

UNITED STATES DISTRICT COURT
DISTRICT OF CONNECTICUT

TODD LESSARD,

Plaintiff

VS.

RENT-A-CENTER EAST, INC.,

Defendant.

§
§
§
§
§
§
§

CIVIL NO. 3:06 CV 00066 (VLB)

**NOTICE OF CLASS ACTION LAWSUIT AND NOTICE OF PROPOSED CLASS ACTION SETTLEMENT
AND FAIRNESS HEARING**

TO: ALL PERSONS WHO, AT ANY TIME BETWEEN DECEMBER 20, 2002 AND JULY 18, 2007, ENTERED INTO A RENTAL-PURCHASE AGREEMENT WITH RENT-A-CENTER, WITHIN THE STATE OF CONNECTICUT.

This Is NOT A Lawsuit Against You. You Are Not Being Sued. Please Read This Notice Carefully And In Its Entirety. This Notice Relates To A Proposed Class Action Lawsuit Against Rent-A-Center. If You Are A Class Member, This Notice Contains Important Information About Your Rights Under The Proposed Settlement. Eligible Class Members May Be Entitled To A Cash Payment And/Or Free Rent Vouchers.

FURTHERMORE, YOU ARE HEREBY NOTIFIED THAT A HEARING HAS BEEN SCHEDULED FOR JULY 30, 2008, AT 11:00 AM, BEFORE THE HONORABLE VANESSA L. BRYANT, DISTRICT JUDGE OF THE UNITED STATES DISTRICT COURT, DISTRICT OF CONNECTICUT, AT 450 MAIN STREET, HARTFORD, CT 06103, FOR CONSIDERATION OF A PROPOSED SETTLEMENT OF THE CLAIMS WHICH HAVE BEEN BROUGHT ON YOUR BEHALF IN THIS LAWSUIT AND TO DETERMINE WHETHER THE SETTLEMENT DESCRIBED IN THIS NOTICE IS FAIR, REASONABLE AND ADEQUATE.

1. What Is A Class Action Lawsuit?

A class action is a type of lawsuit where one or more named plaintiffs bring a lawsuit on behalf of all members of a similarly situated group to recover damages for the entire group. The members of this group are called the "class." The resolution of a class action lawsuit determines the rights of the entire class, except for those class members who choose to exclude themselves from the class. Those class members who do not exclude themselves will be bound by any judgment entered in the lawsuit, whether favorable or adverse to the class members' interests.

2. Who Are The Named Parties To This Lawsuit?

The Plaintiff is Todd Lessard (the "Class Representative").

Rent-A-Center (RAC) is a company that offers name-brand furniture, electronics, appliances and computers through flexible rental purchase agreements in Connecticut and other states.

The attorneys for the Class Representative and the Class are Peter M. Van Dyke and Steven E. Arnold of the law firm of Stanger & Arnold, LLP ("Class Counsel").

The attorneys for RAC are Wayne W. Bost of the law firm Winstead P C and Michael C. D'Agostino of the law firm of Bingham McCutchen.

3. Who Is Included In The Proposed Settlement?

All persons who, at any time between December 20, 2002 and July 18, 2007, entered into a rental-purchase agreement with RAC, within the state of Connecticut, who have not kept RAC's rented merchandise without making all of the payments necessary to acquire ownership (the "Class").

4. What Is This Lawsuit About?

Plaintiff filed this class action lawsuit against RAC in December of 2005, contending that RAC violated the Connecticut Consumer Rent-To-Own Agreement Act (the "Act"), C.G.S. § 42-240 *et seq.*, and the Connecticut Unfair Trade Practices Act ("CUTPA"), C.G.S. § 42-110a *et seq.*, by utilizing rental-purchase agreements that did not comply with the Act's requirements. Plaintiff further contended that RAC violated the Act by charging Class Members that were members of the RAC Benefits Plus Plan (the "Plan") for insurance other than property insurance. RAC denies all of Plaintiff's allegations. RAC contends that Plaintiff's allegations misapply the law and misinterpret the features and characteristics of RAC's rental-purchase agreements and the Plan. RAC has not admitted any wrongdoing and is settling this lawsuit to avoid the uncertainty, delay and expense of protracted litigation with Plaintiff.

The lawsuit is pending in the United States District Court, District Of Connecticut, 450 Main Street, Hartford, CT 06103. The lawsuit caption and number are shown on the first page of this notice. The full text of the Class Representative's Complaint is available for review in the Court's file.

5. What Has Already Happened In The Lawsuit?

The parties have litigated the lawsuit since December of 2005 and have been engaged in extensive arm's-length settlement negotiations for more than six (6) months, during which time counsel for the parties discussed, among other things, the allegations in the lawsuit and possible defenses thereto. As a result of the extensive arm's-length negotiations, the parties have reached a compromise to settle the lawsuit. Given the inherent delay and risk associated with further litigation and appeal of the lawsuit, Class Counsel believes that the settlement terms agreed to are in the best interest of the Class.

The Court has made two important rulings. One was the order certifying the Class on April 29, 2008 for settlement purposes only. The other important ruling was an order that preliminarily approved the settlement, pending final approval after a fairness hearing, which is scheduled for July 30, 2008. To date, the Court has not given final approval of the proposed settlement. The full text of the Court's order certifying the settlement Class and the Court's order preliminarily approving the settlement are available for review in the Court's file.

6. What are the Terms of the Settlement?

The following provides a summary of the proposed settlement terms. The full text of the settlement agreement is attached to Plaintiff's Motion to Certify Settlement Class and for Preliminary Approval of Settlement Agreement and Issuance of Notice of Fairness Hearing and is available for review in the Court's file.

Subject to Court approval, if you do not request to be excluded from the Class, you will be entitled to receive a check equal to (i) \$10 or (ii) 30% of any membership fees that you paid to RAC for membership in the Plan through May 11, 2007, whichever is greater. In addition, you will be entitled to receive two (2) free rent vouchers (each free rent voucher is limited to one each per household). Both free rent vouchers are fully transferable and will be valid for six (6) months. The first free rent voucher will entitle you to two weeks of free rent on a new rental-purchase agreement at any RAC store in Connecticut for any product, subject to product availability and limited to regular in-stock inventory. The second free rent voucher is the same as the first free rent voucher, except that you will be required to pay the first week's rental payment when using the voucher in order to receive the next two weeks of free rental. In addition, RAC has agreed to modify its rental-purchase agreements to conform to the Act's requirements and to stop offering the Accidental Death & Dismemberment benefit as part of membership in the Plan. RAC will also pay all expenses for Class notices and administration.

RAC has agreed not to contest a request by Class Counsel for attorneys' fees and expenses in the amount of \$350,000, payable above and beyond any payments made to the Class and the Class Representative. In exchange for a full release of all claims that were or could have been brought by the Class Representative and as compensation for his participation in the lawsuit, RAC has agreed not to contest a request for a payment to the Class Representative in the amount of \$5,000, payable above and beyond any payments made to the Class. All attorneys' fees payments and payments to the Class Representative require approval of the Court.

If the proposed settlement is approved, the parties have agreed to jointly request the Court to enter a final judgment in the lawsuit. Further, the settlement shall operate as a full and complete release from the Class Representative and all Class Members for and from any claims, state or federal, statutory or otherwise, including, but not limited to, state or federal unfair business practices, which they or any of them have brought in the lawsuit or otherwise, or could have brought, through the date the settlement is approved, in any way related to RAC's conduct alleged in the lawsuit. This means that, if you remain in the Class, you may receive only a settlement check and/or the two free rent vouchers and you will be giving up your right to sue RAC for any past unlawful conduct. If you currently have a rental agreement with RAC you will still have the same obligations under that agreement; this settlement does not affect those obligations or that agreement.

7. As A Class Member, Do I Need To Take Any Action?

If you are a member of the Class as described in paragraph 3 of this notice, you do not need to take any action and you will never be responsible for any costs or expenses associated with the lawsuit. **YOU DO NOT NEED TO APPEAR AT THE HEARING.** You may appear at the hearing if you want to, but you don't have to. As a member of the Class, you also have certain options as follows:

- You may request to be excluded from the Class if you do so by **July 16, 2008**. To request exclusion from the Class, you must send written notice of your request to the Settlement Administrator, with copies to counsel, postmarked no later than **July 16, 2008** at the following addresses:

Lessard/Blass Settlement Administrator
P.O. Box 1939
Faribault, MN 55021-7194

Stanger & Arnold, LLP
Attn: Peter M. Van Dyke or Steven E. Arnold
433 South Main Street
West Hartford, CT 06110;

Winstead P C
Attn: Wayne W. Bost
401 Congress Ave. Suite 2100
Austin, TX 78701

- If you request exclusion, you **will not be** entitled to receive a portion of any money damages, benefits or other relief that might be awarded in the lawsuit, if any. Further, you **will not be** bound by any judgment entered in the lawsuit.
- If you do not request exclusion from the Class, you **will be** entitled to receive a portion of any money damages, benefits or other relief awarded in the lawsuit if it is certified as a class action, if any. Further, all subsequent orders of the Court, including the final judgment, **will** be binding on you.

As a Class Member, you have the right to object to the proposed settlement of the lawsuit. If you wish to object to all or any part of the

proposed settlement, you must file a written objection with the Civil Clerk of Court, United States District Court, District Of Connecticut, 450 Main Street, Hartford, CT 06103, no later than **July 2, 2008**, and must also mail additional copies as follows: one copy to Class Counsel at Stanger & Arnold, LLP, Attn: Peter M. Van Dyke or Steven E. Arnold, 433 South Main Street, West Hartford, CT 06110; another copy to counsel for RAC at Winstead P C, Attn: Wayne W. Bost, 401 Congress Ave. Suite 2100, Austin, Texas 78701. Your written objection must include the following information:

- a. the heading referring to the caption and number of the lawsuit;
- b. your name;
- c. a detailed statement of the specific basis for your objection, including identification of all papers you rely upon, if any, in support of your objection;
- d. your current address;
- e. your signature; and
- f. verification that you are a Class Member.

You may submit the written statement yourself or retain a lawyer (at your own expense) to submit it for you. If you fail to follow this procedure, you will waive any right to object to the proposed settlement. If you believe that the relief provided for you under the terms of the proposed settlement is inadequate or you deem yourself entitled to additional or different relief, you must object to the proposed settlement following the procedures described above.

8. How Will The Class Representatives And Attorneys Be Paid?

If the settlement is finally approved by the Court, RAC will pay attorneys' fees and expenses up to a set amount as described in paragraph 6. If the settlement is not approved and damages are subsequently recovered on behalf of the Class, some portion of the amount recovered may be used to compensate the Class Representative and Counsel. This expense may be shared by members of the Class in proportion to their individual recoveries (if any). If the settlement is not approved and no recovery is made on behalf of the Class, Class Members will not be required to compensate either the Class Representative or the attorneys for the Class. Plaintiff's attorneys have a written contract with Plaintiff for payment of fees in the amount of 33 and 1/3 % of the value of any recovery to Plaintiff.

9. What Should You Do If You Move?

If you move after receiving this notice or if it was misaddressed, you should supply your name, correct address, date of birth and telephone number to the Settlement Administrator at the following address:

Lessard/Blass Settlement Administrator
P.O. Box 1939
Faribault, MN 55021-7194

It is important that you notify the Settlement Administrator if you move so that any future notices can be sent to you at your correct address.

10. How Do You Get More Information?

To obtain more information about the lawsuit you should do one or more of the following:

- Review the lawsuit file at:

United States District Court
District Of Connecticut
450 Main Street
Hartford, CT 06103
Tel: (860) 240-3200

- Contact the Settlement Administrator at:

Lessard/Blass Settlement Administrator
P.O. Box 1939
Faribault, MN 55021-7194
Tel: (877) 465-1849

- Contact the attorneys for the Class Representatives and the Class at:

Stanger & Arnold, LLP
Attn: Peter M. Van Dyke or Steven E. Arnold
433 South Main Street, West Hartford, CT 06110
Tel: (860) 561-0650; Fax: (860) 561-0646

THE CLERK OF THE COURT IS NOT AUTHORIZED TO GIVE YOU LEGAL ADVICE.

LESSARD/BLASS SETTLEMENT ADMINISTRATOR
PO BOX 1939
FARIBAULT MN 55021-7194

PRESORTED
FIRST-CLASS MAIL
U.S. POSTAGE
P A I D
Rust Consulting, Inc.