

1 THE HONORABLE JEFFREY RAMSDELL

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7 IN THE SUPERIOR COURT OF THE STATE OF WASHINGTON
FOR THE COUNTY OF KING

8 RENT-A-CENTER WEST, INC., a Delaware
corporation,

9
10 Petitioner,

11 v.

12 THE STATE OF WASHINGTON, by and
through the Office of the Attorney General of
the State of Washington,

13
14 Respondent.

No. 08-2-32502-4 SEA

CONSENT DECREE

15 I. JUDGMENT SUMMARY

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- | | | | |
|----|-----|---|--|
| 17 | 1.1 | Judgment Creditor: | State of Washington |
| 18 | 1.2 | Judgment Debtor: | Rent-A-Center, Inc. |
| 19 | 1.3 | Attorneys Fees and Costs: | \$243,000 |
| 20 | 1.4 | Fund for Monitoring and
Potential Enforcement Fees
and Costs: | \$100,000 |
| 21 | | | |
| 22 | 1.5 | Total Judgment: | \$343,000 |
| 23 | | | |
| 24 | 1.6 | Post-Judgment Interest
Rate: | 12% per annum |
| 25 | | | |
| 26 | 1.7 | Attorney for Judgment
Creditor: | James T. Sugarman, Assistant Attorney
General |

1 1.8 Attorney for Judgment Matthew Turetsky, Schwabe Williamson &
2 Debtors: Wyatt
3 Thomas L. Boeder, Perkins Coie LLP
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5 **II. RECITALS**

6 2.1 Respondent/Counter Plaintiff, State of Washington, ("Respondent" or "State")
7 having filed Counterclaims pursuant to the Consumer Protection Act, RCW 19.86, and
8 Petitioner/Counter Defendant Rent-A-Center West, Inc., ("Petitioner" or "RAC") having
9 been served with copies of the Counterclaims and having denied these Counterclaims; and
10

11 2.2 Respondent having appeared by and through its attorneys, Robert M.
12 McKenna, Assistant Attorneys General Shannon E. Smith and James T. Sugarman; and
13 Petitioner having appeared by and through its attorneys, Schwabe Williamson & Wyatt and
14 Matthew Turetsky and Perkins Coie LLP and Thomas L. Boeder; and

15 2.3 Petitioner and Respondent (collectively "the Parties") having agreed on a
16 basis for the settlement of the matters alleged in the pleadings, and to the entry of this
17 Consent Decree without the need for a trial or adjudication of any issue of law or fact; and

18 2.4 The Parties agreeing that nothing in this Consent Decree constitutes evidence
19 or an admission of any fact, issue, or liability as alleged by either of the Parties; and RAC
20 expressly denying that all of the collection practices prohibited by Petitioner's business
21 policies, which are the subject matter of the enforcement provisions of this Consent Decree,
22 are prohibited by Washington law; and

23 2.5 The Parties agreeing that the injunctive provisions of this Consent Decree are
24 not intended to expose Petitioner, including RAC Management (as defined in paragraph 4.1
25 below) to liability for violating this Consent Decree based on the conduct of rogue
26 employees who fail to adhere to the business policies established and enforced as provided

1 below.

2 4.1.1. Actually speaking with a customer, by telephone or in person, more
3 than six (6) times per week for the purpose of discussing a past due account;

4 4.1.2. Engaging in violence or trespass in any form;

5 4.1.3. Calling or visiting a customer at home or work about their past due
6 account after receiving legal notice that the customer filed bankruptcy, unless and until
7 authorization is obtained from the bankruptcy trustee or the Court or the bankruptcy is
8 dismissed;

9 4.1.4. Making phone calls without properly identifying the person calling
10 and the person's affiliation with Rent-A-Center;

11 4.1.5. Impersonating another person or misrepresenting the caller as
12 someone other than a Rent-A-Center employee;

13 4.1.6. Discussing a customer's account with anyone who has not signed the
14 customer account agreement except for the customer's spouse;

15 4.1.7. Threatening any legal action, either criminal or civil, unless approved
16 pursuant to Rent-A-Center Legal Action Guidelines or as necessary to comply with RCW
17 9A.56.096;

18 4.1.8. Leaving a recorded message for a customer that includes anything
19 more than the caller's name, the name of the company, the phone number of the company
20 store, the date and time, and a courteous request that the customer return the call;

21 4.1.9. Calling or visiting a customer's place of employment *after* having
22 been told not to call or visit this location by the customer or by the customer's employer;

23 4.1.10. Using profanity or any kind of language meant to abuse, ridicule or
24 degrade the customer or another party;

25 4.1.11. Repeatedly making calls, leaving voicemail messages, knocking on
26 doors or ringing doorbells with the objective of harassing a customer into taking action;

1 4.1.12. Asking any person who did not sign a customer agreement to make a
2 payment on the agreement except for the customer's spouse;

3 4.1.13. Obtaining payment through a customer's bank, credit card or other
4 account without a customer's authorization to do so, or exceeding a customer's stated
5 limitations on authorized charges, unless authorized by law or court order;

6 4.1.14. Entering without permission parts of a consumer's home or yard other
7 than as necessary to reach what reasonably appears to be the primary entrance.

8 4.2 For the duration of this Consent Decree, Petitioner shall maintain a record of
9 all collection-related complaints received at its corporate office in writing and on its 1-800
10 Customer Care Line in substantially the same form that such complaints were produced by
11 Petitioner in response to the Civil Investigation Demand issued by the Respondent to
12 Petitioner in January 2008. Petitioner shall permit access by the Respondent to these records,
13 to records related to its training, educational and enforcement policies described in paragraph
14 4.1, its Legal Action Guidelines in paragraph 4.1.7, and its additional notice and training
15 regarding Loss-Damages Waivers in paragraph 4.5, upon reasonable notice and at reasonable
16 times. Petitioner may provide the original documents or exact copies in lieu of access.

17 4.3 Petitioner shall modify its Rental Order form to include substantially the
18 following: "Rent-A-Center has my express authorization to contact any person, landlord,
19 employer or company listed on the rental order form throughout the duration of any lease
20 purchase agreement with Rent-A-Center, unless and until it is told otherwise by me in
21 writing or by the person listed orally or in writing."

22 4.4 Petitioner shall modify its standard Arbitration Agreement to include the
23 phrase, "Except as otherwise provided by Washington law," before the following statement:
24 "We and you are prohibited from participating in a class action or class-wide arbitration with
25 respect to that Claim and the arbitrator has no authority to hear any such Claim (the "Class
26 Action Waiver")."

1 4.5 Petitioner agrees to provide additional notice and training to its employees:
2 (a) to reinforce the optional nature of the Loss Damage Waiver option; and (b) to ensure that
3 its employees accurately quote payment amounts to its customers.

4 4.6 Petitioner agrees to continue to list on its Lease Purchase Agreements ^a ~~the cash~~
5 ~~price for each vendor product item number, which it began in December 2009.~~
6 ~~item, whether one or more pieces, that are offered on the showroom~~
~~floor with a single tag and cash price, which it began in December 2009.~~

V. ATTORNEY'S FEES AND COSTS

7 5.1 On or before March 31, 2010, Petitioner shall pay to Respondent attorney's
8 fees and costs in the amount of \$243,000. On or before March 31, 2010, Petitioner shall pay
9 an additional \$100,000 to be used at the sole discretion of the Attorney General for other fees
10 and costs associated with this litigation or with any future enforcement of this Consent
11 Decree or for consumer education. Petitioner shall make all payments specified in this
12 Consent Decree by wire transfer, bank cashier's check or certified check payable to the
13 Attorney General – State of Washington, and shall be mailed or delivered to the Office of the
14 Attorney General, Attn: Cynthia Lockridge, Consumer Protection Division, 800 Fifth
15 Avenue, Suite 2000, Seattle, Washington, 98146-1012, unless otherwise agreed to in writing
16 by the Parties.

VI. ENFORCEMENT

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19 6.1 Violation of the injunctive provisions of this Consent Decree shall constitute a
20 violation of an injunction for which civil penalties in an amount no greater than \$250,000
21 may be sought by Respondent; provided, that in no event shall the total or cumulative
22 amount of civil penalties sought or recovered by Respondent relating to violation of the
23 injunctive terms of this Consent Decree exceed \$250,000.

24 6.2 At any time that the Respondent believes that Petitioner has engaged, or is
25 engaging, in conduct that constitutes a violation of any of the terms of this Consent Decree,
26 Respondent will provide notice of such alleged violation to Petitioner and provide a

1 reasonable opportunity to cure the alleged violation. Respondent agrees not to take any
2 action to recover a civil penalty for violation of this Consent Decree unless and until
3 Respondent believes that Petitioner has failed to cure the alleged violation after notice and a
4 reasonable opportunity to cure.

5 6.3 Under no circumstances shall this Decree or the names of the State of
6 Washington or the Office of the Attorney General, Consumer Protection Division, or any of
7 its employees or representatives be used by Petitioner's agents or employees in connection
8 with the promotion of any product or service or an endorsement or approval of Plaintiff's
9 practices.

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11 **VII. EFFECTIVE DATE AND DISMISSAL**

12 7.1 The Court finding no just reason for delay, hereby expressly directs entry of
13 this Consent Decree, which shall take effect immediately on its entry and remain in effect for
14 a period of two years from the date of entry.

15 7.2 Based on this Consent Decree, and with continuing jurisdiction for
16 enforcement as provided above, this action, and any and all claims asserted by the Parties, as
17 well as the "packing claim" which the Respondent sought leave to assert, but which was not
18 granted, are otherwise dismissed with prejudice and without costs to any party other than as
19 expressly provided above.
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21 **SO ORDERED** this 26th day of February, 2010

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25 HONORABLE JEFFREY RAMSDELL
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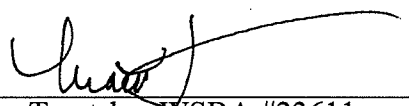
Presented by:

ROBERT M MCKENNA, ATTORNEY GENERAL

By: 
Shannon E. Smith, WSBA #19077
James T. Sugarman, WSBA #39107
Attorneys for Respondent

Approved and notice of presentation waived by:

SCHWABE, WILLIAMSON & WYATT, P.C.

By: 
Matthew Turetsky, WSBA #23611
Virginia R. Nicholson, WSBA #39601

PERKINS COIE LLP
Thomas L. Boeder, WSBA #408
Attorneys for Petitioner,
Rent-A-Center West, Inc.