


READY CAPITAL CORP. CLASS ACTION NOTICE: BFA Law has Filed an Expanded Securities Fraud Class Action Lawsuit Against Ready Capital Corporation (NYSE:RC), Encourages Investors to Contact the Firm - ACCESS Newswire

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NEW YORK CITY, NY / ACCESS Newswire / April 23, 2025 /READY CAPITAL CORP. CLASS ACTION NOTICE: BFA Law has Filed an Expanded Securities Fraud Class Action Lawsuit Against Ready Capital Corporation (NYSE:RC), Encourages Investors to Contact the Firm

NEW YORK, NEW YORK / ACCESSWIRE / April 23, 2025 / Bleichmar Fonti & Auld LLP ("BFA") announces that it has filed a class action lawsuit for violations of the federal securities laws against Ready Capital Corporation ("Ready Capital" or the "Company") and certain of the Company's senior executives. The case is pending in the U.S. District Court for the Southern District of New York and is captioned Goebel v. Ready Capital Corporation, No. 25-cv-3373 ("Goebel").

Goebel is related to the class action an investor previously filed against Ready Capital: Quinn v. Ready Capital Corporation, No. 25-cv-1883 (S.D.N.Y.) ("Quinn"), which is the first-filed securities class action in this matter. As stated in the notice published on March 6, 2025, in connection with the filing of Quinn, and pursuant to the Private Securities Litigation Reform Act of 1995 which sets the deadline to seek Lead Plaintiff status 60 days after the notice is published, investors wishing to serve as Lead Plaintiff must file a motion for appointment as Lead Plaintiff by no later than Monday, May 5, 2025. The filing of Goebel does not alter that deadline.

Goebel asserts claims under Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 on behalf of all persons and entities who purchased or acquired Ready Capital common stock between August 8, 2024, and March 2, 2025, inclusive (the "Class Period"). **This is a broader Class Period than asserted in Quinn.** Like Quinn, Goebel alleges that defendants made material misrepresentations concerning significant non-performing loans in the Company's commercial real estate portfolio.

If you suffered a loss on your Ready Capital investments and would like to discuss this matter, please submit your information at <https://www.bfalaw.com/cases-investigations/ready-capital-corporation>.

Why was Ready Capital Sued for Securities Fraud?

Ready Capital is a real estate finance company that originates, finances, and services lower-to-middle-market commercial real estate ("CRE") loans, small business administration loans, and other real estate-related investments.

As alleged, defendants misrepresented the severe impact that significant non-performing loans in Ready Capital's CRE portfolio were having on the Company's business. During the relevant period, defendants stated that the Company had "successfully executed several initiatives" aimed at improving financial performance, including asset management activities, that purportedly "further derisked" the Company's CRE portfolio. Defendants also stated that Ready Capital's CRE portfolio was "showing stabilizing credit metrics," that the Company was seeing "normalization" of its CRE business to "historical levels," and that a decline in credit quality or performance of existing loans in the Company's CRE loan book was "a low risk."

In truth, significant non-performing loans in Ready Capital's CRE portfolio were hampering the Company's financial performance and were not likely to be collectible. The Company's performance improvement initiatives failed to "further derisk[]" the CRE portfolio and the credit metrics were not "stabilizing." These significant non-performing loans in Ready Capital's CRE portfolio were not accurately reflected in its current expected credit loss ("CECL") or valuation allowances and, as a result, the Company's financial results were materially false and misleading.

The Stock Declines as the Truth is Revealed

On March 3, 2025, before the market opened, Ready Capital announced its fourth quarter and full year 2024 financial results, reporting fourth quarter 2024 net loss of \$1.80 per share and full year 2024 net loss of \$2.52 per share. Defendants stated that "aggressive reserving on problem loans" and a "rightsizing of the dividend to current cash earnings" were needed to "accelerate the path to recovery." Defendants further explained that Ready Capital had to take "decisive actions to stabilize" its "balance sheet going forward by fully reserving for all of our non-performing loans in our CRE portfolio." This included, among other actions, taking roughly \$284 million in combined CECL and valuation allowances for all of 2024 to mark the Company's non-performing loans to current values. The Company further revealed that its total leverage increased to "3.8x," up from the prior quarter's total leverage of "3.3x," and that it cut its dividend to \$0.125 per share. This news caused the price

of Ready Capital stock to fall \$1.86 per share, or 26.8%, from \$6.93 per share on March 2, 2025, to close at \$5.07 per share on March 3, 2025.

What are my Rights?

If you purchased or otherwise acquired Ready Capital common stock between August 8, 2024, and March 2, 2025, you may ask the Court no later than May 5, 2025, which is the first business day after 60 days from the date of the publication of the notice in connection with the filing of Quinn to appoint you as Lead Plaintiff through counsel of your choice. To be a member of the Class, you need not take any action at this time. The ability to share in any potential future recovery is not dependent on serving as Lead Plaintiff.

If you incurred losses on your investments in Ready Capital, you are encouraged to submit your information here:<https://www.bfalaw.com/cases-investigations/ready-capital-corporation>.

You can also contact:

Ross Shikowitz
ross@bfalaw.com
212-789-3619

Why BFA Law?

Bleichmar Fonti & Auld LLP is a leading international law firm representing plaintiffs in securities class actions and shareholder litigation. It was named among the Top 5 plaintiff law firms by ISS SCAS in 2023 and its attorneys have been named Titans of the Plaintiffs' Bar by Law360 and SuperLawyers by Thompson Reuters. Among its recent notable successes, BFA recovered over \$900 million in value from Tesla, Inc.'s Board of Directors, as well as \$420 million from Teva Pharmaceutical Ind. Ltd.

SOURCE: Bleichmar Fonti & Auld LLP

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