

SETTLEMENT AGREEMENT

CC# 700498 (Case M2010-19)

SM# 501584 (Case M2010-20)

This Settlement Agreement is entered into by and between the:

**OHIO DEPARTMENT OF COMMERCE
DIVISION OF FINANCIAL INSTITUTIONS**

Consumer Finance Section
77 South High Street, 21st Floor
Columbus, OH 43215-6120

and

RENT-A-CENTER EAST, INC.

5501 Headquarters Drive
Plano, TX 75024

The Division of Financial Institutions ("Division") is a state agency charged with the responsibility of administering and enforcing the Ohio Check-Cashing Act ("OCCA"), codified in Ohio Revised Code ("R.C.") Chapter 1315, and the Ohio Mortgage Loan Act ("OMLA"), codified in R.C. Chapter 1321. Rent-A-Center East, Inc. ("Rent-A-Center East") is a foreign registered corporation that holds a check-cashing license and an OMLA certificate of registration.

Rent-A-Center East voluntarily enters into this Settlement Agreement being fully informed of the right to representation by counsel, and the right to reject this Settlement Agreement and waives its right to Notice and hearing pursuant to R.C. Chapter 119.

This Settlement Agreement contains the entire Settlement Agreement between the parties. There is no other Settlement Agreement of any kind, verbal or otherwise, on the issues considered herein, which varies the terms of the Settlement Agreement.

STIPULATIONS AND ADMISSIONS

This Settlement Agreement is entered into on the basis of the following stipulations, admissions and understandings:

- A. Rent-A-Center East is a foreign registered corporation that holds a license (CC.700498.000 et seq.) issued by the Division to engage in business as a check-casher under the OCCA and holds a certificate of registration (SM.501584.000 et seq) issued by the Division to engage in business under the OMLA.
- B. R.C. 1315.21(B) defines "check-cashing business" as any person that engages in the business of cashing checks for a fee."
- C. R.C. 1315.22(A) prohibits persons from operating a check-cashing business without holding a check-cashing license.

- D. R.C. 1315.23(C)(2) provides that an OCCA license may not be transferred or assigned.
- E. R.C. 1315.23(D) permits the Division, in lieu of suspension or revocation, to impose a fine of not more than one thousand dollars (\$1,000) for each day a violation of the OCCA occurs.
- F. R.C. 1321.52(A)(1) states: “[n]o person, on that person’s own behalf or on behalf of any other person, shall do either of the following without having first obtained a certificate of registration from the division of financial institutions: (a) [a]dvertise, solicit, or hold out that the person is engaged in the business of making loans secured by a mortgage on a borrower’s real estate which is other than a first lien on the real estate; (b) [e]ngage in the business of lending or collecting the person’s own or another person’s money, credit, or choses in action for non-first lien residential mortgage loans.”
- G. R.C. 1321.52(C) allows a registrant to “make unsecured loans, loans secured by a mortgage on a borrower’s real estate which is a first lien or other than a first lien on the real estate, loans secured by other than real estate, and loans secured by any combination of mortgages and security interests, on terms and conditions provided by sections 1321.51 to 1321.60 of the Revised Code.”
- H. R.C. 1321.53(C) provides that OMLA certificates of registration may not be transferred or assigned.
- I. R.C. 1321.54(C) permits the Division to impose a fine for a violation of the OMLA of not more than twenty-five thousand dollars (\$25,000).
- J. Rent-A-Center East represents that on December 31, 2009, a merger was completed between Rent-Way, Inc. (“Rent Way”) and its parent company Rent-A-Center East. Both Rent-Way and Rent-A-Center East were wholly owned subsidiaries of Rent-A-Center, Inc. Rent-Way was liquidated with all of its assets and liabilities distributed to its parent company Rent-A-Center East. Rent-Way held an OCCA license with licensed branch locations (CC.700520.000 et seq.) and OMLA certificate of registration with licensed branch locations (SM.501583.000 et seq.). The four Rent-Way licensed and registered locations were owned and operated by Rent-A-Center East after the merger. Upon completion of the merger, Rent-A-Center failed to communicate the merger to its licensing department, which did not become aware of the merger until January 11, 2010. Rent-A-Center East voluntarily informed the Division of the merger on January 12, 2010 and ceased business at the four former Rent-Way locations on January 13, 2010.
- K. From January 2, 2010 to January 12, 2010, Rent-A-Center East cashed checks out of the four former Rent-Way locations totaling thirty thousand three hundred four dollars and ninety-six cents (\$30,304.96) and generated fees totaling six hundred eighty-nine dollars and fifty-seven cents (\$689.57).
- L. According to the Division, the provision of check cashing services at the four former Rent-Way locations from the time immediately after the merger to January 12, 2010 violated R.C. 1315.22(A) of the OCCA.
- M. From January 2, 2010 to January 12, 2010, Rent-A-Center East originated loans under the OMLA totaling eighty-seven thousand four hundred twenty-four dollars and eighty cents

(\$87,424.80) and generating fees totaling nine thousand two hundred forty-three dollars and twenty-four cents (\$9,243.24).

- N. According to the Division, the provision of loans under the OMLA at the four former Rent-Way locations from the time immediately after the merger to January 12, 2010 violated R.C. 1321.52 of the OMLA.

The Division enters into this Settlement Agreement in lieu of formal proceedings under R.C. Chapter 119 to suspend or revoke Rent-A-Center East's OCCA license and OMLA certificate of registration. Rent-A-Center East enters into this Settlement Agreement without admitting any wrongdoing of any kind, but rather solely to avoid further action or formal proceedings and to resolve the matter with the Division as expediently as possible. The Parties understand and expressly agree that this Settlement Agreement is not a disciplinary action, fine, penalty, cease and desist order, consent order, assurance of discontinuance, or license suspension or revocation action.

AGREED CONDITIONS

Wherefore, in consideration of the foregoing and mutual promises hereinafter set forth, and in lieu of continuing with any formal disciplinary proceedings at this time, Rent-A-Center East knowingly and voluntarily agrees with the Division to the following terms, conditions and limitations:

1. To settle the allegations made by the Division as described herein, Rent-A-Center East agrees to pay six thousand five hundred dollars (\$6,500.00). Payment shall be in the form of a cashier's check or money order, made payable to "Treasurer of State," and shall be submitted to the Division with this Settlement Agreement.
2. Rent-A-Center East understands that for this Settlement Agreement to be considered for acceptance by the Division, Rent-A-Center East must be in compliance with every provision of this Settlement Agreement, and that the ORIGINAL properly executed Settlement Agreement, with all pages attached must be received in the offices of the Division on or before April 30, 2010.
3. Should Rent-A-Center East fully comply with every provision of this Agreement, the Division agrees to execute the same and agrees not to pursue an administrative action against Rent-A-Center East for the violations of law described herein.
4. Should the Division discover that Rent-A-Center East has provided the Division with materially false, fraudulent, misleading, or incomplete information pertaining to this Agreement, Rent-A-Center East agrees that such evidence will firmly establish that Rent-A-Center East's experience, character, and general fitness do not command the confidence of the public and warrant the belief that it will conduct business honestly and fairly in compliance with the purposes of the OCCA and OMLA.
5. The above-described terms, conditions and limitations may be amended or terminated at any time upon the written agreement of both parties.

FAILURE TO COMPLY

If, in the discretion of the Division, Rent-A-Center East appears to have violated or breached any term or condition of this Settlement Agreement, the Division reserves the right to institute formal disciplinary proceedings for any and all possible violations or breaches, including but not limited to,

alleged violations of any law occurring before, on, or after the effective date of this Settlement Agreement.

ACKNOWLEDGMENTS/LIABILITY RELEASE

Rent-A-Center East acknowledges that it has been advised by the Division to seek legal counsel if it has any question concerning the terms and/or effect of this Settlement Agreement and the entirety of this matter.

Rent-A-Center East hereby releases the Division, its members, employees, agents, officers and representatives jointly and severally from any and all liability arising from the within matter. Rent-A-Center East shall not seek attorney fees or other costs arising from the within matter.

This Settlement Agreement shall be considered a public record as that term is used in R.C. section 149.43, and may be reported to appropriate organizations, data banks, and governmental bodies, or released to the general public.

This Settlement Agreement in no way binds or limits future actions the Division may take with respect to Rent-A-Center East or any other person, individual, or company, for the same or similar violations.

EFFECTIVE DATE

It is expressly understood that this Settlement Agreement shall become effective upon the last date of signature below.

The Settlement Agreement must be signed by: the owner if the licensee/registrant is a sole proprietor; all partners if the licensee/registrant is a partnership; at least one member if a limited liability company; and the president and secretary, as duly authorized by resolution of the board of directors, if the licensee/registrant is a corporation. **The ORIGINAL, signed Agreement with all pages attached must be returned.** Keep a copy for your records.

PRINTED Name and Title of Authorized Signor #1: Dawn Wolverton - Assistant Secretary

SIGNATURE of Authorized Signor #1: [Signature] Date 5/4/10

PRINTED Name and Title of Authorized Signor #2: Mark E. Speese - President 5/4/10

SIGNATURE of Authorized Signor #2: [Signature] Date 5/4/10

[Signature] 5/7/10
LEIGH A. WILLIS Date
Deputy Superintendent for Consumer Finance
Ohio Division of Financial Institutions

[Signature] 5/6/10

ANTHONY D. SICILIANO Date
Consumer Finance General Counsel
Ohio Division of Financial Institution