

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)
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)
Rent-A-Center, Inc.,) Docket No.C-
a corporation.)
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)

DECISION AND ORDER

The Federal Trade Commission (“Commission”), having initiated an investigation of certain acts and practices of Rent-A-Center, Inc. (“Respondent”), Aaron’s Inc., and Buddy’s Newco, LLC, and Respondent having been furnished thereafter with a copy of the draft Complaint that counsel for the Commission proposed to present to the Commission for its consideration and which, if issued by the Commission, would charge Respondent with violations of Section 5 of the Federal Trade Commission Act, as amended, 15 U.S.C. § 45; and

Respondent, its attorneys, and counsel for the Commission having thereafter executed an Agreement Containing Consent Order (“Consent Agreement”), containing an admission by

- G. “Consumer Rental Contracts” means contracts that provide a consumer with a consumer good through a leasing arrangement that terminates when the consumer acquires full ownership, returns the merchandise, or the lessor takes repossession of the consumer good prior to the lessee obtaining full ownership. Consumer Rental Contracts are also referred to as rent-to-own contracts, rental purchase agreements, or lease-to-own agreements.
- H. “Executive Team” means the CEO, President, Executive Vice President, and General Counsel of Respondent, and all vice president-level employees of Respondent with operational decision-making authority over Respondent’s RTO Retail Centers.
- I. “Non-Competition Agreement” means any agreement or covenant not to operate an RTO Retail Center within a specified geographic area for a specified period.
- J. “Third Party” means any natural person, partnership, corporation, association, trust, joint venture, or other business or legal entity other than Respondent.
- K. “RAC Franchisee” means a Third Party business owner who operates an RTO Retail Center under the RAC corporate trademark or associated brands.
- L. “Reciprocal Purchase Agreement” means an agreement, or a series of interdependent agreements, through which Respondent or a RAC Franchisee agrees to close or sell one or more of its RTO Retail Centers and sell the associated Consumer Rental Contracts to a Competitor, and that Competitor agrees to close or sell one or more of its RTO Retail Centers and sell the associated Consumer Rental Contracts to Respondent or a RAC Franchisee; *provided, however*, this term does not include transactions whereby Respondent’s, or a RAC Franchisee’s, purchase from

- b. The address of the RTO Retail Center;
- c. The name of all other parties to the transaction, and if another party was a franchisee, the name of the franchisor of that party;
- d. Whether Respondent or a RAC Franchisee has 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 a RAC 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. Any other change in Respondent including, but not limited to, assignment and the creation or dissolution of subsidiaries, if such change might affect compliance obligations arising out of this Order.

VI.

IT IS FURTHER ORDERED that, for purposes of determining or securing compliance with this Order, and subject to any legally recognized privilege, upon written request and five (5) days' notice to the relevant Respondent, made to its principal place of business as identified in this Order, registered office of its United States subsidiary, or its headquarters office, the notified Respondent shall, without restraint or interference, permit any duly authorized representative of the Commission:

- A. Access, during business office hours of the Respondent and in the presence of counsel, to all facilities and access to inspect and copy all business and other records and all documentary material and electronically stored information as defined in Commission Rules 2.7(a)(1) and (2), 16 C.F.R. § 2.7(a)(1) and (2), in the possession or under 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.

VII.

IT IS FURTHER ORDERED that in connection with any legal proceeding brought by the Commission against Aaron's or Buddy's alleging that Respondent or a RAC 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.

VIII.

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: