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**STATE OF WASHINGTON  
KING COUNTY SUPERIOR COURT**

RENT-A-CENTER WEST, INC. a  
Delaware Corporation,

Plaintiff,

v.

THE STATE OF WASHINGTON,  
JAMES T. SUGARMAN, in his official  
capacity as Assistant Attorney General  
in the Consumer Protection Division,  
Office of the Attorney General, State of  
Washington,

Defendants.

NO. 08-2-05194-7

STATE OF WASHINGTON AND  
JAMES T. SUGARMAN'S AMENDED  
ANSWER, AFFIRMATIVE  
DEFENSES, AND COUNTERCLAIMS

The State of Washington and James T. Sugarman, Assistant Attorney General, (hereinafter collectively referred to as "the State"), in answer to the Petition to Modify Civil Investigative Demand and Complaint for Declaratory Relief, admit, deny and allege as follows:

**I. GENERAL DENIALS**

1.1 The State generally denies each allegation of fact in Plaintiff Rent-A-Center West, Inc's (hereinafter Rent-A-Center) Complaint unless the allegation of fact is expressly admitted. The State will not respond to legal arguments contained in Rent-A-Center's Complaint and will deny them if it is unclear if Rent-A-Center is asserting a factual or legal claim.

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## II. ANSWER

2.1 The State admits Rent-A-Center is a foreign corporation incorporated in Delaware. The State is without information as to whether it is authorized to do business in Clark County, admits Rent-A-Center is authorized to do business in the State of Washington, and admits Rent-A-Center is doing business in the State of Washington. The State admits that a portion of Rent-A-Center's business involves leasing furniture, electronics, and appliances to consumers but states that Rent-A-Center is primarily selling these items through a Lease Purchase Agreement.

2.2 The State admits the allegations contained in paragraph 2.

2.3 Paragraph 3 contains legal contentions to which a response is not required, and the State admits that venue in King County is proper.

2.4 The State denies the allegations contained in the final sentence of paragraph 4 and admit that paragraph's remaining allegations.

2.5 The State admits it has extended the time for Rent-A-Center to respond to the CID several times and denies the remaining allegations contained in paragraph 5.

2.6 The State admits it issued the quoted interrogatory, is without knowledge as to the number of employees, and otherwise denies the allegations contained in paragraph 6, to the extent they are not legal contentions to which a reply is not required.

2.7 The State admits it issued the quoted interrogatory, admits it voluntarily reduced the scope of the interrogatory in response to Rent-A-Center's objections, is without knowledge as to the number of pages Rent-A-Center would have to produce, and otherwise denies the allegations contained in paragraph 7, to the extent they are not legal contentions to which a reply is not required.

2.8 The State denies the allegations contained in paragraph 8, to the extent they are not legal contentions to which a reply is not required.

2.9 The remaining allegations are legal conclusions to which no answer is required. To the extent an answer is required, the State denies the remaining allegations.

1 **III. AFFIRMATIVE DEFENSES**

2 3.1 By way of further answer and affirmative defense, Rent-A-Center fails to state a  
3 claim upon which relief can be granted.

4 3.2 By way of further answer and affirmative defense, the State's actions manifest a  
5 reasonable exercise of judgment and discretion by authorized public officials made in the proper  
6 exercise of governmental authority entrusted to them by law, did not violate any clearly  
7 established right or duty, and are neither tortuous nor actionable.

8 3.3 By way of further answer and affirmative defense the State is entitled to immunity,  
9 either absolute or qualified, from suit for the matters charged.

10 3.4 By way of further answer and affirmative defense, the State acted pursuant to  
11 statutes, and did not clearly violate established constitutional or statutory rights of which a  
12 reasonable person would have known.

13 3.5 By way of further answer and affirmative defense, to the extent Rent-A-Center  
14 seeks damages for tortuous conduct it failed to file a claim against the State of Washington as  
15 required by RCW 4.92.100-110.

16 **COUNTERCLAIM FOR ORDER ENFORCING**  
17 **CIVIL INVESTIGATIVE DEMAND**

18 **IV. INTRODUCTION**

19 4.1 **COMES NOW** Respondent State of Washington, by and through its attorney,  
20 Robert M. McKenna, Attorney General, and James T. Sugarman, Assistant Attorney General,  
21 and brings this counterclaim for enforcement of a Civil Investigative Demand pursuant to  
22 RCW 19.86.110 of the Consumer Protection Act.

23 **V. JURISDICTION AND VENUE**

24 5.1 This petition is initiated under the provisions of RCW 19.86, the Consumer  
25 Protection Act.

26 5.2 This Court has jurisdiction over this counterclaim and venue is proper.

1           5.3    The State believes Rent-A-Center is in possession, custody, or control of originals  
2 or copies of books, records, reports, memoranda, papers, mechanical transcriptions, or documents  
3 which it believes are relevant to the subject matter of an investigation regarding possible  
4 violations of RCW 19.86.

5           5.4    The State, pursuant to RCW 19.86.110, served a Civil Investigative Demand  
6 (CID) on the Petitioner on or about January 29, 2008, requiring Rent-A-Center to produce  
7 documentary material, permit inspection and copying thereof and to give answers in writing to  
8 written interrogatories. The Civil Investigative Demand is attached as Exhibit A.

9           5.5    The Demand alleged possible violations of RCW 19.86.020 and specified the  
10 general subject matter of the investigation as violations of the Consumer Protection Act,  
11 RCW 19.86, and the Lease Purchase Act, RCW 63.19, in the course of making and collecting  
12 upon lease purchase contracts for personal property. The CID described specifically certain  
13 documents to be produced and prescribed a return date of March 4, 2008, for such production.  
14 The State voluntarily agreed to continue the return date several times over a six-month period to  
15 accommodate Rent-A-Center.

16   **VI. PARTIES**

17           6.1    Counterclaimant is the State of Washington.

18           6.2    Counterclaim Defendant is Rent-A-Center West, Inc. (hereinafter Rent-A-  
19 Center). Upon information and belief, Rent-A-Center is a Delaware corporation, doing  
20 business in the State of Washington.

21   **VII. FACTS**

22           7.1    The State served a civil investigative demand pursuant to RCW 19.86.110 on  
23 Rent-A-Center in the course of an investigation to determine the extent and degree of Rent-A-  
24 Center's unlawful trade practices. Ex. A.

1           7.2     Rent-A-Center is a company with over 3,000 stores nationally and 50 in the  
2 State of Washington. It sells furniture, televisions, and other consumer items using a rent-to-  
3 own business model.

4           7.3     Consumers make weekly, and sometimes biweekly or monthly payments until  
5 they have paid off whatever amount Rent-A-Center has determined is the total due.

6           7.4     Through these payments, consumers ultimately pay far larger prices for items  
7 than charged in traditional stores. As an example, through weekly payments Rent-A-Center  
8 charged a total of \$3,585.21 for a refrigerator, \$4,073.25 for a laptop computer and \$6,594 for  
9 a used television. Ex. B.

10          7.5     Generally consumers' payments must be taken to the store each week in person.

11          7.6     According to Rent-A-Center only 25% of its consumers actually complete this  
12 payment schedule.<sup>1</sup>

13          7.7     Rent-A-Center's contracts include a right to repossess the property without legal  
14 process and to charge for repossessions. Ex. B.

15          7.8     The State requested, through a civil investigative demand, information  
16 regarding the following acts and practices by Rent-A-Center: (1) abusive conduct during  
17 attempts to collect payments and/or property; (2) contractual provisions that unlawfully deny  
18 Washington residents the use of class actions, consolidated claims and the use of private  
19 attorney general actions; (3) concealment of the cash price of each item it sells, which cost  
20 must be disclosed in writing as mandated by the Lease Purchase Act. RCW 63.19.040(f); and  
21 (4) inclusion of fees for services which may be without value, inappropriate or unknown to the  
22 consumer.

23  
24  
25           <sup>1</sup> As stated in Rent-A-Center's March 1, 2007 10-K report filed with the Securities Exchange  
26 Commission.

1           7.9     The State issued its Civil Investigative Demand (CID) on January 29, 2008.  
2 The CID contained ten interrogatory questions and seven requests for production of  
3 documents. The CID instructed Rent-A-Center to respond by March 4, 2008.

4           7.10    Rent-A-Center did not respond within the time required by the CID. Instead,  
5 Rent-A-Center submitted what it stated was “not a formal response” but a “show of good  
6 faith.” This response included some self-selected documents and partial answers for some of  
7 the interrogatories.

8           7.11    Despite three extensions over a six-month period, Rent-A-Center has neither  
9 fully, nor formally responded. It has not responded at all to several of the requests, has never  
10 sworn to or affirmed any of the responses it informally provided, and has only partially  
11 responded to most of the remaining requests.

12           7.12    Rent-A-Center now seeks a Court order denying the State its use of the civil  
13 investigative process set forth in RCW 19.86.110 because Rent-A-Center contends that the  
14 legal theories the State may rely upon are not tenable. *Petition 3-5*.

15                   **VIII. ADDITIONAL FACTS ALLEGED UPON AMENDMENT**

16           8.1     This counter-complaint is filed under the provisions of Chapter 19.86 RCW, the  
17 Unfair Business Practices -- Consumer Protection Act.

18           8.2     The violations hereinafter alleged have been committed in whole or in part  
19 within King County and elsewhere within the State of Washington by the  
20 Plaintiff/Counterclaim Defendant (“Plaintiff”).

21           8.3     The Attorney General's standing to commence this action is conferred by  
22 RCW 19.86.080.

23           8.4     Jurisdiction over the Plaintiff is vested in the Court because Plaintiff has  
24 committed the acts alleged below in the state of Washington. Jurisdiction over the subject  
25 matter of this counter-complaint is conferred by the above-referenced statute.  
26

1                   **IX.     UNFAIR AND DECEPTIVE COLLECTION TACTICS**

2           9.1     In the context of collecting payments from consumers, Rent-A-Center uses  
3 unfair and deceptive collection practices including, but not limited to, the following:

- 4           a.     Harassing consumers with repeated telephone calls at home and at work,  
5 including calling consumers at work after being told not to, calling  
6 consumers at home after being told not to, and, filling a consumer's  
7 answering service to capacity with collection messages;
- 8           b.     Repeated collection calls to third parties such as family members or  
9 friends of the consumers demanding that the account be paid, and  
10 disclosing the existence of the purported debt to third parties, and  
11 continuing such calls after being told not to;
- 12           c.     Revealing consumer's personal information to third parties in the course  
13 of attempting to collect debts;
- 14           d.     Using profanity and other abusive, threatening or humiliating language,  
15 including calling consumers "deadbeat," "liar," "thief," and "ghetto  
16 trash";
- 17           e.     Using false threats of criminal arrest or other legal action, including  
18 telling children who are home alone that their parents will face legal  
19 action;
- 20           f.     Pounding aggressively on the doors of consumers homes even when the  
21 consumer clearly does not want to answer or has asked them to leave,  
22 shouting at consumers from outside of their homes, walking around the  
23 house and peering in windows when consumers refuse to answer the  
24 door;
- 25           g.     Claiming to have a court order to serve when they do not;
- 26           h.     Making payment demands to babysitters or other third parties when the  
              consumer is not in the home; and
- i.     Going to consumers' place of employment to demand payments and  
              remaining even when asked to leave.

          9.2     Rent-A-Center's collection practices and training material presume that there  
22 are no legal limits to the number of times it may contact a consumer or third party. When  
23 consumers challenge Rent-A-Center's abusive collection practices, Rent-A-Center's  
24 employees tell consumers that their tactics are legal because collection laws do not apply to  
25 them.

1           9.3     Rent-A-Center employees continue contacting delinquent consumers until the  
2 consumer arranges to make payments or return the merchandise.

3           9.4     Rent-A-Center places no limitation on the number of contacts its employees  
4 may initiate.

5           9.5     Rent-A-Center continues to contact consumers demanding payments after  
6 consumers have asked them to stop.

7           9.6     Rent-A-Center's training material does not instruct its employees to stop  
8 contacting consumers after consumers have asked them to stop, except in circumstances where  
9 a consumer tells it to stop calling a workplace.

10          9.7     Despite Rent-A-Center's training material its employees regularly continue to  
11 call consumer's workplace even when told not to.

12          9.8     Rent-A-Center instructs its employees to begin collection calls before the actual  
13 due date of the first payment.

14          9.9     When consumers report abusive practices to Rent-A-Center's supervisors or  
15 other employees those practices continue or even escalate in their level of abusiveness.

16          9.10    When consumers have questioned Rent-A-Center's calculations of payments  
17 due, Rent-A-Center has refused to give consumers their account balances or payment histories.

18          9.11    Rent-A-Center's collection tactics are injurious to the public interest and are not  
19 reasonable in relation to the development or preservation of business.

20                           **X.     VIOLATIONS OF THE WASHINGTON LEASE-PURCHASE**  
21   **AGREEMENT ACT, RCW 63.19.**

22          10.1    The Washington Lease-Purchase Agreement Act (LPA) requires Rent-A-Center  
23 to disclose the cash price of each piece of property it rents. RCW 63.19.040 (1) (f)

24          10.2    Rent-A-Center's lease purchase agreements give consumers a contractual right  
25 to purchase property for a "cash price," as an alternative to paying the entire schedule of rent-  
26 to-own payments.



1           10.3    The cost of paying the entire schedule of rent-to-own payments can be double  
2 the “cash price” or more.

3           10.4    Rent-A-Center routinely conceals the individual cash price of properties by  
4 aggregating several properties into one cash price.

5           10.5    This practice prevents consumers from exercising their early purchase option,  
6 causes them to incur additional costs in purchasing the property or causes consumers to lose  
7 their chance to purchase property.

8           10.6    Rent-A-Center’s Lease-Purchase Agreement also attempts to conceal or nullify  
9 its early purchase option through contradictory contractual terms. One provision states that to  
10 obtain ownership of the property consumers “must” pay every installment in the lease  
11 schedule. This provision contradicts a later provision that allows consumers to exercise a  
12 much cheaper early purchase option that waives the remaining payments. These contradictory  
13 provisions can result in wrongful denial of a consumer’s early purchase option.

14           10.7    Rent-A-Center’s agreements contain waivers of claims and defenses in violation  
15 of the Lease-Purchase Agreement Act and the public policy of the State of Washington by  
16 barring ‘private attorney general’ claims under the Consumer Protection Act, by prohibiting  
17 consumers from joining their claims with any other consumer, and by prohibiting consumers  
18 from bringing claims as a class or participating in a class action.

19           10.8    Rent-A-Center rents damaged property without revealing the damage as  
20 required by the Lease-Purchase Agreement Act, RCW 63.19.040 (1) (e).

21           10.9    Rent-A-Center’s violations of the Lease Purchase Agreement Act prevent  
22 consumers from knowingly negotiating their contracts, prevent consumers from exercising  
23 contractual and statutory rights, cause consumers to pay more than they otherwise would under  
24 the contract terms, and frustrate fair and open competition in the marketplace.

1           10.10 Each of the allegations in this Complaint refer back to conduct that has  
2 occurred. The State alleges that the described conduct is a material part of Plaintiff's business  
3 practices and is continuing or will continue unless enjoined or restrained by order of the Court.

4                           **XI. FIRST CAUSE OF ACTION**  
5                           (Deceptive Practices in Violation of RCW 19.86.020)

6           11.1 Defendants re-allege paragraphs 1.1 through 10.10, inclusive and incorporate  
7 them herein by this reference.

8           11.2 In the context of conducting its business, Plaintiff made numerous  
9 misrepresentations and failures to disclose material terms. Such conduct is deceptive or has  
10 the capacity to deceive a substantial portion of the public in violation of RCW 19.86.020.

11                           **XII. SECOND CAUSE OF ACTION**  
12                           (Unfair Practices in Violation of RCW 19.86.020)

13           12.1 Defendants re-allege paragraphs 1.1 through 10.10, inclusive and incorporate  
14 them herein by this reference.

15           12.2 In the context of conducting its business, Plaintiff engaged in numerous unfair  
16 acts and practices. Such conduct constitutes unfair or deceptive acts or practices in trade or  
17 commerce, and/or unfair methods of competition in violation of RCW 19.86.020.

18                           **XIII. THIRD CAUSE OF ACTION**  
19                           (Violations of the Lease-Purchase Agreement Act, RCW 63.19)

20           13.1 Defendants re-allege paragraphs 1.1 through 10.10.

21           13.2 In the context of conducting its business, Plaintiff created and enforced  
22 agreements that violate the Lease-Purchase Agreements Act. RCW 63.19.

23           13.3 Pursuant to RCW 63.19.110, violations of the Lease-Purchase Agreement Act  
24 are *per se* violations of the Consumer Protection Act, RCW 19.86.

25           13.4 Notwithstanding RCW 63.19.110, Plaintiff's conduct affects the public interest  
26 and has the capacity to mislead a substantial number of consumers and constitutes unfair or

1 deceptive acts or practices in trade or commerce and unfair methods of competition in violation  
2 of RCW 19.86.020.

3 **XIV. PRAYER FOR RELIEF**

4 **WHEREFORE**, the State moves the Court for:

5 14.1 Entry of an order as the Court deems necessary for enforcement of the Civil  
6 Investigative Demand.

7 14.2 That the court adjudge and decree that Plaintiff has engaged in the conduct  
8 complained of herein.

9 14.3 That the court adjudge and decree that the conduct complained of in the above  
10 causes of action constitute violations of RCW 19.86.020.

11 14.4 That the court issue such preliminary, ancillary and permanent injunctive relief  
12 restraining Plaintiff and their representatives, successors, assigns, officers, agents, servants,  
13 employees, and all other persons acting or claiming to act for, on behalf of, or in active concert  
14 or participation with Plaintiff, from continuing or engaging in the unlawful conduct  
15 complained of herein.

16 14.5 That the court make such orders pursuant to RCW 19.86.080. as it deems  
17 appropriate to provide for consumer restitution.

18 14.6 That pursuant to RCW 19.86.140, the court assess a civil penalty of two  
19 thousand dollars (\$2000) per violation against the Plaintiff for each violation of RCW  
20 19.86.020.

21 14.7 That Defendants have and recover from Plaintiff the costs of this action,  
22 including a reasonable attorneys' fee, pursuant to RCW 19.86.080.

23 14.8 For such other relief as the court may deem just and proper to fully and  
24 effectively dissipate the effect of the conduct complained of herein, or which may otherwise  
25 seem proper to the court.  
26

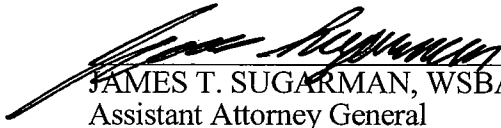
1           14.9 That Plaintiff take nothing by its complaint, and that the complaint be dismissed  
2 with prejudice.

3           14.10 That the State be awarded its costs and reasonable attorney fees in defending  
4 against the Complaint, responding to the Petition, petitioning to enforce its Civil Investigative  
5 Demand, and prosecuting its claims.

6           14.11 That the Court order further relief as it deems just and equitable.

7           DATED this 24<sup>th</sup> day of July, 2009.

8                                   ROBERT M. MCKENNA  
9                                   Attorney General

10                                     
11                                   JAMES T. SUGARMAN, WSBA #39107  
12                                   Assistant Attorney General  
13                                   Attorneys for Respondent State of Washington

1 **PROOF OF SERVICE**

2 I certify that I served a copy of this document on all parties or their counsel of record  
3 on the date below as follows:

- 4  US Mail Postage Prepaid via Consolidated Mail Service *and*
- 5  ABC/Legal Messenger *electronic mail*
- 6  State Campus Delivery
- 7  Hand delivered by \_\_\_\_\_

8 TO: Matt Turetsky  
9 SCHWABE, WILLIAMSON & WYATT  
10 1420 Fifth Avenue, Suite 3010  
11 Seattle, WA 98101

12 I certify under penalty of perjury under the laws of the state of Washington that the  
13 foregoing is true and correct.

14 DATED this 24<sup>th</sup> day of July day of July, 2009 at Seattle, Washington.

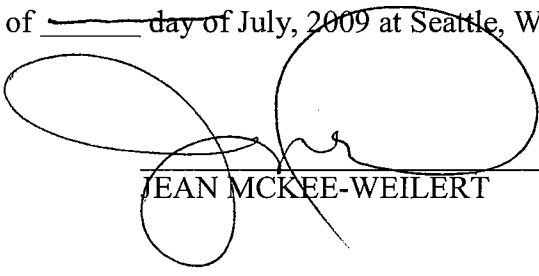
15   
16 JEAN MCKEE-WEILERT

Exhibit A

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OFFICE OF THE ATTORNEY GENERAL  
STATE OF WASHINGTON

IN THE MATTER OF:  
Rent-A-Center West, Inc.

CIVIL INVESTIGATIVE DEMAND FOR  
ANSWERS TO INTERROGATORIES  
AND PRODUCTION OF DOCUMENTS

THE STATE OF WASHINGTON TO: Rent-A-Center West, Inc.  
c/o C T Corporation System  
1801 West Bay Drive NW Suite 206  
Olympia, WA 98502

GREETINGS:

Pursuant to RCW 19.86.110, demand is hereby made upon You by the Consumer Protection Division, Office of the Attorney General, State of Washington, to permit the inspection and copying of that material, and to answer, in writing under oath, the Interrogatories contained in this Civil Investigative Demand. The Attorney General believes You are in possession, custody or control of originals/copies of documents described in the attached pages and You have knowledge relevant to the subject matter of an investigation now in progress. The said investigation involves possible past or current violations of the Washington Consumer Protection Act, RCW 19.86.020 and the Washington Lease Purchase Act as incorporated into the CPA, RCW 63-19-110, while making and collecting upon lease purchase contracts for personal property.

## I. DEFINITIONS

As used in this Civil Investigative Demand:

1.1 The term "relating to" means in whole or in part constituting, containing, concerning, discussing, describing, analyzing, identifying, pertaining to, or stating.

1.2 The term "documents" means all computer files and written, recorded, and graphic materials of every kind, including audio material, video material, and photographic material regardless of whether in digital, analog or in another form, in the possession, custody or control of the respondent. The term "documents" includes electronic correspondence and drafts of documents, copies of documents that are not identical duplicates of the originals, and copies of documents the originals of which are not in the possession, custody or control of the respondent.

1.3 The term "computer files" includes information stored in, or accessible through, computer or other information retrieval systems. Thus, the respondent should produce documents that exist in machine-readable form, including documents stored in personal computers, portable computers, workstations, minicomputers, mainframes, servers, backup disks and tapes, archive disks and tapes, and other forms of offline storage, whether on or off respondent's premises. Electronic mail messages should also be provided, even if only available on backup or archive tapes or disks. Computer files shall be printed and produced in hard copy or produced in machine-readable form (provided that representatives of the Office of the Attorney General determine prior to submission that it would be in a format that allows the agency to use the computer files), together with instructions and all other materials necessary to use or interpret the data.

1.4 "Person" means any natural person, proprietorship, corporation, firm, partnership, group, association, community, agency, institution, joint venture, other business or government organization, or any other legal entity.

1.5 The term "You" or "Your" means any and all RENT-A-CENTER stores doing business in the state of Washington, your directors, officers, employees, attorneys, agents, servants, private investigators, former employees, salespersons, managers, predecessors and



1 successors in interest, other representatives and others who are in possession of, or who have  
2 knowledge of any matters relating to this action or custody of or access to any documents or other  
3 information relating to this action. It also means any parent, subsidiary, related or affiliated entity  
4 using the name Rent-A-Center, or that is otherwise affiliated with any of those entities.

5 1.6 "Advertising" means the act of calling public attention to a business, product or  
6 service offer, and includes, but is not limited to print display, billboard, television, radio, direct mail,  
7 point of purchase, brochure, flier, pamphlet, poster, banner, and magazine forms of solicitation.

8 1.7 "Identify" means to provide all information as directed in Paragraphs 4.9 and 4.10  
9 herein.

## 10 II. TIME AND PLACE OF PRODUCTION

11 2.1 The requested documents are to be produced to JAMES T. SUGARMAN, Assistant  
12 Attorney General at the Attorney General's offices at 800 Fifth Avenue, Suite 2000, Seattle, WA  
13 98104, e-mail: JamesS6@atg.wa.gov by March 4, 2008, or at such other time and place as is  
14 agreed to by the parties. The requested documents can be produced by sending an e-mail with an  
15 attachment to the e-mail address with a certifying statement that the information provided is true  
16 and correct to the best of the person's knowledge. Please follow up the e-mail with a hard copy  
17 print of the e-mail and not the attachment, to the above address.

## 18 III. COMMUNICATIONS

19 3.1 All notices, questions or communications concerning this Civil Investigative  
20 Demand should be directed to JAMES T. SUGARMAN, Assistant Attorney General at the  
21 Attorney General's offices at 800 Fifth Avenue, Suite 2000, Seattle, WA 98104, e-mail:  
22 JamesS6@atg.wa.gov, (206) 464-7745.

## 23 IV. INSTRUCTIONS

24 4.1 This request applies to information existing between January 1, 2006, and the  
25 present, unless otherwise noted. Responses should be limited to transactions occurring in the State  
26

1 of Washington and transactions involving residents of the State of Washington, unless otherwise  
2 noted.

3 4.2 The nature of this request shall be deemed continuing. Accordingly, you are  
4 required to produce all documents which are responsive to any specification included in this  
5 Demand and which you either produced or obtained up to the time of production of this Demand.

6 4.3 The response to this Demand shall be submitted pursuant to RCW 19.86.110 and in  
7 the following manner:

8 (a) Documents provided shall be complete and, unless privileged, they shall not have  
9 been redacted. Documents shall be submitted as found in respondent's files, both in terms of  
10 content and in terms of physical characteristics (e.g., documents that in their original condition  
11 were stapled, clipped or otherwise fastened together or maintained in separate file folders shall be  
12 produced in such form). Respondent may submit photocopies (with color photocopies where  
13 necessary to interpret the document), in lieu of original documents, provided that such copies are  
14 accompanied by an affidavit of an officer of respondent stating that the copies are true, correct and  
15 complete copies of the original documents.

16 (b) Documents submitted shall be produced in the order in which they appear in  
17 respondent's files and shall not be shuffled or otherwise rearranged.

18 4.4 The following procedures shall apply to the electronic format of production, in one  
19 of the following forms and formats. Currently supported electronic data formats are listed below  
20 (in order of preference):

- 21 i. Summation Format with a .dii load file.  
22 ii. Exported TIFF and Index files as produced by another third party software.  
23 iii. Adobe Reader files (.pdf) – OCR Enriched (searchable PDF).  
24 iv. Microsoft Word files (.doc), Microsoft Excel files (.xls), Microsoft PowerPoint files  
25 (.ppt), Text files (.txt), Tagged Image Format files (.tiff). Supported data formats  
26 for word-processing files include Microsoft Word 2007 or prior versions.

1 Supported data formats for spreadsheet files include Microsoft Excel 2007 or prior  
2 .xls files.

3 v. You shall submit electronically-stored data on a generally supported storage  
4 medium. Currently supported storage media include the following: CD-readable  
5 disks formatted to ISO 9660 specifications and DVD-ROMs.

6 vi. Responsive documents produced in electronic format must (a) be properly  
7 identified; (b) be produced in a format that accurately captures each version of the  
8 document, including handwritten notes, signatures, etc.; (c) include all associated  
9 electronically-searchable text files for the document; (d) include all metadata  
10 associated with the document; (e) include all attachments, and; (f) otherwise  
11 comply with other provisions of these instructions.

12 vii. All responsive documents that are maintained in a computer database and produced  
13 in "TIFF" format are to be produced in database format, along with all necessary  
14 keys and indexes necessary to search and access such documents using the  
15 appropriate database program.

16 4.5 If you withhold any documents from production, on the basis of a claim of  
17 privilege, provide a log stating the privilege you claim and all facts you relied upon in support of  
18 the claimed privilege. Such a log shall include each document's authors, addressees, date,  
19 description, all recipients of the original and any copies, and shall identify the document Demand  
20 to which the allegedly privileged document corresponds. Attachments to a document shall be  
21 identified as such and entered separately in the log. For each author, addressee, and recipient, state  
22 the person's full name, title, and employer or firm, and denote all attorneys with an asterisk. The  
23 description of the subject matter shall include the number of pages in each document. The  
24 description shall further include the nature of each document, stated in a manner that does not  
25 reveal privileged information, but that provides information sufficiently detailed so as to enable the  
26 Office of the Attorney General to assess the applicability of the privilege claimed.

1           4.6    If you are unable to fully answer any particular document demand, supply all of  
2 whatever information is actually available. Designate such incomplete information as incomplete  
3 and accompany the information with an explanation that includes: the reasons for the incomplete  
4 answer; a description of any and all of Your efforts to obtain the information; and the source from  
5 which the Office of the Attorney General may obtain information to complete your response. If  
6 books, records, or other sources that provide accurate answers are not available, provide your best  
7 estimates and describe how you derived the estimates, including the sources or bases of such  
8 estimates. Designate estimated data as such by marking it with the "est." notation. If there is no  
9 reasonable way for you to make an estimate, provide an explanation.

10           4.7    If particular documents responsive to this Demand no longer exist for reasons other  
11 than the ordinary course of business, but you have reason to believe they have been in existence,  
12 describe the documents, state the circumstances under which such documents were lost or  
13 destroyed, and identify persons having knowledge of the content of the documents.

14           4.8    If you contend that the information requested by any interrogatory or document  
15 request is privileged in whole or in part, or if you otherwise object to any part of any interrogatory or  
16 document request, or contend that any identified document would be excluded from production to  
17 Plaintiff in discovery regardless of its relevance, state the reasons for such objection or ground for  
18 exclusion and identify each person having knowledge or the factual basis, if any, on which the  
19 objection, privilege or other ground is asserted.

20           4.9    When asked to identify a natural person, or when an answer to an interrogatory refers  
21 to a natural person, state the person's

- 22           a.     full name;
- 23           b.     current or last known residence address and telephone number;
- 24           c.     current or last known business address and telephone number.
- 25           d.     current position or occupation; and
- 26           e.     relationship to you.

1           **4.10** When asked to identify an entity other than a natural person, or when an answer to an  
2 interrogatory refers to an entity, state the entity's:

- 3           a. full legal name or title;
- 4           b. form of business (i.e. profit corporation, partnership);
- 5           c. relationship to ;
- 6           d. complete business location and mailing address;
- 7           e. phone and facsimile numbers;
- 8           f. state of incorporation or juridical organization;
- 9           g. address of headquarters or principal place of business; and
- 10          h. if the business is a corporation, then state the firm is incorporated.

11           **4.11** If an answer to an Interrogatory refers to a document, state with respect to each such  
12 document:

- 13          a. the identity of the persons who signed it or over whose name it was issued;
- 14          b. the identity of each addressee or other recipient;
- 15          c. the nature and substance of the writing or document with sufficient  
16 particularity to enable the document to be identified;
- 17          d. the date of the writing or document;
- 18          e. the source from whom or from which you obtained the writing or  
19 documents; and
- 20          f. the identity of each person who has custody or control of the writing or  
21 document or any copy thereof.

22           **4.12** In lieu of such identification, Plaintiff will accept production of the document and  
23 designation of the source from which you obtained each such document.

24           **4.13** In answering each interrogatory, you are requested to furnish all information which  
25 is in your possession, custody, or control.

1           4.14 If the information requested in any interrogatory is not known at the time of the  
2 answer, but is or may be available from a third party not subject to Instruction Number 12 above,  
3 you are requested to so state and identify the person believed to have such information.

4           4.15 If in answering any of the questions or requests below you are unable to answer due  
5 to the space allotted, please continue your answer on a separate sheet of paper noting which  
6 question/request to which you are responding.

7           4.16 In order for your response to this Demand to be complete, submit with your  
8 response the attached certification form, as executed by the official supervising your compliance  
9 with this Demand.

10           **Do not destroy any documents relating to or requested in any of the document requests.**

11  
12   **V. INTERROGATORIES**

13       **INTERROGATORY NO. 1:** Identify each of Your (*see* definition at paragraph 1.5) stores  
14 located in the State of Washington.

15       **ANSWER:**  
16  
17  
18  
19  
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21

22       **INTERROGATORY NO. 2:** Identify and describe each type of fee, service charge and any  
23 other charge related to lease-purchase agreements for any transaction from January 1, 2006, to the  
24 present, including but not limited to, late fees, reinstatement fees, in-home collection fees, delivery  
25 fees, processing fees, waiver fees, club fees, health discount fees, and suspense fees. If fee  
26 amounts are split between You and third parties identify the portion of the fee received by each

1 party or how the parties are otherwise compensated (e.g. rebates, in-kind support, volume  
2 discounts).

3 ANSWER:

4  
5  
6  
7  
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9  
10 INTERROGATORY NO. 3: For each fee listed above identify the number of times it was  
11 included in a lease-purchase agreement or otherwise collected from a lessee from January 1, 2006,  
12 to the present.

13 ANSWER:

14  
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21 INTERROGATORY NO. 4: Identify each person, from January 1, 2006, to the present,  
22 responsible for collecting delinquent accounts, obtaining possession of leased items, or otherwise  
23 enforcing a lease-purchase agreement that has been breached. Indicate whether You currently  
24 employ each person.

25 ANSWER:

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**INTERROGATORY NO. 5:** Describe the entire compensation package and terms of employment for each job classification or position of employees responsible for enforcing lease-purchase agreements including any quotas, targets, goals, bonuses or incentive payments.

**ANSWER:**

**INTERROGATORY NO. 6:** Identify all types of statistical data gathered for stores in Washington State from January 1, 2005, to the present including, but not limited to, whether the store collects data on each fee imposed on lessees, percentage and number of items returned, percentage and number of items ultimately purchased, percentage and numbers of items reinstated and average time period items are leased.

**ANSWER:**



1 **INTERROGATORY NO. 7:** Regarding Your use of Optional Liability Damage Waivers

2 please provide the following for transactions from January 1, 2006, to the present:

- 3 a. Number and value of items that You have waived liability for loss or  
4 damage pursuant to the Optional Liability Damage Waiver.
- 5 b. Number and value of items that You decided not to waive liability for under  
6 the Optional Liability Damage Waiver policy due to an invalid or lapsed  
7 policy.
- 8 c. Number and value of items "damaged, destroyed or lost through: lightning,  
9 fire, smoke, windstorm, theft and flood" (*i.e.* incidents that would have been  
10 covered by Your Liability Damage Waiver) for which You have actually  
11 pursued compensation from a lessee.

12 **ANSWER:**

13  
14 **INTERROGATORY NO. 8:** Identify any complaints You know of relating to Your efforts to  
15 collect upon, repossess under or otherwise enforce a lease purchase agreement in the State of  
16 Washington from January 1, 2006, to the present. For each identify:

- 17 a. The name, address, and phone number of the complainant;
- 18 b. The substance of the complaint, and
- 19 c. Any action taken to resolve the complaint.

20 **ANSWER:**

