

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 8-K

**CURRENT REPORT
Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): October 17, 2022

CONN'S, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

001-34956
(Commission
File Number)

06-1672840
(I.R.S. Employer
Identification No.)

**2445 Technology Forest Blvd., Suite 800
The Woodlands, Texas 77381**
(Address of principal executive offices)

(936) 230-5899
(Registrant's telephone number, including area code)

Not applicable
(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common stock, par value \$0.01 per share	CONN	Nasdaq Global Select Market

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers

Chief Executive Officer, President, and Director Separation

On October 17, 2022, Conn's, Inc. (the "Company") and Chandra Holt, the Company's Chief Executive Officer and President, agreed that Ms. Holt will step down from her positions as Chief Executive Officer and President of the Company, effective immediately. Ms. Holt has also resigned from her position as a member of the Board of Directors of the Company (the "Board"), effective immediately. Ms. Holt's decision is not a result of any disagreement on matters relating to the Company's operations, policies or practices.

For purposes of the Executive Severance Agreement, dated as of August 9, 2021, by and between the Company and Ms. Holt (the "Severance Agreement"), her departure will be treated as a termination by the Company without Cause (as defined in the Severance Agreement) and Ms. Holt will be entitled to receive the severance benefits set forth in her Severance Agreement on the terms and subject to the conditions therein (including entering into a General Release and Waiver substantially in the form attached as Appendix A to the Severance Agreement). The Severance Agreement was previously filed as Exhibit 10.2 to the Company's Form 8-K filed with the SEC on August 5, 2021, which is incorporated by reference herein.

A copy of the news release announcing Ms. Holt's retirement is attached to this Current Report on Form 8-K as Exhibit 99.1.

Chief Executive Officer and President Transition

On October 17, 2022 (the "Effective Date"), the Board appointed Norman L. Miller as the Company's Interim Chief Executive Officer and President ("Interim CEO"), effective October 18, 2022. Mr. Miller will maintain his position as a member of the Board and as chair of the Board's Compliance Committee. Mr. Miller will succeed Chandra Holt.

Mr. Miller, 61, most recently served as President and Chief Executive Officer of the Company from September 7, 2015 through August 8, 2021. From August 8, 2021 until April 1, 2022, Mr. Miller served as Executive Chairman of the Board, and since that date, he has continued to serve as a member of the Board.

There is no arrangement or understanding with any person pursuant to which Mr. Miller was appointed as Interim CEO. There are no family relationships between Mr. Miller and any director or executive officer of the Company, and Mr. Miller is not a party to any transaction requiring disclosure under Item 404(a) of Regulation S-K.

Mr. Miller's Offer Letter

In connection with his appointment as Interim CEO, Mr. Miller entered into an offer letter (the "Offer Letter") with the Company on the Effective Date setting forth the terms of his employment and compensation. Pursuant to the Offer Letter, Mr. Miller will be entitled to an initial monthly salary of \$210,000. Mr. Miller will also be eligible for certain long-term incentive awards under the terms and conditions of the Company's long-term incentive program. These awards will be in the form of time-based restricted stock units ("RSUs"). Specifically, Mr. Miller will receive an initial grant of such RSUs with a grant date value of \$1.0 million (based on the weighted average closing price of the Company's common stock over the 20 trading day period immediately preceding the date of grant), which will vest, if at all, on the one-year anniversary of the grant date. Following such initial grant and subject to his continued employment as Interim CEO, as of each applicable grant date, Mr. Miller will receive quarterly grants of such RSUs, each of which will have a grant date value of \$750,000 (based on the weighted average closing price of the Company's common stock over the 20 trading day period immediately preceding the date of grant), which will vest, if at all, on the one-year anniversary of the grant date. Any shares received upon vesting of the grants will be subject to a two-year holding period. Any of the foregoing RSUs that are unvested as of the date when Mr. Miller ceases to be an employee and a member of the Board will automatically and immediately be forfeited, except in the event of Mr. Miller's termination without Cause (as defined in the Offer Letter), in which case such RSUs will automatically and immediately vest.

The Company also entered into an indemnification agreement with Mr. Miller in the form previously filed as Exhibit 10.16 to the Company's Registration Statement on Form S-1 on September 23, 2003, which is incorporated by reference herein.

The foregoing description of the Offer Letter is not complete and is qualified in its entirety by reference to the complete text of such agreement, a copy of which is filed as Exhibit 10.1 to this Current Report on Form 8-K and incorporated herein by reference.

Item 7.01 Regulation FD Disclosure

On October 18, 2022, the Company issued a press release announcing that Ms. Holt is stepping down from her positions as President and Chief Executive Officer of the Company and resigning her position as a member of the Board and the appointment of Mr. Miller as Interim CEO. In this press release, the Company also withdrew its previous fiscal year 2023 financial guidance. The full text of the press release is furnished with this Report as Exhibit 99.1 to this Current Report on Form 8-K. A copy of the press release is being furnished as Exhibit 99.1 hereto and is incorporated into this Item 7.01 by reference.

In accordance with General Instruction B.2 of Form 8-K, the information set forth in this Item 7.01 of this current report on Form 8-K, including Exhibit 99.1 attached hereto, is being furnished and shall not be deemed “filed” for purposes of Section 18 of Exchange Act, or otherwise subject to the liabilities of that Section, nor shall it be deemed incorporated by reference into any filings under the Securities Act of 1933, as amended, or the Exchange Act, whether made before or after the date hereof and regardless of any general incorporation language in such filings, except to the extent expressly set forth by specific reference in such a filing. The filing of this Current Report on Form 8-K shall not be deemed an admission as to the materiality of any information herein that is required to be disclosed solely by reason of Regulation FD.

Item 9.01 Financial Statements and Exhibits**(d) Exhibits**

<u>Exhibit Number</u>	<u>Description</u>
Exhibit 10.1†	Offer Letter, dated October 17, 2022, between Conn’s, Inc. and Norman L. Miller.
Exhibit 99.1	Press release dated October 18, 2022.
Exhibit 104	Cover Page Interactive Data File – the cover page XBRL tags are embedded within the Inline XBRL document.

† Management contract or compensatory plan or arrangement

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

CONN'S INC.

Date: October 18, 2022

By: /s/ Mark L. Prior

Name: Mark L. Prior

Title: Senior Vice President and General Counsel

Conn's, Inc.

October 17, 2022

Mr. Norman L. Miller
2445 Technology Forest Blvd., Suite 800
The Woodlands, TX 77381

Dear Norm:

We are pleased to offer you, subject to approval by the Conn's, Inc. ("Conn's") Board of Directors (the "Board"):

- The position of Interim President & Chief Executive Officer of Conn's, Inc. ("Interim CEO") in the capacity as an "at-will" employee of the company, reporting directly to the Board, effective October 18, 2022, or such earlier time as Conn's current President & Chief Executive Officer may terminate service in such capacity (the "Start Date");
 - You will also remain in your Director role on the Board during such time that you serve as Interim CEO, it being understood that, nothing in this letter shall confer any right or expectation that you will continue to be nominated or serve as a member of the Board for any specified period of time.
- Cash compensation consisting of the following:
 - Monthly salary of \$210,000, payable in accordance with Conn's normal payroll practices and subject to applicable tax withholding;
- Annual participation in Conn's Long Term Incentive Program ("LTIP"), consisting of grants of time-based restricted stock units ("RSUs"), with an annual target grant date value of \$3,000,000 (in the aggregate), granted to you as follows:
 - *Initial LTIP Grant.* Your initial LTIP grant, with a grant value of \$1,000,000, will be granted to you shortly after the Start Date with respect to the period from the Start Date through January 31, 2023, assuming you continue to serve as Interim CEO as of the applicable date of grant;
 - *Additional LTIP Grants.* Thereafter, quarterly LTIP grants, each with a grant value of \$750,000, will be granted to you shortly after the beginning of each fiscal year quarter (i.e., in early February, May, August and November), assuming you continue to serve as Interim CEO as of the applicable date of grant;
 - *Vesting.* The above-described LTIP grants will be subject to one-year "cliff" vesting (i.e., vesting occurring on the one-year anniversary of the date of grant) and will be subject to accelerated vesting upon your "Full Termination" without "Cause" (as such terms are defined in the attached Exhibit 1); provided, that such accelerated vesting will be conditioned on your signing and returning to Conn's, within 21 days following the date of termination (or, if permitted by Conn's, within 45 days following the date of termination), an executed release of claims substantially consistent with the form that applies to Conn's executive officers, and not revoking such release within seven days thereafter;

- *Holding Period.* Any shares received upon vesting of the above-described LTIP grants will be subject to a two-year mandatory holding period, measured from the vesting date of the RSUs that relate to such shares, such that, until the second anniversary of such vesting date, you may not sell, transfer, assign, pledge, hedge, or otherwise encumber any vested RSU shares, except to satisfy tax withholding obligations; and
- *Grant Value Matters.* The number of shares subject to these RSUs will be determined based on the weighted average closing price of Conn's common stock over the 20 trading days prior to the date of grant; and
- An Executive Indemnity Agreement consistent with the other executive officers.

While serving as Interim CEO, you will be eligible to participate in Conn's health and welfare benefit programs that are available to all other executive officers consistent with such programs' terms and conditions. In addition, while serving as Interim CEO, you will be eligible for four weeks of paid vacation time each year consistent with the terms and conditions of Conn's vacation policies for its executive officers.

As Interim CEO, you will not be subject to the stock ownership guideline that applies to the role of Conn's Chief Executive Officer. Accordingly, during such time you serve as Interim CEO, you will continue to be subject to the Board's stock ownership requirement of 400% of the Board's annual cash retainer. In addition, any outstanding equity awards that you hold pursuant to the LTIP immediately prior to the Start Date will remain subject to paragraph 3 of that certain letter agreement between you and Conn's dated August 4, 2021; provided, that your continued service for such purposes will be based on your Interim CEO services hereunder.

We look forward to having you join the Conn's team as Interim CEO. Please acknowledge your acceptance of this offer of employment by signing below and returning one original document to me.

Sincerely,

/s/ Bob L. Martin

Bob L. Martin
Lead Independent Director

Acceptance Acknowledged: /s/ Norman L. Miller

Date: October 17, 2022

Exhibit 1

For purposes of this offer letter, the following terms have the meanings set forth below:

“Cause” means with respect to Interim CEO, the occurrence of any one of the following: (i) willful and continued failure to substantially perform Interim CEO’s obligations required for Interim CEO’s position with Conn’s (other than any such failure resulting from Interim CEO’s incapacity due to any physical or mental illness); provided, however, that Conn’s shall have provided Interim CEO with written notice of such failure and Interim CEO shall have been afforded at least 30 days to cure such failure to the extent the failure is capable of cure; (ii) gross negligence or willful misconduct in the performance of, or Interim CEO’s abuse of alcohol or drugs rendering Interim CEO unable to perform, the material duties and services required for Interim CEO’s position with Conn’s; (iii) Interim CEO’s conviction or plea of nolo contendere for any crime involving moral turpitude or a felony; (iv) Interim CEO’s commission of an act of deceit or fraud intended to result in personal and unauthorized enrichment of Interim CEO at the expense of Conn’s or any of its affiliates; (v) Interim CEO’s material violation of the written policies of Conn’s or any of its affiliates (including the Code of Ethics of Conn’s, as in effect from time to time); or (vi) Interim CEO’s breach of a material obligation of Interim CEO to Conn’s or any of its affiliates pursuant to the Bylaws of Conn’s or any agreement between Interim CEO and Conn’s or any of its affiliates.

“Full Termination” means a termination of Interim CEO’s services with Conn’s, such that, Interim CEO is no longer serving Conn’s as an employee or as a member of the Board.



Conn's, Inc. Announces Leadership Change

Chandra Holt has Stepped Down as President and Chief Executive Officer

Norman Miller, Conn's Former President and Chief Executive Officer, Appointed as Interim President and Chief Executive Officer

Conn's Provides Business Update

THE WOODLANDS, Texas October 18, 2022 — **Conn's, Inc. (NASDAQ: CONN)** ("**Conn's**" or the "**Company**"), announced today that President and Chief Executive Officer Chandra Holt has stepped down from her position and from the Company's Board effective immediately.

"It has been an honor to lead Conn's and our employees since August 2021, through several challenges in the retail sector, and the broader economy. I am proud of the work this dedicated team of over 3,500 strong employees continues to deliver towards growing and serving Conn's customers with excellence and thank them for their support during my tenure," said Ms. Holt.

"On behalf of the Board, I want to thank Chandra for her leadership and her contributions to the Company," said Bob Martin, Conn's lead independent director on behalf of the Board of Directors.

Effective immediately, Norman L. Miller will serve as Interim President and Chief Executive Officer. Mr. Miller was the Company's former President and Chief Executive Officer from September 2015 to August 2021 and Executive Chairman from August 2021 until April 2022, and has been a member of the Board of Directors since September 2015. Mr. Miller is a retail and consumer finance industry veteran and executive with over 30 years of experience at corporations including Sears, DFC Global Corp, Aramark, Nestle and Kraft. Mr. Miller will continue to serve as a member of the Board of Directors.

"The Board is pleased to welcome Norm back as Interim President and Chief Executive Officer. Norm's deep familiarity with Conn's business model and past successes ensures a seamless transition. During his previous tenure, Norm stabilized the Company's retail and credit operations, grew its store footprint, and guided the Company profitably through several unprecedented challenges including the global pandemic in 2020 and 2021. Norm produced several record setting years of profitable growth, while serving as President and Chief Executive Officer," said Mr. Martin.

Mr. Miller stated, "I am excited to return to Conn's and help the Company reestablish its core customer value proposition. Our differentiated credit offerings power a compelling model that we believe is needed now more than ever as consumers across the country are impacted by record inflation and growing economic uncertainty. On behalf of Conn's Board of Directors and leadership team, we are focused on turning around our financial and operating performance to create lasting value for our customers, communities, team members, and shareholders."

"Under Mr. Miller's previous tenure as President and Chief Executive Officer, the Company's operating margins increased from 7% to 12% helping drive a 40% increase in the Company's book value. Additionally, annual credit segment income before taxes improved from negative \$100 million to a positive \$65 million, and eCommerce sales increased from less than 1% of total retail sales to over 5% of retail sales during his previous tenure. On behalf of the Board, we look forward to supporting Norm and Conn's leadership team, as we work together to execute on the Company's growth initiatives," concluded Mr. Martin.

Update on Fiscal Year 2023 Third Quarter Performance

Conn's remains challenged by macroeconomic headwinds, which is impacting consumer spending and disproportionately affecting year-over-year sales to the Company's financial access customer segment and sales of discretionary product categories. As a result, the Company currently expects total revenue for the fiscal year 2023 third quarter to be down 21% to 23%. In addition, Conn's expects operating margin for the fiscal year 2023 third quarter to be negative mid-single digits.

The Company is focusing on improving margins and reducing or eliminating unnecessary costs. Conn's will provide complete third quarter results in early December. Final third quarter results may differ from the descriptions above once the quarter is fully closed.

Outlook

As part of the leadership change, and continued macroeconomic and retail uncertainty, Conn's has withdrawn its previous fiscal year 2023 financial guidance. Management expects to update investors further when the Company reports third quarter results in early December.

About Conn's, Inc.

Conn's HomePlus (NASDAQ: CONN) is a specialty retailer of home goods, including furniture, appliances and consumer electronics, with a mission to elevate home life to home love. With over 160 stores across 15 states and online at Conns.com, our over 3,500 employees strive to help all customers create a home they love through access to high-quality products, next-day delivery and personalized payment options, including our flexible, in-house credit program. Additional information can be found by visiting our investor relations website at <https://ir.conns.com> and social channels (@connshomeplus on Twitter, Instagram, Facebook and LinkedIn).

This press release contains forward-looking statements within the meaning of the federal securities laws, including but not limited to, the Private Securities Litigation Reform Act of 1995, that involve risks and uncertainties. Such forward-looking statements include information concerning our future financial performance, business strategy, plans, goals and objectives. Statements containing the words "anticipate," "believe," "could," "estimate," "expect," "intend," "may," "plan," "project," "should," "predict," "will," "potential," or the negative of such terms or other similar expressions are generally forward-looking in nature and not historical facts. Such forward-looking statements are based on our current expectations. We can give no assurance that such statements will prove to be correct, and actual results may differ materially. A wide variety of potential risks, uncertainties, and other factors could materially affect our ability to achieve the results either expressed or implied by our forward-looking statements, including, but not limited to: general economic conditions impacting our customers or potential customers; our ability to execute periodic securitizations of future originated customer loans on favorable terms; our ability to continue existing customer financing programs or to offer new customer financing programs; changes in the delinquency status of our credit portfolio; unfavorable developments in ongoing litigation; increased regulatory oversight; higher than anticipated net charge-offs in the credit portfolio; the success of our planned opening of new stores; expansion of our e-commerce business; technological and market developments and sales trends for our major product offerings; our ability to manage effectively the selection of our major product offerings; our ability to protect against cyber-attacks or data security breaches and to protect the integrity and security of individually identifiable data of our customers and employees; our ability to fund our operations, capital expenditures, debt repayment and expansion from cash flows from operations, borrowings from our Revolving Credit Facility, and proceeds from accessing debt or equity markets; the effects of epidemics or pandemics, including the COVID-19 pandemic; and other risks detailed in Part I, Item 1A, Risk Factors, in our Annual Report on Form 10-K for the fiscal year ended January 31, 2022 and other reports filed with the Securities and Exchange Commission. If one or more of these or other risks or uncertainties materialize (or the consequences of such a development changes), or should our underlying assumptions prove incorrect, actual outcomes may vary materially from those reflected in our forward-looking statements. You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this press release. We disclaim any intention or obligation to update publicly or revise such statements, whether as a result of new information, future events or otherwise, or to provide periodic updates or guidance. All forward-looking statements attributable to us, or to persons acting on our behalf, are expressly qualified in their entirety by these cautionary statements.

CONN-G

S.M. Berger & Company

Andrew Berger (216) 464-6400