

UNITED STATES OF AMERICA
BEFORE THE FEDERAL TRADE COMMISSION

COMMISSIONERS: Joseph J. Simons, Chairman
Noah Joshua Phillips
Rohit Chopra
Rebecca Kelly Slaughter
Christine S. Wilson

In the Matter of)
)
)
Aaron's Inc.,) Docket No.C-
a corporation.)
)
)

DECISION AND ORDER

The Federal Trade Commission ("Commission"), having initiated an investigation of certain acts and practices of Aaron's Inc. ("Respondent"), R&A Center, Inc., and Buddy's Newco, LLC, and Respondent having been furnished thereafter with a copy of the draft

1. Respondent Aaron's Inc, is a corporation organized, existing, and doing business under and by virtue of the laws of the State of Georgia with its headquarters and principal place of business located at 400 Galleria Parkway SE, Suite 300, Atlanta, Georgia 30339.
2. The Federal Trade Commission has jurisdiction of the subject matter of this proceeding and of the Respondent and the proceeding is in the public interest.

ORDER

I.

IT IS HEREBY ORDERED that, as used in this Order, the following definitions shall apply:

- A. "Aaron's" or "Respondent" means Aaron's Inc., its directors, officers, partners, employees, agents, representatives, successors, and assigns; and the joint ventures, subsidiaries, partnerships, divisions, groups and affiliates controlled by Aaron's Inc. and the respective directors, officers, employees, agents, representatives, successors, and assigns of each.
- B. "Buddy's" means Buddy's Newco, LLC, d/b/a Buddy's Home Furnishings is a limited liability company organized, existing, and doing business under and by virtue of the laws of the State of Delaware, with its principal address at 4705 S. Apopka Vineland Road, Suite 206, Orlando, Florida 32819.
- C. "RAC" means Rent-A-Center, Inc., a corporation organized, existing, and doing business under and by virtue of the laws of the State of Delaware, with its principal address at 5501 Headquarters Drive, Plano, Texas 75024.
- D. "Commission" means the Federal Trade Commission of the law governing business.

- I. "Consent Agreement" means the Agreement Containing Consent Order.
- J. "Consumer Rental Contracts" means contracts that provide a consumer with a consumer good through a leasing arrangement that terminates when the consumer acquires ownership or the lessor takes possession of the consumer good. Consumer Rental Contracts are also referred to as rent-to-own contracts, rental purchase agreements, and lease-to-own agreements.
- K. "Executive Team" means Board Members, CEO, President, Executive Vice President, and General Counsel of Respondent and all employees of Respondent in a senior management position with decision-making authority over Respondent's business operations.
- L. "Non-Competition Agreement" means any agreement or covenant not to operate an RTO Retail Center within a specified geographic area for a specified period.
- M. "Third Party" means any natural person, partnership, corporation, association, trust, joint venture, or other business or legal entity other than Respondent.
- N. "Reciprocal Purchase Agreement" means a contingent agreement or series of contingent agreements through which Respondent or an Aaron's Franchisee agrees to close a RTO Retail Center and sell its Consumer Rental Contracts to a competitor or its franchisee, and that competitor or its franchisee agrees to close a different RTO Retail Center and sell its Consumer Rental Contracts to Respondent or an Aaron's Franchisee.
- O. "RTO Retail Center" means a store with a physical location that primarily offers consumer goods through Consumer Rental Contracts.

II.

IT IS FURTHER ORDERED that:

- A. Respondent shall not, directly or indirectly, enter into, solicit, invite, facilitate, or enable any Third Party to enter into, a Reciprocal Purchase Agreement.
- B. Respondent shall not enforce, in whole or part, any Non-Competition Agreement that was part of, or contingent on, a Reciprocal Purchase Agreement.
- C. In any future franchise agreement or any renewal of an existing franchise agreement Respondent shall specifically prohibit the Aaron's Franchisee from entering into a Reciprocal Purchase Agreement with a Third Party.

III.

IT IS FURTHER ORDERED that no employee, officer, Board Member or other representative of Respondent shall ~~serve~~ ~~a~~ Board Member or officer of a Competitor and Respondent shall not permit any employee, officer, Board Member or other

V.

IT IS FURTHER ORDERED that Respondent shall file verified written reports (“compliance reports”) in accordance with the following:

A. Respondent

- d. Whether Respondent or an Aaron's Franchisee entered into a Non Competition Agreement in connection with the transaction; and
- e. A short summary of the relevant terms of the transaction including, but not limited to: (i) the purchase price and/or valuation of assets, (ii) the closing date of the transaction and (iii) if Respondent or an Aaron's Franchisee acquired or sold Consumer Rental Contracts from multiple RTO Retail Centers in the same transaction, the addresses of the other RTO Retail Centers.

C. Respondent shall verify each compliance report in the manner set forth in 28 U.S.C. § 1746 by the Chief Executive Officer or another officer or employee specifically authorized to perform this function. Respondent shall submit an original and 2 copies of each compliance report as required by Commission Rule 2.41(a), 16 C.F.R. § 2.41(a), including a paper original submitted to the Secretary of the Commission and electronic copies to the Secretary at ElectronicFilings@ftc.gov and to the Compliance Division at bccompliance@ftc.gov. In addition, Respondent shall provide a copy of each compliance report to the Monitor if the Commission has appointed one in this matter.

VI.

IT IS FURTHER ORDERED that Respondent shall notify the Commission at least 30 days prior to

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Rules 2.7(a)(1) and (2), 16 C.F.R. § 2.7(a)(1) and (2), in the possession or the control of the Respondent related to compliance with this Order, which copying services shall be provided by the Respondent at the request of the authorized representative of the Commission and at the expense of the Respondent; and

- B. To interview officers, directors, or employees of the Respondent, who may have counsel present, regarding such matters.

VIII.

IT IS FURTHER ORDERED that in connection with any legal proceeding brought by the Commission against Buddy's or RAC alleging that Respondent ~~is an~~ Franchisee entered illegal Reciprocal Purchase Agreements, Respondent shall

- A. Agree to service of process of all Commission subpoenas issued under Rule 3.34 of the Commission Rules of Practice, 16 C.F.R. ¶ 3.34; and
- B. Negotiate in good faith with the Commission to provide a declaration, affidavit, and/or sponsoring witness, if necessary, to establish the authenticity and admissibility of any documents and/or data that Respondent produces or has produced to the Commission.

IX.

IT IS FINALLY ORDERED that this Order shall terminate 20 years from the date it is issued.

By the Commission.

April J. Tabor
Acting Secretary

SEAL:
ISSUED: