primary liability and controlling person liability arises from the following facts: (i) the Individual Defendants were high-level executives and/or directors at the Company during the Class Period and members of the Company's management team or had control thereof; (ii) each of these defendants, by virtue of their responsibilities and activities as a senior officer and/or director of the Company, was privy to and participated in the creation, development and reporting of the Company's internal budgets, plans, projections and/or reports; (iii) each of these defendants enjoyed significant personal contact and familiarity with the other defendants and was advised of, and had access to, other members of the Company's management team, internal reports and other data and information about the Company's finances, operations, and sales at all relevant times; and (iv) each of these defendants was aware of the Company's dissemination of information to the investing public which they knew and/or recklessly disregarded was materially false and misleading.

81. Defendants had actual knowledge of the misrepresentations and/or omissions of material facts set forth herein, or acted with reckless disregard for the truth in that they failed to ascertain and to disclose such facts, even though such facts were available to them. Such defendants' material misrepresentations and/or omissions were done knowingly or recklessly and for the purpose and effect of concealing Open Lending's financial well-being and prospects from the investing public and supporting the artificially inflated price of its securities. As demonstrated by Defendants' overstatements and/or misstatements of the Company's business, operations, financial well-being, and prospects throughout the Class Period, Defendants, if they did not have actual knowledge of the misrepresentations and/or omissions alleged, were reckless in failing to obtain such knowledge by deliberately refraining from taking those steps necessary to discover whether those statements were false or misleading.

82. As a result of the dissemination of the materially false and/or misleading information and/or failure to disclose material facts, as set forth above, the market price of Open Lending's securities was artificially inflated during the Class Period. In ignorance of the fact that market prices of the Company's securities were artificially inflated, and relying directly or indirectly on the false and misleading statements made by Defendants, or upon the integrity of the market in which the securities trades, and/or in the absence of material adverse information that was known to or recklessly disregarded by Defendants, but not disclosed in public statements by Defendants during the Class Period, Plaintiff and the other members of the Class acquired Open Lending's securities during the Class Period at artificially high prices and were damaged thereby.

83. At the time of said misrepresentations and/or omissions, Plaintiff and other members of the Class were ignorant of their falsity, and believed them to be true. Had Plaintiff and the other members of the Class and the marketplace known the truth regarding the problems that Open Lending was experiencing, which were not disclosed by Defendants, Plaintiff and other members of the Class would not have purchased or otherwise acquired their Open Lending securities, or, if they had acquired such securities during the Class Period, they would not have done so at the artificially inflated prices which they paid.

84. By virtue of the foregoing, Defendants violated Section 10(b) of the Exchange Act and Rule 10b-5 promulgated thereunder.

85. As a direct and proximate result of Defendants' wrongful conduct, Plaintiff and the other members of the Class suffered damages in connection with their respective purchases and sales of the Company's securities during the Class Period.

SECOND CLAIM

Violation of Section 20(a) of The Exchange Act

Against the Individual Defendants

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

87. Individual Defendants acted as controlling persons of Open Lending within the meaning of Section 20(a) of the Exchange Act as alleged herein. By virtue of their high-level positions and their ownership and contractual rights, participation in, and/or awareness of the Company's operations and intimate knowledge of the false financial statements filed by the Company with the SEC and disseminated to the investing public, Individual Defendants had the power to influence and control and did influence and control, directly or indirectly, the decision-making of the Company, including the content and dissemination of the various statements which Plaintiff contends are false and misleading. Individual Defendants were provided with or had unlimited access to copies of the Company's reports, press releases, public filings, and other statements alleged by Plaintiff to be misleading prior to and/or shortly after these statements were issued and had the ability to prevent the issuance of the statements or cause the statements to be corrected.

88. In particular, Individual Defendants had direct and supervisory involvement in the day-to-day operations of the Company and, therefore, had the power to control or influence the particular transactions giving rise to the securities violations as alleged herein, and exercised the same.

89. As set forth above, Open Lending and Individual Defendants each violated Section 10(b) and Rule 10b-5 by their acts and omissions as alleged in this Complaint. By virtue of their position as controlling persons, Individual Defendants are liable pursuant to Section 20(a) of the

Exchange Act. As a direct and proximate result of Defendants' wrongful conduct, Plaintiff and other members of the Class suffered damages in connection with their purchases of the Company's securities during the Class Period.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff prays for relief and judgment, as follows:

(a) Determining that this action is a proper class action under Rule 23 of the Federal Rules of Civil Procedure;

(b) Awarding compensatory damages in favor of Plaintiff and the other Class members against all defendants, jointly and severally, for all damages sustained as a result of Defendants' wrongdoing, in an amount to be proven at trial, including interest thereon;

(c) Awarding Plaintiff and the Class their reasonable costs and expenses incurred in this action, including counsel fees and expert fees; and

(d) Such other and further relief as the Court may deem just and proper.

JURY TRIAL DEMANDED

Plaintiff hereby demands a trial by jury.

Dated: