

outstanding shares of Thorn Americas, Inc. As part of a corporate reorganization in 2002, this entity became a subsidiary of a newly formed holding company, which took the name Rent-A-Center, Inc. In 2023, Rent-A-Center, Inc. changed its name to Upbound Group, Inc.

3. The Attorney General has conducted an investigation into whether RAC has engaged in unfair and deceptive practices in Massachusetts in violation of G.L. c. 93A, § 2, and regulations promulgated thereunder, by issuing RAC a Civil Investigative Demand (“CID”) pursuant to her authority under G.L. c. 93A, § 6.

4. As a result of this investigation, the Attorney General alleges that RAC engaged in unfair and deceptive acts and practices, including in connection with the collection of Debts, pursuant to G.L. c. 93A, § 2, G.L. c. 93, § 49, and 940 CMR 7.00 *et seq.*

5. In recognition of RAC’s cooperation, the Attorney General agrees to accept this AOD on the terms and conditions contained herein, pursuant to G.L. c. 93A, § 5.

6. RAC, without admitting any facts, liability, or wrongdoing, in the interest of resolving this matter, agrees to accept this AOD on the terms and conditions contained herein, as authorized by G.L. c. 93A, § 5.

II. Definitions

The following definitions shall apply to this AOD:

7. “Consumer” shall refer to any person residing in the Commonwealth of Massachusetts.

8. “Debt” shall have the same meaning as in 940 CMR 7.00 *et seq.* and as applied to RAC’s rent-to-own/lease-purchase business model, refers to money that is past due and owing under the terms set out in a Consumer’s rental agreement with RAC. For example, if a Consumer has a rental agreement that renews weekly, the Consumer owes a “debt” to RAC for the purposes

of 940 CMR 7.00 *et seq.* when the Consumer has an obligation to pay money to reinstate an agreement for property the Consumer has not yet returned or return the rented property, which in this example would typically begin on the seventh day following the day of the previous payment.

9. “Effective Date” shall mean the date on which this AOD is filed with the Court.

10. “Parties” shall mean the Attorney General and RAC, together.

III. Parties Subject to AOD

11. This AOD shall extend to RAC and its parent(s), subsidiaries, officers, directors, employees, agents, representatives, affiliates, successors, and assigns, or any other person acting under its direction and control, directly or indirectly, and shall constitute an obligation with respect to Consumers who are residents of the Commonwealth of Massachusetts only.

IV. The Attorney General’s Allegations

12. The Attorney General commenced an investigation into RAC’s Debt Collection and repossession practices by issuing a CID to RAC, pursuant to her authority under G.L. c. 93A, § 6.

13. As a result of this investigation, the Attorney General alleges the following facts related to RAC and its Debt collection and repossession practices. RAC does not admit these allegations, any violation of law, rule or regulation, or any liability or wrongdoing related to these allegations.

14. The Attorney General contends that the conduct alleged in Paragraphs 21-25 of this AOD constitutes violations of G.L. c. 93A, § 2.

15. RAC owns and operates at least 44 retail locations in Massachusetts under its Rent-A-Center brand. These stores provide household goods to Consumers, including furniture

(mattresses, box springs, bed frames, dressers, couches, chairs, dining tables), electronics (televisions, laptops, tablets, cell phones), and household appliances (refrigerators, washing machines, dryers).

16. In addition to its retail stores, RAC also operates inside third-party owned furniture stores, under the brand name "Acceptance Now." RAC operates at least 10 of these locations in Massachusetts. Acceptance Now allows Consumers to select eligible products from a third-party store. Approved Consumers can then lease those products from Acceptance Now (which purchases the products from the third-party retailer) under a lease-purchase agreement.

17. RAC provides merchandise to its customers through a lease-purchase agreement commonly known as a rent-to-own contract.

18. Pursuant to RAC's standard rent-to-own contract, RAC agrees to provide specified merchandise to the Consumer for a short rental term, ranging from a single week to a month.

19. At the beginning of each rental term, the Consumer agrees to pay a rental payment. The contract then renews at the end of each term upon the payment of the next term's rent.

20. RAC's contracts often specify that the Consumer may obtain ownership of the rented property at the end of a series of rental terms, typically between one and two years, or after a specified amount of payment.

21. The Attorney General alleges that RAC improperly used the criminal process, or the threat of arrest or prosecution, as a Debt collection tool. In particular, the Attorney General alleges that RAC filed applications for criminal complaints alleging that Consumers committed larceny of leased or rented property under G.L. c. 266, § 87 by failing to make timely payments

or return property, even in circumstances where RAC lacked a reasonable basis for concluding that the Consumer intended to permanently retain the property. The Attorney General further alleges that RAC employees threatened to have Consumers arrested or to file criminal charges in order to collect payment when Consumers failed to make timely payments.

22. The Attorney General alleges that between 2016-2018, RAC employees filed applications for criminal charges against Consumers at least 951 times.

23. The Attorney General alleges that RAC violated G.L. c. 93A and the Attorney General's Debt Collection Regulations. In particular, the Attorney General alleges that:

- a. RAC employees initiated more than two Debt collection calls to individual Consumers in a seven-day period.
- b. RAC routinely made more than one call to a Consumer's workplace in a seven-day period, and more than two calls in a 30-day period.
- c. RAC failed to send Consumers the required notice of their right to request that creditors not contact them at work.
- d. RAC employees contacted Consumers at work even in instances when Consumers demanded that RAC stop calling them at work.

24. The Attorney General alleges RAC employees went to Consumers' homes, often unannounced, to solicit and collect payments or to attempt to repossess merchandise. The Attorney General alleges that in some instances, RAC employees pounded on doors and windows, turned doorknobs to see if exterior doors were unlocked, and demanded to be let in.

25. RAC's rent-to-own contracts explicitly place the risk of loss or damage of the merchandise on the Consumer. If the merchandise is damaged, destroyed, or stolen after the Consumer begins a rent-to-own contract, but before the Consumer has obtained ownership of the

merchandise, the Consumer is liable to RAC for the “fair market value” of the merchandise as of the date it is damaged or destroyed. The Attorney General alleges RAC enrolled Consumers in a Liability Damage Waiver program by making false or misleading statements about the ability of the consumer to unenroll from the program or stop paying the associated fees.

V. Terms of Assurance of Discontinuance

26. RAC shall pay eight million and seven hundred and fifty thousand dollars (\$8,750,000) to the Commonwealth. RAC shall make this payment within ninety (90) days of the entry of this AOD by wire transfer or certified check, made payable to the “Commonwealth of Massachusetts,” delivered to Yael Shavit, Assistant Attorney General, Consumer Protection Division, One Ashburton Place, Boston, Massachusetts 02108. This payment is to be allocated at the sole discretion of the Attorney General, so long as permitted by law.

27. RAC shall not file criminal complaint applications directly with the District Court or the Clerk Magistrates against Massachusetts Consumers in connection with alleged failures to make rental payments or return rented merchandise.

28. RAC shall not make a report of an alleged criminal violation to a police department or other law enforcement entity that knowingly contains false or misleading information, or that is or is intended to be frivolous, vexatious, or harassing of a Massachusetts Consumer.

29. RAC shall cooperate with the Attorney General to identify Massachusetts Consumers affected by RAC’s collection practices for the purposes of the Attorney General providing notices described herein and restitution.

30. RAC shall cooperate with the Attorney General to identify all Massachusetts Consumers who were the subject of criminal complaint applications made by RAC between

September 1, 2014 and November 1, 2018, for the purpose of the Attorney General providing notice of the settlement and the availability of possible restitution and other relief.

31. RAC shall not initiate Debt collection communications with Consumers via telephone with respect to each Debt more than twice in a seven-day period on home or cell phones, and more than twice in a thirty-day period on any other number, provided that RAC may treat the address identified on the lease agreement as the Consumer's place of residence unless the Consumer has otherwise notified RAC, and provided further that RAC shall not be deemed to have initiated a communication with a Consumer if the communication by RAC is in response to a request made by the Consumer for said communication. *See* 940 CMR 7.04(1)(f). For avoidance of doubt, Debt collection communications are those communications that RAC initiates in which RAC seeks to collect rental payments or to otherwise renew the lease agreement.

32. RAC shall limit initiating communications with Consumers via telephone for scheduling the return of leased merchandise to two text messages within a seven (7) day period. The text message shall provide a link to a webpage or other online form where a Consumer may electronically initiate a process to schedule a pick-up or return of the property. The webpage or other online form may include additional information about how a Consumer may reinstate an agreement in lieu of returning the property and may provide contact information to reach RAC employees or agents who are responsible for answering questions by Consumers about the return of leased merchandise or how to cure a default. For a period of five (5) years after entry of this AOD, the contact information pursuant to this paragraph must be for a centralized calling center. On any incoming calls pursuant to this paragraph, RAC may not affirmatively seek to collect a rental payment or otherwise renew the lease, but RAC may respond to questions or accept

reinstatement payments if affirmatively raised by the Consumer. The two text messages described in this paragraph shall not constitute a “Debt collection communication” for the purpose of paragraph 33.

- a. Unless the Consumer has otherwise consented to or requested additional communications, RAC shall cease initiating communications with a Consumer where the Consumer has scheduled a pick-up or return of the property, except where additional communication is necessary to facilitate the scheduled return of property.
- b. For a period of five (5) years following the entry of this AOD, the content of the text message will be approved in advance by the Attorney General’s Office, which approval shall not be unreasonably delayed or withheld, and shall be limited to: (1) informing the Consumer that the Consumer’s lease has expired and the Consumer is obligated to return the leased goods, and (2) providing a link to a webpage or other online form where the Consumer may request or initiate a process to arrange for RAC to pick-up the leased property or otherwise arrange for the return of the property. A copy of the approved text message is attached as Exhibit A. After initial approval, if RAC seeks to make any substantive changes to the text message, RAC must obtain approval from the Attorney General’s Office, which approval shall not be unreasonably withheld. Upon receiving notice from RAC of proposed substantive changes from RAC, the Attorney General’s Office shall provide a response to RAC within ten (10) business days of such notice communicating its: (1) approval, (2) objections, including an explanation

of those objections, or (3) modifications in accordance with this AOD necessary to obtain approval.

- c. For a period of five (5) years following the entry of this AOD, the content of the webpage or other online form shall be approved in advance by the Attorney General's Office, which approval shall not be unreasonably delayed or withheld, and shall be limited to: (1) providing an automated way for a Consumer to initiate a pick up or return of leased property without speaking to a RAC employee; (2) general information about how a Consumer can cure a default; and (3) a phone number and/or email address or other contact information to a centralized RAC calling center which Consumers may contact to obtain additional information about pickups and returns, or how to cure a default. A copy of the approved webpage or other online form is attached as Exhibit B. After initial approval, if RAC seeks to make any substantive changes to the webpage or other online form, RAC must obtain approval from the Attorney General's Office, which approval shall not be unreasonably withheld. Upon receiving notice from RAC of proposed substantive changes from RAC, the Attorney General's Office shall provide a response to RAC within 10 business days of such notice communicating its: (1) approval, (2) objections, including an explanation of those objections, or (3) modifications in accordance with this AOD necessary to obtain approval.
- d. The employees of the centralized calling center shall be compensated in a manner that is independent of revenues of any particular retail location and does not otherwise provide incentive compensation for renewal payments collected from Massachusetts Consumers.

e. For a period of three (3) years following entry of this AOD, RAC will record a random selection of 20 percent of incoming calls from Massachusetts Consumers pursuant to this paragraph. RAC will make recordings of incoming calls available to the Attorney General's Office upon request for a period of three (3) years following entry of this AOD.

33. RAC shall provide written notice of Consumers' right to request not to receive calls at their place of employment within 30 days after the first communication with the Consumer at their place of employment for the purposes of collecting a Debt. *See* 940 CMR 7.04(1)(i).

34. RAC shall not place telephone calls to Consumers at their place of employment after verbal or written requests from the Consumer not to do so, provided that any oral request shall be valid for only ten (10) days unless the Consumer provides written confirmation postmarked or delivered within seven (7) days of such request. *See* 940 CMR 7.04(1)(h).

35. RAC shall not make in-person contact with Consumers at their place of employment unless the Consumer has expressly requested such contact at a particular time and place orally or in writing or is otherwise consistent with 940 CMR 7.04(1)(k). *See* 940 CMR 7.04(1)(k).

a. For a period of five (5) years following entry of this AOD, RAC shall make a contemporaneous note in its database describing the particular time and place for any such meeting and documenting the reasons for such meeting. Whenever a Consumer requests contact at their place of employment, such contemporaneous notes shall identify the RAC employee who received the request, the means of communication through which the request was received (phone call, in-person

conversation, letter, etc.), the Consumer's reason for the request, and the purpose of the visit.

36. RAC shall not imply the fact of the Debt to references or other third-parties or ask references to pass messages to Consumers concerning alleged Debts. *See* 940 CMR 7.05(2) & 7.06(1)(a).

37. RAC shall not call or otherwise contact references with respect to any Debt more than three times in a 12-month period. *See* 940 CMR 7.06(2)(b).

38. RAC shall not call references unless (a) RAC has a specific reason to believe that the Consumer's contact information has changed, *see* 940 CMR 7.06(2)(b), or (b) as part of the initial application verification when a Consumer enters into a rental agreement with RAC. For a period of five (5) years following the entry of this AOD, where RAC calls a reference as provided by Section 38(a), RAC shall document the reasons for its belief in its records.

39. RAC shall not visit references in person.

40. RAC shall not use profanity or vulgarity in the course of collection calls or visits. *See* 940 CMR 7.04(1)(c).

41. RAC shall not threaten Consumers with arrest, jail, or criminal charges in the course of collection. *See* 940 CMR 7.04(1)(b)(1).

42. RAC shall not use aggressive or harassing conduct during in-person collection visits, including, but not limited to, pounding on doors and windows, and entering Consumers' homes without express permission.

43. RAC shall not visit Consumers at their homes more than once in a 30-day period for each Debt for the purpose of collection of the Debt, excluding visits where no person is contacted in the household, unless the visit has been requested by the Consumer and scheduled in

advance or the visit is solely for the purpose of repossessing any property pursuant to 940 CMR 7.04(1)(j). *See* 940 CMR 7.04(1)(j).

44. RAC shall not use pre-paid cell phones, personal cell phones, and other conduct that disguises RAC's identity in the course of collection calls or texts, provided, however, that RAC employees may use cell phones to make collection calls to Consumers in circumstances where the phone identifies the communication as coming from RAC.

45. RAC shall not sexually harass Consumers.

46. RAC shall not threaten or imply that RAC will take legal action against Consumers that it does not intend to take. *See* 940 CMR 7.04(1)(b)(3).

47. RAC shall not deliberately damage or disable merchandise in the course of collection activity, provided, however, that RAC may remotely disable cellular telephones or similar electronic items by terminating data services for which payment has not been made after such payment is more than 30 days past due and owing.

48. RAC shall not make telemarketing calls to Consumers who are past-due on rental agreements and have received a Debt collection communication from RAC regarding such delinquency. For avoidance of doubt, telemarketing calls shall mean calls intended to encourage the Consumer to lease additional products.

49. RAC shall not use unfair and deceptive tactics to sell the Liability Damage Waiver ("LDW") to Consumers, including, but not limited to, the following:

- a. Adding the LDW to Consumers' accounts without their consent;
- b. Misrepresenting that the LDW is mandatory or related to the likelihood that a Consumer's application for a rental agreement will be approved; and

- c. Intentionally concealing or manipulating documents presented for the Consumer's review and/or signature in a manner intended to reduce the ability of such consumers to read and understand such documents.

50. Compliance with this AOD shall constitute compliance with provisions two (2) through eight (8) of the AOD *In the Matter of Thorn Americas, Inc., d/b/a Rent-a-Center*, Superior Court C.A. No. 95-2127-A, filed September 16, 1995, and agreed to between the Commonwealth and Thorn Americas, Inc.

VI. Reporting and Compliance

51. For a period of three (3) years following the entry of this AOD, RAC will train all new employees in Massachusetts on compliance with the terms of this agreement and will provide semi-annual refresher training to all Massachusetts based employees thereafter. RAC shall provide the Attorney General's Office with the training materials described above.

52. For a period of three (3) years following the entry of this AOD, RAC shall establish regular internal compliance checks, including reviews of call logs and payment histories, as well as on-site visits, to be performed by RAC personnel whose salary, wages, or other compensation is not directly determined by the revenue produced by the store(s) reviewed, provided, however, that the RAC personnel performing such internal compliance checks may participate in RAC's stock incentive plan.

53. RAC shall provide annual reports to the Attorney General's Office (with metrics agreed to by the Attorney General's Office) describing RAC's compliance with this agreement for a period of three (3) years. Among other information, these annual reports will include a summary of each instance in which RAC has contacted a police department or other law

enforcement entity to report an alleged criminal violation and/or to request issuance of a criminal complaint against a Massachusetts Consumer.

VII. Notices

54. All notices and documents required by this AOD shall be provided in writing, by email and first-class mail, to the parties as follows:

a. If to the Attorney General:

Yael Shavit
Assistant Attorney General
Consumer Protection Division
Office of the Attorney General
One Ashburton Place
Boston, MA 02108
(617) 963-2197
yael.shavit@mass.gov

b. If to RAC:

Bryan Pechersky
Executive Vice President, General Counsel and Secretary
Upbound Group, Inc.
5501 Headquarters Dr.
Plano, Texas 75024
Bryan.Pechersky@upbound.com

Copy to:

Kevin Conroy
Partner
Foley Hoag LLP
155 Seaport Boulevard
Boston, MA 02210
kconroy@foleyhoag.com

VIII. Release

55. Filing of the AOD resolves, releases, and discharges any and all actual and potential civil liability of RAC, its parent(s), subsidiaries, officers, directors, employees, agents,

representatives, affiliates, successors, and assigns, or any other person acting under its direction and control, directly or indirectly, to the Attorney General for all claims which relate to the subject matter of this AOD, and all potential civil claims the Attorney General has related to RAC's Debt collection practices prior to the Effective Date.

56. Nothing in this AOD releases or discharges any actual or potential civil liability of any parties not described in paragraph 55, including, without limitation, any and all third-party entities with whom RAC has contracted or may contract in the future. This release shall not bind any other private or governmental entity.

57. This AOD shall not be admissible in any other proceeding as evidence of wrongdoing by RAC or a concession or finding-of fault or responsibility by RAC, except as necessary for the Attorney General to enforce the terms of this AOD.

58. Nothing in this AOD shall be deemed to preclude the Attorney General's review of conduct that occurs after the Effective Date, or any claims that may be brought by the Attorney General to enforce RAC's compliance with the AOD.

59. Nothing in this AOD shall prohibit RAC from challenging any new or amended laws or regulations related to the issues addressed in this AOD. Further, nothing in this AOD shall be construed as a waiver by RAC of its right to raise any other arguments or defenses in the future related to the issues included in this AOD in any future claims that are unrelated to compliance with this Assurance.

IX. General Terms

60. Opportunity to Cure. If the Attorney General believes RAC to be in violation of this AOD, the Attorney General shall give RAC written notice of that alleged violation(s) and a reasonable opportunity to cure the alleged violation(s). Upon receiving said notice, RAC shall

have forty-five (45) days from receipt of such written notice to provide a good faith written response to the Attorney General's determination, during which time the Attorney General will not commence any action for breach of this AOD. The response shall contain, at a minimum, either:

- a. A statement explaining why RAC believes that it is in full compliance with this AOD; or
- b. A detailed explanation of how the alleged breach(es) occurred, and:
 - i. A statement that the alleged breach has been addressed and a description of the action taken by RAC to address the breach; or
 - ii. A statement that the alleged breach cannot be reasonably addressed within forty-five (45) days from the receipt of the notice, but that RAC has begun to take corrective action to address the alleged breach and is pursuing such corrective action with reasonable due diligence, and a detailed and reasonable timetable for addressing the alleged breach.

The Attorney General agrees to discuss the response and engage in a good faith process to address any disagreements prior to commencing an action for breach of this AOD. If, after engaging in a good faith process regarding RAC's response to the notice of breach, the Attorney General believes that a breach has occurred or may continue to occur, she can commence an action for breach of this AOD at her discretion. Notwithstanding the other provisions of this paragraph, the Attorney General, in her sole discretion, may take immediate action at any time if she determines that there is a threat to the health or safety of the citizens of the Commonwealth.

61. Continuing Jurisdiction. The parties to this AOD consent to the continuing jurisdiction of the Suffolk County Superior Court for the purpose of enforcing or modifying the

terms of this AOD or for granting such further relief as the Court deems just and proper.

62. Governing Law. The provisions of this AOD shall be governed by and construed in accordance with the laws of the Commonwealth of Massachusetts.

63. Severability. The provisions of this AOD shall be severable, and should any provisions be declared by a Court of competent jurisdiction to be unenforceable, the other provisions of this AOD shall remain in full force and effect.

64. Entire Agreement. This AOD contains the complete agreement between the Attorney General and RAC with respect to the subject matter hereof. No promises, representations, or warranties as to the subject matter hereof other than those set forth in this AOD have been made between the Attorney General and RAC. This AOD supersedes all prior communications, discussions, or understandings, if any, between the Attorney General and RAC, whether oral or in writing with respect to the subject matter hereof.

65. Application of New or Amended State Law. To the extent the terms of this agreement cite the existing Debt Collection Regulations under 940 CMR 7.00 *et seq.* as of the Effective Date of this AOD, any changes or modifications to the Debt Collection Regulations under 940 CMR 7.00 shall supersede and become incorporated into the corresponding terms of this AOD.

66. Modification. This AOD may not be changed, altered, or modified, except by further order of the Court or written agreement by the Parties. Amendments or supplements may be executed in separate counterparts, with signatures conveyed by mail, facsimile, email or other electronic means.

67. Requirements Maintained. Nothing in this AOD shall relieve RAC of its obligation to comply with applicable federal and state laws, rules, and regulations.

68. Waiver of Right to Appeal. RAC waives all rights to appeal or otherwise challenge or contest the validity of this AOD.

69. Signatories for RAC represent and warrant that they have the full legal power, capacity, and authority to bind RAC in this AOD.

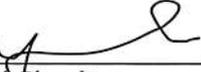
70. By signing below, RAC agrees to comply with all of the terms of this AOD.

UPBOUND GROUP, INC.

**COMMONWEALTH OF MASSACHUSETTS
ANDREA CAMPBELL, ATTORNEY GENERAL**

DocuSigned by:

By: 923A260E3878482...
Bryan Pechersky
EVP, General Counsel and
Corporate Secretary

By: 
Yael Shavit
Assistant Attorney General

Dated: Nov. 27, 2023

Exhibit A – Approved Text Message Content

Hi <Customer Name>. Thank you for doing business with <Upbound Group Entity>. Your <rental/lease> agreement has expired because you did not make a timely <rental/lease> payment, please click [here](#) to schedule return of the merchandise or to find out how to get back on track with payments.

Exhibit B – Approved Webpage/Online Form

After clicking on the link in the text message referenced in Exhibit A, the customer will be routed to a landing screen that contains the content below. The customer may also be prompted to login to their account in order to complete their request, but will be also provided a phone number for the centralized call center if they do not wish to create an online account.

[Upbound Group Entity]

For Lease Agreement #XYZ

Your lease payment is past due and your agreement has expired. Your prompt action is required to resolve this situation.

- If you no longer wish to continue leasing the item, please select “Schedule My Return” below to arrange the return of the item.
- For information on how to get back on track with payments to continue leasing the item, please select “Get back on Track” below.
- To obtain additional information about returns, or how to get back on track, please contact us at XXX-XXX-XXXX or email XXXXX.

At the bottom of the screen the customer will be able to choose “Schedule My Return” or “Get Back on Track.”

If the customer selects “Schedule My Return,” they will be prompted to select their preferences for completing their return. Once entered, they will receive the following message on screen:

We have received your request to return the leased item. A member of our central support team will contact you to confirm the date and time or other details regarding your return. Should you have any questions, please contact our central support team at XXX-XXX-XXXX or email XXXXX.

If the customer selects “Get Back on Track,” the following screen would present this message:

You can get back on track to continue leasing the item by submitting a payment for all past due amounts and any applicable late fees. If you wish to do so, please select “Make a Payment” below, call XXX-XXX-XXXX, or email XXX.

At the bottom of the screen, the customer will be able to select “Make A Payment” if they wish to get back on track and continue their lease agreement.