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Ready Capital Corporation (RC) Slashes Book Value and Dividend, Reveals CRE Problems; Securities Class Action Pending - Hagens Berman

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RC Investors with Losses Encouraged to Contact the Firm

SAN FRANCISCO, April 2, 2025 /PRNewswire/ -- A securities class action lawsuit has been filed against Ready Capital Corporation (**NYSE: RC**) after the company reported dismal financial results and shed light on its true asset quality. The suit, captioned *Quinn v. Ready Capital Corporation, et al.*, No. 1:25-cv-01883 (S.D.N.Y.), seeks to represent investors who purchased shares of Ready Capital between November 7, 2024 and March 2, 2025.

Hagens Berman is investigating the alleged claims and urges investors who purchased Ready Capital shares and suffered substantial losses to **submit your losses now**.

The firm also encourages persons with knowledge who may assist the firm's investigation to contact its attorneys.

Class Period: Nov. 7, 2024 – Mar. 2, 2025

Lead Plaintiff Deadline: May 5, 2025

Visit: www.hbsslaw.com/investor-fraud/rc



Contact the Firm Now: RC@hbsslaw.com

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On Mar. 3, 2025, Ready Capital announced dismal Q4 and FY 2024 financial results, including a quarterly net loss per share of \$1.80, an annual net loss of \$2.52 per share, a 50% cut to its quarterly dividend, and a 16% book value reduction.

Ready Capital blamed the results on having to take "decisive action to stabilize" its "balance sheet going forward by fully reserving for all of our non-performing loans in our CRE [commercial real estate] portfolio." This included recording a 700% increase in reconciling items compared to the prior-year quarter totaling about \$382 million. These included about \$277 million in combined CECL [Current Expected Credit Loss] and valuation allowances, a whopping 8500% increase from the prior-year quarter.

This news drove the price of Ready Capital shares down almost 27% on Mar. 3, 2025.

Ready Capital Corporation (RC) Securities Class Action:

The litigation is focused on the propriety of Ready Capital's statements about the quality of its CRE loans, its CECL reserves and allowances, and its book value. These metrics are important, given the size of Ready Capital's loan portfolio has more than doubled since 2023.

In the past, Ready Capital has assured investors that its CRE portfolio has displayed "stabilizing credit metrics" and its decisions with respect to CECL and allowance for credit losses were reasonable when made.

The complaint alleges that Ready Capital made false and misleading statements while failing to disclose crucial information to investors. Specifically, the suit alleges that:

- Ready Capital failed to disclose that significant non-performing CRE loans were not likely to be collected;
- The company would be required to fully reserve against these problem loans to "stabilize" its balance sheet;
- This was not accurately reflected in the company's credit loss or valuation allowances; and
- As a result, the company's financial results would be adversely impacted.

"We are investigating whether Ready Capital may have misled investors about the quality of its underwriting, credit monitoring, and loan portfolio," said Reed Kathrein, the Hagens Berman Partner leading the firm's probe.

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If you invested in Ready Capital and have substantial losses, or have knowledge that may assist the firm's investigation, **submit your losses now** »

If you'd like more information and answers to frequently asked questions about the Ready Capital case and our investigation, **read more** »

Whistleblowers: Persons with non-public information regarding Ready Capital should consider their options to help in the investigation or take advantage of the SEC Whistleblower program. Under the new program, whistleblowers who provide original information may receive rewards totaling up to 30 percent of any successful recovery made by the SEC. For more information, call Reed Kathrein at **844-916-0895** or email **RC@hbsslaw.com**.

About Hagens Berman

Hagens Berman is a global plaintiffs' rights complex litigation firm focusing on corporate accountability. The firm is home to a robust practice and represents investors as well as whistleblowers, workers, consumers and others in cases achieving real results for those harmed by corporate negligence and other wrongdoings. Hagens Berman's team has secured more than \$2.9 billion in this area of law. More about the firm and its successes can be found at **hbsslaw.com**. Follow the firm for updates and news at **@ClassActionLaw**.

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