

IN THE UNITED STATES DISTRICT COURT FOR THE
WESTERN DISTRICT OF MISSOURI
WESTERN DIVISION

MARGARET BUNCH, et al.)	
Individually, and as)	
Class Representatives)	
Plaintiffs,)	Case No. 00-0364-CV-W-3
)	
vs.)	
)	
RENT-A-CENTER, INC.,)	
Defendant.)	

TRACY LEVINGS,)	
Individually, and as)	
Class Representatives)	
Plaintiffs,)	Case No. 00-0596-CV-W-3
)	
vs.)	
)	
RENT-A-CENTER, INC.,)	
Defendant.)	

**JOINT MOTION FOR PRELIMINARY APPROVAL OF STIPULATION AND
SETTLEMENT AGREEMENT, SETTLEMENT,
CONDITIONAL CERTIFICATION OF SETTLEMENT CLASS,
AND OF FORM, ADEQUACY, AND MANNER OF NOTICE
TO SETTLEMENT CLASS, AND TO SET HEARING ON PROPOSED SETTLEMENT**

COME NOW Plaintiffs and Defendant, and jointly move this Court for its Order and state as follows:

1. The Plaintiffs and Defendant have entered into a Stipulation and Settlement Agreement (“Settlement Agreement”) dated October 31, 2001.
2. Plaintiffs, Defendant, and their respective counsel believe that the Settlement which is the subject of the aforesaid Settlement Agreement is fair, adequate and reasonable in light of the

risks of litigation, the stage of the proceedings, and the expense, likely duration and complexity of the action.

3. The Settlement is the result of good faith and arms-length bargaining between the Plaintiffs and Defendant and was not reached through collusion.

4. The Settlement Class concerning which the parties have continuously negotiated is defined as follows:

All females who worked at, applied for work, and/or who attempted to apply but were affirmatively discouraged by the Defendant from applying for work at any Rent-A-Center (Thorn Americas), Rent-A-Center, Inc., or Renters Choice, Inc. store in the United States or any of its territories, at any time between April 19, 1998 and October 1, 2001 (the "Class Period"), except that the Class does not include any female employed as a Market Manager and/or Regional Director nor any female who previously entered into a written settlement agreement with Rent-A-Center, Rent-A-Center, Inc., or Renters Choice, Inc. which releases claims of gender discrimination.

5. Plaintiffs and the Defendant have stipulated to conditional certification of the Settlement Class. For the purpose of approval of this Settlement only, Plaintiffs and Defendant further stipulate and agree that the Members of the Class are so numerous as to make their joinder impractical; that there are questions of law and fact common to the Settlement Class as set forth in the Pleadings and those questions predominate; that the interests of the representative parties are typical of the interests of the Settlement Class; that the representative parties will fairly and adequately protect the interests of the Settlement Class; and that Defendant allegedly acted or refused to act on grounds generally applicable to the Class Members. Such stipulation shall not be deemed not construed as an admission or used as evidence of any violation of law or any wrongdoing by Rent-A-Center or the existence of a class satisfying the requirements of F.R.C.P.

23.

6. Conditional certification of the Settlement Class for purposes of the Settlement is in the best interests of the Plaintiffs, the Settlement Class Members and the Defendant. Adequate notice of the pendency of this action, the Settlement, the Class, the right of potential Settlement Class Members to exclude themselves, the right of Settlement Class Members to object to the Settlement, and the hearing on objections will be attempted by mail by the Settlement Administrator to each Settlement Class Member who can reasonably be located, and as described in subparagraph (8)(d) below.

7. The Notice, in the forms attached to the Settlement Agreement, adequately and clearly informs absent Settlement Class Members of the terms of the Settlement, their right to inspect documents on file at the Court, their right to object to the Settlement, their right to opt out of and be excluded from the Settlement, and the time and location of the hearing on final approval.

8. Accordingly, Plaintiffs and Defendant request the Court's Order, to wit:

(a) Determining that all the requirements of Rule 23(a), Rule 23(b)(2), and Rule 23(b)(3) of the Federal Rules of Civil Procedure have been satisfied with respect to the conditional maintenance of this action as a Class Action solely for the purpose of considering and acting on the Settlement contemplated by the Stipulation and Settlement Agreement dated October 31, 2001 ("Settlement Agreement") and preliminarily approving the Settlement Agreement which is attached hereto as Exhibit A;

(b) Certifying this action as a Class Action on behalf of the Settlement Class under said Rule 23(a), Rule 23(b)(2) and Rule 23(b)(3) solely for the purpose of considering and acting on the Settlement and defining the Settlement Class consistent with the definitions set forth in the Stipulation and Settlement Agreement;

(c) Appointing Plaintiffs' counsel shown on this Motion as Class Counsel, designating Plaintiffs Bunch, Levings, Christy Johnson, Ruby Smith, Stephanie Robinson, Angela Byrd, Claudetta Davis Burns, Kimberly Hall, Sheree Watson, April Anderson, Retta Stevenson, and Nicole Brown as Class Representatives, and appointing Rust Administrators, Inc. as Settlement Administrator empowered to provide for or assist in the issuance of Notice to Class members and otherwise administer the Settlement;

(d) Providing that reasonable efforts shall be undertaken to notify known Settlement Class Members of this Settlement by publication and/or that Class Counsel or the Settlement Administrator mail by 1st Class U.S. Mail a copy of a Notice, in a form substantially similar to that shown as Exhibit C to the Stipulation and Settlement Agreement, said mailed Notice to be attempted to all female employees and former employees within the Class Period included in the Class Definition whom the Defendant can and does identify from its records, and said Notices to be mailed on or before November 12, 2001 in envelopes bearing the return address: "Clerk of the United States District Court for the Western District of Missouri, P.O. Box _____ and stating "PLEASE FORWARD;"

(e) Requiring that Class Counsel or the Settlement Administrator shall use best efforts to cause the summary Notices, in the form attached as Exhibit D to the Stipulation and Settlement Agreement, to be published in the USA Today on or before November 30, 2001, and further, requiring that, on or before December 20, 2001, Class Counsel or the Settlement Administrator shall file with the Court an Affidavit that Notice has been effectuated;

(f) Finding that the mailing and publication of Notices as provided in subparagraphs (d) and (e), above, constitute the best notice practical under the circumstances to the Settlement Class and that such Notices comport with due process and are due and sufficient notice for all purposes to all persons entitled thereto;

(g) Requiring that Class Counsel or the Settlement Administrator rent a post office box in the name of the Clerk of the District Court for the return of undeliverable Notices, opt-out forms, requests for review of duration of employment, and written objections and providing that Class Counsel or the Settlement Administrator shall furnish to the Court and Counsel for Defendant copies of (i) in the case of Notices and any other communications to Settlement Class members, a prototype of the form of such Notice together with a list of names and addresses to whom such Notice or communication has been sent by mail, and (ii) in the case of opt-out notices, requests for review of duration of employment, and objections to the Settlement, copies of any such documents;

(h) Scheduling a hearing to determine the lawfulness, reasonableness, adequacy, and fairness of the Settlement, and whether the Settlement should be finally approved by this Court, and whether an Order and Judgment granting Final Judicial Approval should be entered thereon;

(i) Providing that any Member of the Settlement Class or any other person or entity with standing to object and who does object to the approval of the Settlement may appear at the aforesaid hearing and show cause why the Settlement should not be approved as fair, reasonable, and adequate:

(j) Requiring that all objections to the Settlement which are to be heard at the

hearing on final approval of the Settlement and any papers or briefs submitted in support of said objections, will be considered only if said objectors make all of their objections in writing and either file them in person or mail them to the Clerk of the District Court at the Post Office Box address established for the receipt of such objections with a postmark no later than December 20, 2001 and that all objectors who wish to appear mail written notice of their intention to appear and copies of all papers, affidavits, or briefs in support of their objections to the same P.O. Box address on or before December 20, 2001;

(k) Authorizing Class Counsel to respond to inquiries from Settlement Class members at Class Counsel's discretion concerning the Settlement, and the status of the case; and,

(l) Granting a preliminary injunction in aid of the Court's jurisdiction, which would enjoin all other efforts to certify a Class which would contain ten percent (10%) or more of the members of this Class and involves claims of gender discrimination against Defendant.

WHEREFORE, Plaintiffs and the Defendant request that this Court enter an Order containing the provisions set forth above. Plaintiffs and Defendant attach a Proposed Order.

Respectfully Submitted,

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/s/ Gene Graham

Steven White

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ATTORNEYS FOR DEFENDANT

**IN THE UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF MISSOURI**

MARGARET BUNCH, et al.)	
)	
Plaintiff,)	
)	
v.)	Case No. 00-0364-CV-W-3
)	
RENT-A-CENTER, INC.,)	
)	
Defendant.)	

TRACY LEVINGS,)	
)	
Plaintiff,)	
)	
v.)	Case No. 00-0596-CV-W-3
)	
RENT-A-CENTER, INC.,)	
)	
Defendant.)	

STIPULATION AND SETTLEMENT AGREEMENT

This Stipulation and Settlement Agreement (the “Settlement Agreement”) is entered into this 31st day of October, 2001, by and between Plaintiffs Maggie Bunch, Tracy Levings, Christy Johnson, Ruby Smith, Stephanie Robinson, Angela Byrd, Claudetta Davis Burns, Kimberly Hall, Sheree Watson, April Anderson, Retta Stevenson, and Nicole Brown, in the above-captioned litigation, both individually and on behalf of the stipulated Settlement Class as defined herein, and Defendant Rent-A-Center, Inc.

WHEREAS, Maggie Bunch filed a Complaint in the United States District Court for the Western District of Missouri on April 19, 2000, styled Margaret Bunch v. Rent-A-Center, Inc., Case No. 00-0364-CV-W-3, alleging gender discrimination;

WHEREAS, Tracy Levings filed a Complaint in the United States District Court for the Western District of Missouri on June 15, 2000, styled Tracy Levings v. Rent-A-Center, Inc., Case No. 00-0596-CV-W-3 alleging gender discrimination;

WHEREAS, on September 15, 2000, the Levings Case (defined below) was transferred to the same District Court (defined below) assigned to the Bunch Case (defined below), and thereafter the Plaintiffs (defined below) have filed their First Amended Class Action Complaint and have requested leave to file their Second Amended Class Action Complaint in this Action (defined below);

WHEREAS, Christy Johnson, Ruby Smith, Stephanie Robinson, Angela Byrd, Claudetta Davis Burns, Kimberly Hall, Sheree Watson, April Anderson, Retta Stevenson, and Nicole Brown have sought leave to join this Action as additional Plaintiffs and putative Class Representatives in a Second Amended Class Action Complaint;

WHEREAS, Plaintiffs, through their counsel, have alleged in the Action that certain RAC (defined below) employment policies, practices and customs gave rise to gender discrimination in employment, including discrimination in hiring, pay, promotion, job assignments, treatment of pregnant employees, the terms and conditions of employment, sexual harassment, and the work environment, and constituted disparate treatment of the individual Plaintiffs and the Class as alleged in the First Amended Class Action Complaint and the Second Amended Class Action Complaint, in violation of their Civil Rights under Title VII;

WHEREAS, Plaintiffs, through their counsel, have conducted an extensive investigation into the facts of this Action and have conducted substantial class action discovery in the Action;

WHEREAS, Defendant has denied each of Plaintiffs' allegations in the Action and specifically denies the claims of discrimination made against it by Plaintiffs and the Class Members (defined below) they seek to represent;

WHEREAS, the parties have engaged in extensive arm's-length settlement negotiations;

WHEREAS, RAC and Plaintiffs have agreed to settle the Claims (defined below), that were alleged or could have been in the Action;

WHEREAS, the parties, solely for purposes of settlement, have agreed to stipulate, subject to court approval, to certification of a Settlement Class (defined below);

WHEREAS, Plaintiffs and their counsel have concluded, after carefully considering the facts and applicable law, that it would be in the best interests of the Settlement Class to enter into this Settlement Agreement in order to secure substantial benefits to all Members of the Settlement Class and to avoid the uncertainties and costs of continued litigation;

WHEREAS, Defendant has concluded that it is in its best interests to enter into this Settlement Agreement to eliminate the expense, inconvenience, burden and uncertainties of continued litigation, and to avoid any further controversies related to the Action and the allegations therein;

WHEREAS, this Settlement Agreement is a result of arm's-length negotiations between counsel for Plaintiffs and Defendant, and counsel for Plaintiffs have concluded that this Settlement Agreement is fair, reasonable, adequate and in the best interests of Plaintiffs and the members of the Settlement Class they represent; and,

WHEREAS, this Settlement Agreement shall not be deemed or construed as an admission or used as evidence of any violation of any law, rule or regulation or any liability or

wrongdoing by RAC or any RAC Affiliated Person (defined below), or the existence of a class satisfying the requirements of Federal Rules of Civil Procedure 23 other than for purposes of this Settlement.

NOW, THEREFORE, Plaintiffs and Defendant do hereby stipulate and agree as follows:

DEFINED TERMS

_____The following terms shall have the following meanings when used herein:

1. Action. “Action” means the matter captioned Margaret Bunch v. Rent-A-Center, Inc., Case No. 00-0365-CV-W-3, pending in the United States District Court for the Western District of Missouri, the matter captioned Tracy Levings v. Rent-A-Center, Inc., Case No. 00-0596-CV-W-3, pending in the United States District Court for the Western District of Missouri, and all Claims made by the joining Plaintiffs.

2. Alternative Dispute Resolution or ADR. “Alternative Dispute Resolution” or “ADR” means the process hereinafter specified for Class Members who were employed by Defendant during the Class Period who elect to submit a claim for individual damages determination and ranking of proof rather than receipt of General Relief from the Employee Allocation Fund. “ADR” also shall refer to the process likewise specified herein for Class Members who were Applicants during the Class Period. The ADR process is set forth in the attached Exhibit B.

3. Alternative Dispute Resolution Fund or ADR Fund. “Alternative Dispute Resolution Fund” or “ADR Fund” means an account established and funded as directed by the District Court from the Settlement Amount for the payment of ADR awards to Class Members who elect Alternative Dispute Resolution and/or who are Applicants.

4. Applicants. “Applicants” means female members of the Class who were not employed by Defendant during the Class Period but who made application for employment by Defendant, or who attempted to apply for employment but were affirmatively discouraged by Defendant from making such application for employment, during the Class Period.

5. Bunch Case. The "Bunch Case" means the lawsuit styled Margaret Bunch v. Rent-A-Center, Inc., Case No.00-0364-CV-W-3 alleging gender discrimination.

6. Claims. “Claims” means any and all claims or causes of action asserted or that could be asserted in this Action including, without limitation, all claims and causes of action of gender discrimination and retaliation, including, but not limited to, all claims for a pattern and practice of gender discrimination and/or claims for gender discrimination in hiring, pay, promotion, termination, and job assignments and/or claims for sexual harassment and hostile environment, pregnancy discrimination, whether based on allegations of disparate treatment or disparate impact and/or claims of retaliation for complaining and/or reporting alleged gender discrimination or harassment.

7. Class; Class Members; Settlement Class. “Class”, “Class Members” and/or “Settlement Class” means: All females who worked at, applied for work and/or attempted to apply but were affirmatively discouraged by Defendant from applying for work at any Rent-A-Center (Thorn Americas), Rent-A-Center, Inc., or Renters Choice, Inc. store in the United States, any of its territories, at any time between April 19, 1998 and October 1, 2001 (the “Class Period”), except that the Class does not include any female employed as a Market Manager and/or Regional Director nor any female who previously entered into a written settlement agreement with Rent-A-Center, Rent-A-Center, Inc., or Renters Choice, Inc. which releases claims of gender discrimination. The Class shall not include those persons who the District Court finds properly opted out of the Settlement Class.

8. Class Counsel. “Class Counsel” means Steve White, Gene Graham, Mary Beth Compton, and the Law Firm of White, Allinder and Graham, LLC, Hidden Creek Building, 14801 E. 42nd Street, Independence, Missouri 64055; John M. Klamann, Dirk L. Hubbard, Courtney Hueser, and the Law Firm of Klamann & Hubbard, P.A., 7101 College Boulevard, Suite 120, Overland Park, Kansas 66210; and Dennis E. Egan, Bert S. Braud and The Popham Law Firm, 1000 Commerce Trust Building, 922 Walnut, Kansas City, Missouri, 64106.

9. Class Representatives. “Class Representatives” means Plaintiffs Margaret Bunch, Tracy Levings, Christy Johnson, Ruby Smith, Stephanie Robinson, Angela Byrd, Claudetta Davis Burns, Kimberly Hall, Sheree Watson, April Anderson, Retta Stevenson, and Nicole Brown.

10. Complaint. “Complaint” means the original First Amended Class Action Complaint filed in this Action, the proposed Second Amended Class Action Complaint and any amendments and/or supplements thereto.

11. Compromised Claims. “Compromised Claims” means

- (a) with respect to the Class Representatives as against RAC and RAC Affiliated Persons, any and all actions, causes of action, claims, costs, damages, demands, expenses, indebtedness, liabilities, obligations, suits and the like, whether now known or unknown, disclosed or undisclosed, whether in law or in equity, which arise out of any act, omission, or transaction that shall have happened, occurred, or arisen prior to and including the date of this Stipulation and Settlement Agreement, whether or not such claim was or could have been included in the Complaint, including, but not limited to, claims of gender and age discrimination; or any other form of unlawful discrimination. Furthermore, Class Representatives will be required to sign a Release which includes the following language:

"IN CALIFORNIA, PURSUANT TO CALIFORNIA CIVIL CODE SECTION 1542, A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM MUST HAVE MATERIALLY AFFECTED THIS SETTLEMENT WITH

THIS DEBTOR. _____, HEREBY EXPRESSLY WAIVES AND RELINQUISHES ALL RIGHTS AND BENEFITS UNDER SECTION 1542 AND ANY SUCCESSOR FEDERAL OR STATE LAW PROTECTIONS TO THE FULLEST EXTENT POSSIBLE."

and relinquishes all rights thereunder; and

- (b) with respect to the Settlement Class as against RAC and RAC Affiliated Persons, any and all liabilities, actions, indebtedness, obligations, claims, causes of action, suits, damages, demands, costs and expenses, whether now known or unknown, which arise out of the occurrences described, alleged or referred to in the Complaint, including but not limited to any claims or causes of action arising from any of the factual predicates asserted in the Complaint or which should have been brought and are precluded from being asserted hereafter by operation of law (res judicata). Furthermore, members of the Settlement Class will be required to sign a Release which includes the following language:

"IN CALIFORNIA, PURSUANT TO CALIFORNIA CIVIL CODE SECTION 1542, A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM MUST HAVE MATERIALLY AFFECTED THIS SETTLEMENT WITH THIS DEBTOR. _____, HEREBY EXPRESSLY WAIVES AND RELINQUISHES ALL RIGHTS AND BENEFITS UNDER SECTION 1542 AND ANY SUCCESSOR FEDERAL OR STATE LAW PROTECTIONS TO THE FULLEST EXTENT POSSIBLE."

- (c) with respect to Defendant as against Plaintiffs and Class Counsel and their respective heirs, executors, legal assigns, and administrators, any and all actions, causes of action, claims, costs, damages, demands, expenses, indebtedness, liabilities, obligations, suits and the like, whether now known or unknown, disclosed or undisclosed, whether in law or in equity.

12. Counsel for Defendant. "Counsel for Defendant" means Dan C. Dargene and the law firm of Winstead Sechrest & Minick P.C., 5400 Renaissance Tower, 1201 Elm Street, Dallas, Texas 75270, and Robert L. Driscoll, Sarah E. Welch, and the law firm of Stinson, Mag, and Fizzell, P.C., 1201 Walnut Street, Suite 2800, P.O. Box 419251, Kansas City, Missouri 64141.

13. Defendant. “Defendant” means Rent-A-Center, Inc.

14. District Court. "District Court" means the United States District Court for the Western District of Missouri.

15. Effective Date of the Settlement. The “Effective Date of the Settlement” means the date of entry of the Order and Judgment of Final Approval unconditionally approving the Settlement, and affirmance of that Judgment after exhaustion of all possible appeals, or, if there is no appeal, the expiration of all applicable time periods for any appeal from that Judgment.

16. Employee Allocation Fund. The “Employee Allocation Fund” means an account established and funded as directed by the District Court from the Settlement Amount for the payment of General Relief to Class Members who were employees of RAC during the Class Period and who do not elect ADR, as approved by the District Court.

17. General Relief. “General Relief” means Net Settlement Allocations to Employee Class Members, as defined in paragraph 19, below, and as approved by the District Court.

18. Levings Case. The "Levings Case" means the lawsuit styled Tracy Levings v. Rent-A-Center, Inc., Case No.00-0598-CV-W-3, alleging gender discrimination.

19. Net Settlement Allocations to Employee Class Members. “Net Settlement Allocations to Employee Class Members” means allocations of monies from the Employee Allocation Fund made to individual Class Members who are employees or former employees of RAC during the Class Period eligible to receive distributions from such Fund in accord with the District Court-approved plan of allocation. Plaintiffs and Defendant agree that the plan of allocation for the Employee Allocation Fund which includes General Relief to be proposed for approval by the District Court is shown on Exhibit A.

20. Notice. “Notice” means the form of notice to the Class of this Settlement, substantially in the form shown on Exhibit C and/or the form of summary notice for publication, substantially in the form shown on Exhibit D.

21. Opt-Out Period. “Opt-Out Period” means that period of time during which Class Members and/or potential Class Members may opt out of the Settlement. The Opt-Out Period shall commence and end on the dates approved by the District Court.

22. Order and Judgment of Final Approval. “Order and Judgment of Final Approval” means an Order by the District Court giving final approval to this Settlement and entering final judgment therefor. Plaintiffs and Defendant have agreed to propose such an Order and Judgment of Final Approval by the District Court in the form of Exhibit E.

23. Order of Preliminary Approval. “Order of Preliminary Approval” means an Order by the District Court preliminarily approving this Stipulation and Settlement Agreement and the form, adequacy and manner of Notice, conditionally certifying a Settlement Class and setting a hearing for final approval of the Settlement and certain applications for attorney’s fees and costs. Plaintiffs and Defendant have agreed to propose such an Order of Preliminary Approval to the District Court in the form of Exhibit F.

24. Plaintiffs. “Plaintiffs” means Margaret Bunch, Tracy Levings, Christy Johnson, Ruby Smith, Stephanie Robinson, Angela Byrd, Claudetta Davis Burns, Kimberly Hall, Sheree Watson, April Anderson, Retta Stevenson, and Nicole Brown.

25. RAC. “RAC” means Rent-A-Center, Inc., Renters Choice, and Rent-A-Center (Thorn Americas); their affiliates and their respective predecessors.

26. RAC Affiliated Persons. “RAC Affiliated Persons” means RAC and all their respective past, present, and future officers, directors, shareholders, employees, representatives,

agents, insurers, affiliates, and attorneys, and their respective heirs, executors, legal assigns, and administrators.

27. Settlement. “Settlement” means the terms and conditions set forth in this Stipulation and Settlement Agreement, including all exhibits hereto.

28. Settlement Accounts. “Settlement Accounts” means collectively all accounts established as the District Court may direct for deposit of the Settlement Amount.

29. Settlement Administration Fund. “Settlement Administration Fund” means an account to be established and used to pay and/or reimburse post-Settlement administration costs and expenses. Defendant agrees to deposit the amount of Five Hundred Thousand Dollars (\$500,000.00) into said Settlement Administration Fund within 2 business days after entry of the Order of Preliminary Approval. This Settlement Administration Fund will be drawn on by the Settlement Administrator to pay for its services and reimburse its expenses at regular billing intervals and/or as expenses of this Settlement are incurred. The Settlement Administration Fund monies are not to be used to make distributions to Class Members nor to pay any costs, fees or expenses incurred by Class Counsel, RAC and/or its counsel in the Settlement administration process. Any monies remaining in the Settlement Administration Fund shall be added to the attorneys' fees cap discussed below. To the extent the costs of Settlement Administration exceed \$500,000.00, such excess shall not be the responsibility of Rent-A-Center.

30. Settlement Administrator. “Settlement Administrator” means Rust Consulting, Inc. and/or such other person(s) or entity(ies) whom the District Court may approve to perform Settlement administration tasks as needed to effectuate the Settlement, the distribution of proceeds, accountings, and other functions as hereinafter described and assigned to the Settlement Administrator.

31. Settlement Amount. “Settlement Amount” means TWELVE MILLION TWO HUNDRED AND FIFTY THOUSAND DOLLARS (\$12,250,000.00) payable by RAC within 2

business days after the Effective Date of the Settlement. Upon receipt by the Settlement Administrator, the Settlement Amount shall be distributed into two funds as follows:

\$8,000,000	Employee Allocation Fund
\$4,250,000	ADR Fund

32. Verified List. “Verified List” means a list of the employee Class Members’ names, last known addresses, phone numbers and inclusive dates of employment within the Class Period to be provided by Defendant to Class Counsel and the Settlement Administrator. The Verified List shall be derived from the information contained within Defendant's computer databases. Said Verified List and the information contained therein and derived therefrom shall be used solely for purposes related to this Settlement.

TERMS AND CONDITIONS OF SETTLEMENT

33. Subject to the payment of all monetary obligations and District Court approval as provided herein, all Compromised Claims against RAC and any RAC Affiliated Person shall be settled, compromised and dismissed on the merits, and with prejudice, on the following terms and conditions:

34. Settlement Class. Solely for purposes of this Stipulation and Settlement Agreement and subject to District Court approval, Plaintiffs and Defendant agree that this Action may be maintained as a Class Action on behalf of a Settlement Class consisting of the following:

All females who worked at, applied for work and/or who attempted to apply but were affirmatively discouraged by RAC from applying for work at any Rent-A-Center (Thorn Americas), Rent-A-Center, Inc., or Renters Choice, Inc. store in the United States or any of its territories, at any time between April 19, 1998 and October 1, 2001 (the “Class Period”), except that the Class does not include any female employed as a Market Manager and/or Regional Director nor any female who previously entered into a written settlement agreement with Rent-A-Center (Thorn Americas), Rent-A-Center,

Inc., or Renters Choice, Inc. which releases claims of gender discrimination.

35. Certification of Settlement Class. Plaintiffs and Defendant stipulate and agree, solely for purposes of this Stipulation and Settlement Agreement, that the Class Representatives are adequate representatives of the Settlement Class pursuant to Rules 23(a)(4), 23(b)(2), and 23(b)(3) of the Federal Rules of Civil Procedure (“FRCP”). Plaintiffs and Defendant further stipulate and agree, solely for purposes of this Stipulation and Settlement Agreement, that the claims of each Representative Plaintiff are common and typical of the claims of the Settlement Class they represent, all pursuant to FRCP Rules 23(a)(2), 23(a)(3), 23(b)(2), and 23(b)(3). Plaintiffs and Defendant further stipulate and agree, solely for purposes of this Stipulation and Settlement Agreement, that Class Counsel adequately represent the Settlement Class, are competent to serve as Class Counsel in all respects, and should be designated by the Court as Class Counsel, all pursuant to FRCP Rules 23(a)(4), 23(b)(2), and 23(b)(3). Plaintiffs and Defendant further stipulate and agree, solely for purposes of this Stipulation and Settlement Agreement, that the Class Members are so numerous as to make joinder impractical and that numerosity is established pursuant to FRCP Rules 23(a)(1), 23(b)(2), and 23(b)(3). Plaintiffs and Defendant further stipulate and agree, solely for purposes of this Stipulation and Settlement Agreement, that the requirements of Rule 23(b)(2) and Rule 23(b)(3) are met by this Settlement Class. Solely for the purposes of this Stipulation and Settlement Agreement, with respect to the relief to be provided to the Settlement Class, including the distributions described herein and the injunctive relief, Plaintiffs and RAC further stipulate and agree that the Settlement Class should be certified pursuant to FRCP Rule 23(b)(2) and Rule 23(b)(3) of the Federal Rules of Civil Procedure. Plaintiffs and RAC further agree that the stipulations and agreements contained herein shall not be deemed nor construed as an admission or used as evidence

of the appropriateness of any other class of employees or applicants in this Action or in any other proceeding.

36. Opt-Outs. All persons eligible to be Class Members will have the right to opt out of the Settlement Class. The period of time during which potential Class Members may opt out (“Opt-Out Period”) shall commence and shall end on dates to be approved by the District Court. The parties agree to recommend to the District Court an Opt-Out Period of 45 days after the first mailed Notice to potential Class Members. By executing this Stipulation and Settlement Agreement, each Plaintiff hereby waives her right to opt out or object to the Settlement. Class counsel further agree that no individual client of theirs eligible to be a Class Member shall opt out. In the event this occurs, Defendant shall have the right to nullify and withdraw from this Settlement.

37. Within 7 days after the last date to opt out of the Class or to file written objections to the Settlement, the Settlement Administrator shall provide to Class Counsel and Counsel for Defendant a list of all persons electing to opt-out and all persons who have filed with the Settlement Administrator copies of their written objections to the Settlement. The Settlement Administrator also shall provide to Class Counsel and Counsel for Defendant, upon request, copies of all opt-out requests and written objections received by it. A list of all persons eligible to be Class Members and who have properly and timely opted-out of the Class shall be filed by the Settlement Administrator with the District Court prior to the hearing for final approval of the Settlement.

38. If more than 92 persons eligible to be Class Members opt-out of the Class, then Defendant shall have the right, but not an obligation, to withdraw from this Settlement. Defendant shall make this election within seven (7) days of the date the Settlement Administrator provides Defendant's Counsel the list of persons who have opted out, as discussed in paragraph 21, above. In the event Defendant withdraws from this Settlement, Plaintiffs' Motion to Reconsider, Motion for Leave to Join Additional Plaintiffs, Second Motion for Leave to Join Additional

Plaintiffs, and Motion to Consolidate shall be before the District Court for consideration, and Defendant shall have twenty (20) days to respond to said Motions.

39. In full and complete settlement and satisfaction of all Compromised Claims, Defendant shall pay a Settlement Amount of \$12,250,000, to fund settlement payments to Class Members. Defendant also agrees to separately pay Class Counsel's attorneys fees and to reimburse Class Counsel's litigation expenses as discussed in paragraph 46, below. Defendant also agrees to pay all expenses relating to administration of this Settlement, subject to the provisions of this paragraph and paragraph 29, above. Defendant shall forward the \$12,250,000 Settlement Amount to the Settlement Administrator by wire transfer within 2 business days after the Effective Date of the Settlement. Defendant will also deposit a separate amount of \$500,000 to initiate funding of Notice and the other costs of Settlement administration, pursuant to the provisions of paragraph 29, above. Defendant shall deposit the \$500,000 Settlement Administration Fund discussed in paragraph 29 by wire transfer to the District Court-appointed Settlement Administrator.

40. Upon the payment by Defendant of the Settlement Amount, and as a condition precedent to Class Members and Class Representatives receiving monetary relief allocated therefrom, all Class Members shall execute and deliver to the Settlement Administrator a General Release in the form shown as Exhibit G; and all Class Representatives shall execute and deliver to the Settlement Administrator a Release in the form shown as Exhibit H. The Bunch Case and the Levings case shall be dismissed with prejudice promptly upon completion of all of the terms of this Stipulation and Settlement Agreement and all terms and conditions set by the District Court.

41. If the Settlement is not finally approved by the District Court, or if the Effective Date of the Settlement does not occur, or if this Stipulation and Settlement Agreement is terminated in accordance with its terms or becomes null and void for any reason, then Defendant's obligation to pay shall be extinguished and any remaining unspent Settlement Administration Fund

amounts shall be refunded to Defendant. All sums expended (and obligations incurred) from the Settlement Administration Fund for payment of expenses associated with Notice and/or Settlement administration up to the time the Settlement Agreement is terminated or becomes null and void are not refundable to Defendant.

42. Upon its receipt pursuant to this Stipulation and Settlement Agreement, the Settlement Amount shall be deposited into the Settlement Accounts and thereafter shall be divided and paid as set forth in this Stipulation and Settlement Agreement and/or as Ordered by the District Court.

43. The payment of Class Members' claims shall be made out of the Employee Allocation Fund and the ADR Fund established after receipt of the Settlement Amount, subject to District Court approval, in accordance with a plan of allocation. Plaintiffs and Defendant stipulate and agree that the employee matrix allocation plan shall be proposed to the District Court as shown on Exhibit A and that the ADR process for employees, ex-employees, and applicants shall be proposed to the District Court as shown on Exhibit B. Defendant will not object to or hereafter participate in the allocation or distribution of the Settlement Amount, except that Defendant shall cooperate with Class Counsel, the Settlement Administrator, all claim reviewers, the arbitrator, and the District Court in all Settlement administration and ADR matters. Defendant agrees to fully cooperate in all Settlement administration activities, including without limitation the ADR Process, and Defendant will endeavor to provide such documents and information as the Settlement Administrator and/or Class Counsel reasonably may request in aid of such Settlement administration.

44. The Settlement Administrator may invest some or all Settlement proceeds in short term United States Government securities and overnight repurchase agreements of United States Government securities. These securities may be held until sold at the direction of the Settlement Administrator to cover anticipated needs, on a weekly basis, for the payment of

settlements to Plaintiffs and Class Members and/or the Settlement Administrator. Where feasible, such funds shall be swept into overnight repurchase agreements, to cover anticipated needs for payments into the next week. Upon the sale of the securities and repurchase agreements as provided herein, funds derived from those sales (including principal and interest) shall be placed in an account or accounts held and administered under the direction of the Settlement Administrator. Any interest earned on bank deposits and/or in Settlement Accounts may be used to defray the costs of administration, if necessary. All risks associated with such investments will be borne by the Settlement Administrator and the Class.

45. Programmatic and Injunctive Relief. In order to address the ongoing issues and concerns raised in the Action regarding workplace equity for female applicants and employees at Defendant and, in addition to the monetary relief provided for herein, Defendant, beginning on or before the Effective Date of the Settlement, will implement the following actions to be described in detail in a Consent Decree to be entered by the District Court:

(a) Adoption and Reaffirmation of Policy Statement Against Discrimination.

Defendant will adopt, regularly reaffirm and circulate a comprehensive and effective corporate commitment and Policy Statement against discrimination, harassment and retaliation against women on the basis of gender. Messrs. Mark Speese and Mitchell Fadel will personally send a message to all of Defendant's employees stating unequivocally that women are welcome in Defendant's workforce and renouncing any misimpressions to the contrary. Among other things this will also provide for:

- * Defendant will periodically include an unambiguous written commitment to gender equity and equal employment opportunity for women employed with Defendant in its newsletters, employee manuals and handbooks, and training materials.
- * Defendant will express in writings prominently displayed in posters placed in each of Defendant's locations, in its Co-Worker Guidelines and Employee Handbooks, and in all other training manuals which relate to employment practices:

- (i) its unequivocal commitment to Equal Employment Opportunity for women,
- (ii) its commitment to strong and effective anti-discrimination, anti-harassment, and anti-retaliation policies and procedures, and
- (iii) its commitment to a work environment free of sexual and gender hostility.

- * Defendant will similarly set forth in writing a nationwide policy concerning gender discrimination, sexual harassment, and retaliation against females. Defendant will post in accord with the requirements of law and in every store facility its commitment to this policy.
- * Defendant will assign specific managerial responsibility for understanding and effectively enforcing the commitment and Defendant's policies, procedures, and programs relating to workplace equity.

(b) The 75 Pound Weight-Lifting Requirement. Defendant will not specify a numeric weight-lifting requirement nor require any applicant for employment to pass a lifting test.

- * Specifically, Defendant will eliminate the stated 75-pound weightlifting requirement for employment at Defendant.
- * Defendant will delete any and all references to such requirement from its job descriptions and other materials describing work requirements at Defendant.
- * Defendant will disclose to all of its employees that it considers that an essential function of all in-store jobs includes repetitive heavy lifting, and that Defendant considers such requirement a business necessity. Defendant will have available in the stores a general inventory of items which may require lifting along with each such item's estimated weight. This information will be made available to all applicants and store employees.
- * Each store employee and new hire for a store position will be trained on how to lift safely and advised of the equipment available to assist lifting. A video will be available for inclusion with other training materials which demonstrates how to lift safely and how to use lifting aids and which demonstrates in an equitable light the ability of women to perform lifting activities.

- * All of Defendant's managerial employees will be explicitly informed that discrimination, harassment and/or retaliation against females will not be tolerated with regard for any job requirement, including without limitation, lifting activities.
- * Defendant will take affirmative steps to assure that no weight-lifting tests are administered as a condition to the hiring or continued employment of any female with Defendant.

(c) Management Tests. Defendant will not use the APT test and agrees to monitor the results of all written employment tests currently in use.

- * Specifically, Defendant will eliminate its use of the APT Management Test.
- * Defendant will eliminate its use of existing APT Management Test results relating to any female employed with Defendant in any employment action.
- * The results of any and all APT tests will not be used by Defendant to make employment or promotion decisions.
- * A record of APT test results shall be retained, however, as required by law and may be used as needed in adversarial or claims matters.
- * The employment testing currently being used by Defendant is administered by Competency Management Incorporated ("CMI").
- * All employment-related testing henceforth used by Defendant will be designed, validated, administered, and used in full compliance with applicable law.

(d) Training. Defendant will provide comprehensive workplace equity education to all employees, including managerial employees. Among other things this will provide:

- * Clear confirmation and explanation of employees' rights and responsibilities regarding workplace equity at Defendant;
- * Clear confirmation and explanation of managers' responsibilities regarding workplace equity with Defendant as well as their accountability as managers for ensuring the promotion and maintenance of a non-discriminatory workplace for all employees with Defendant; and
- * Comprehensive explanation of the definition, with examples, of gender-based harassment, discrimination, and retaliation and

Defendant's policies, procedures, and programs to eliminate it.

- * Specifically, Defendant will provide training to all of its employees to teach them how they may adequately perform their job responsibilities regardless of their gender.
- * Defendant will also provide training about and in furtherance of Defendant's commitment to its nationwide policy concerning discrimination, harassment and retaliation and a discrimination-, harassment-, and retaliation-free workplace for women.
- * Defendant will also provide training to all Defendant's employees on how Defendant's employees may pursue their rights under the policies of the company (including a full and simple explanation of all complaint procedures) and how Defendant's employees are expected to execute their responsibilities for gender equity.
- * Understandable, non-legalistic definitions of prohibited conduct will be developed and included in the training to all of Defendant's employees.
- * Clear explanations of the range of consequences for violations of Defendant's equal employment opportunity policies will be included in the training.
- * All employees will be encouraged as a part of their training to report any violation of the company's policies on gender equity.
- * All employees will receive training on complaint procedures, on how complaints will be handled, and on the multiple avenues employees may use to make a discrimination or harassment complaint within the company. Videotapes, CD-ROMS, and/or Internet resources will be designed, prepared and utilized in the training to be provided on these subjects.
- * All gender employment practices training will include non-intimidating opportunities for trainees to ask questions about any aspect(s) of the training. This training will be provided as a part of new-hire orientation and on a periodic annual "refresher" basis.
- * Defendant will train all of Defendant's management personnel on what discrimination, harassment, and retaliation are and on how to recognize the same. All such personnel will also receive training on how to execute their responsibilities concerning gender equity in the workplace and on their accountability for such responsibilities. Videotapes, CD-ROMs, and/or Internet resources will be designed, prepared and utilized as a part of the training on these subjects.

- * Defendant will retain the services of an outside consultant to assist it in the development of its training programs so that the above objectives are met and so that gender equity and the retention of females in its workplaces are enhanced.
- (e) Discrimination and Harassment Complaint and Reporting Procedures. Defendant will modify its current policies and procedures for reporting, investigating, evaluating, and documenting claims of discrimination, harassment, and retaliation. Among other things, these will provide for:
- * Multiple avenues for making a complaint, including adequate, neutral Co-Worker Relations personnel and a telephone complaint system;
 - * Impartial, accurate, prompt, thorough, and efficient fact-finding by trained and competent Co-Worker Relations personnel,
 - * Claims procedures will be designed and implemented by Defendant to aid enforcement of Defendant's employment policies in all of Defendant's workplaces. At a minimum, those procedures will provide for accurate, prompt, thorough, and efficient fact-finding by qualified personnel, evaluation and assessment of the results of the fact-finding, consistent imposition of effective and appropriate discipline, and adequate record-keeping.
 - * Records of complaints will be periodically reviewed by Defendant and/or its consultants to assure that the complaint process is operating properly.
 - * Individual incidents of gender discrimination and/or harassment will be timely followed up to assure appropriate resolution and prevent retaliation.
 - * All persons involved in administering and executing the formal complaint process will receive adequate training necessary to fully and fairly fulfil their responsibilities.
- (f) Record-Keeping. Defendant will maintain applicant records that comply with EEOC regulations and all applicable local, state, and federal law.
- * Defendant agrees to use an Applicant tracking system which tracks and records the gender of all of Defendant's job applicants, to the extent required by law.
- (g) Hiring, Retention, and Promotion of Women. Defendant will modify its current internal application process such that openings in a market are posted and employees in that market are given an equal opportunity to apply for open positions.

- * Defendant will retain the services of a suitable outside consultant to assist in the review and revision of hiring and recruiting materials to promote gender equity in its workplaces.
 - * Defendant will review its hiring and promotion practices to ensure that gender discrimination is not occurring.
 - * Defendant will ensure non-discriminatory promotion policies, processes, and guidelines are followed in all Defendant's locations. The promotion processes will include: (a) written, non-discriminatory job descriptions and objective criteria for each store system position; (b) posting of job openings within a market; (c) establishment and company-wide dissemination of promotion application procedures for each store system position within a market; (d) express guidelines and readily available guidance for equitable promotion decision-making, and (e) annual reviews of promotion practices as required by law to determine if disparities exist which are adverse to women.
- (h) Termination of Female Employees. Defendant will not terminate female employees because of their gender.
- * Any woman who feels that she has been terminated illegally because of her gender will be provided a prompt opportunity to contact Defendant's Co-worker relations or similar position responsible for co-worker relations.
 - * The Co-worker relations will consider and handle all complaints of illegal gender discrimination in termination in accord with the complaint process outlined above.
- (i) Miscellaneous Provisions of Programmatic Relief.
- * Defendant will make every reasonable effort to ensure that its medical leave of absence policies are applied consistently, including with respect to pregnancy.
 - * No duties, including housekeeping, will be designated or implemented specifically for female employees. Defendant will promulgate a memo underscoring that these duties are not to be assigned by gender.
 - * With respect to all the programmatic relief discussed above, Defendant may include appropriate language or conduct within a broader context which prohibits all forms of illegal discrimination.

Further, Defendant will complete the implementation of all new policies, procedures, and programs pursuant to this paragraph no later than 180 days from the Effective Date of the Settlement and will

thereafter maintain and enforce its policies, procedures, and programs for gender equity in good faith and in keeping with the spirit of the Settlement.

46. Defendant agrees to pay, in addition to the Settlement Amount (defined in paragraph 31 above) and the costs of Settlement administration (discussed in paragraph 29 above), all of Class Counsel attorneys' fees and litigation expense reimbursements as ordered by the District Court. The amount to be sought and paid, as Ordered by the District Court, is intended to cover attorneys' fees and litigation expenses through the completion of Settlement administration and final dismissal of this Action, including the completion of the ADR process. The amount is intended to cover all of Class Counsel's attorney and paralegal time expended to date and the substantial amount of time anticipated to be spent in the future in this matter. Within twenty (20) days of the Effective Date of the Settlement, or at such other time as the District Court may so order, Class Counsel shall submit an Application for Attorneys' Fees and Reimbursement of Costs ("Fee Application") to the District Court. Defendant shall have the right to object to such Fee Application. Defendant will pay said sums awarded to Class Counsel two (2) days after the District Court's Order Awarding Class Counsel's Attorneys' Fees and Expenses and any appeals thereof are exhausted and becomes final, subject to an agreed upon cap of \$2,625,000. Such cap shall be increased by \$500,000 less the actual amount of Settlement administration costs.

47. This Stipulation and Settlement Agreement may be executed in one or more counterparts, all of which together shall be deemed to be one instrument.

48. Motion for Preliminary Approval of Settlement and for Order Extinguishing Claims Against the Defendant.

- (a) Plaintiffs and Defendant shall promptly file this Stipulation and Settlement Agreement with the District Court.
- (b) By joint motion, in the form attached hereto as Exhibit I, Plaintiffs and Defendant shall promptly move the District Court to enter an Order of

Preliminary Approval conditionally certifying a Settlement Class under subparagraphs (a), (b)(2), and (b)(3) of Rule 23 of the Federal Rules of Civil Procedure for the sole purpose of considering and acting on this Settlement.

- (c) The Plaintiffs and Defendant shall use their best efforts to obtain the entry of such Order of Preliminary Approval, and shall, if necessary in that regard, present additional evidence to the District Court in support of the motion.
- (d) If the District Court thereafter enters an Order of Preliminary Approval, the parties shall proceed in accordance with the terms thereof and with the terms of this Stipulation and Settlement Agreement.

49. Notice of the Settlement. Plaintiffs and Defendant agree that Notice shall be provided to potential members of the Class and that they shall move the District Court for approval of Notice to the potential members of the Class in the forms annexed hereto as Exhibits C and D. Subject to the District Court's approval, the Notice as set forth in Exhibit C shall be mailed by the Settlement Administrator to the last-known address of the potential employee Class Members, where feasible, as provided by Defendant from its records and files on the Verified List. Defendant will provide to Class Counsel and the Settlement Administrator a Verified List of the names and last known addresses and telephone numbers of the potential employee members of the Class, together with a Verified List of their inclusive dates of employment and their employment positions during the Class Period, to Class Counsel within ten (10) days after entry of the Order of Preliminary Approval. The Settlement Administrator will perform one skip tracing search for all of those people whose mailed Notices are returned undelivered to potential Class Members without a forwarding address. Based on the results of the skip trace and other reasonable efforts taken at its discretion, the Settlement Administrator will mail a Notice to each new address that is discovered. Subject to the approval of the District Court, published Notice also shall occur, in the form annexed hereto as Exhibit D. Such Published Notice will be made by publication in the USA Today newspaper. The Settlement Administrator will use best efforts to cause such Notice to be published on a date to be established by the District Court. The Settlement Administrator will use best efforts to cause the published

Notice to constitute at least 1/4 of a page in such newspaper. The cost of all mailed Notices to potential employee Class Members, all skip tracings, and all published Notices shall be paid as a part of the costs of Settlement administration, and in accord with paragraphs 29 and 39 herein.

50. Disputes Relating To Membership In the Settlement Class Or Allocations To Any Class Member. If, following Notice to the potential members of the Class, any dispute arises concerning the membership in the Settlement Class or any allocation of the Settlement amount to any one or more members of the Class, then the Settlement Administrator, Plaintiffs, Class Counsel, and Defendant shall cooperate with one another and use their best efforts to resolve all such disputes using information from the records and files of the Defendant and appropriate information, if any, supplied by the potential Class Member. Any and all such disputes shall be resolved, where possible, prior to the hearing for final approval of the Settlement, or, if the parties are unable to resolve any said dispute, then it shall be resolved by the District Court.

51 Conduct of Hearing for Final Approval of the Settlement.

- (a) By joint motion, Plaintiffs and Defendant shall move the District Court for entry of its proposed Order and Judgment of Final Approval of the Settlement substantially in the form as Exhibit E.
- (b) The parties may present evidence and argument to the District Court prior to and/or at the hearing concerning the entry of the Order and Judgment of Final Approval. In order to assist in the presentation of such evidence, Defendant agrees to utilize good faith efforts to provide such documentation and information as Class Counsel reasonably may request.
- (c) If the District Court refuses to certify the proposed Class, or to enter an Order of Preliminary Approval, or to enter an Order and Judgment of Final Approval, or if the Effective Date of the Settlement fails to occur on or before November 1, 2003, then Defendant shall have the right to declare this Stipulation and Settlement Agreement be null and void, except that all monies expended (and/or obligations incurred) for Notice and/or Settlement administration prior to the date the Stipulation and Settlement Agreement becomes null and void shall not be refunded to Defendant. All remaining sums shall be returned to Defendant as soon as possible thereafter.
- (d) If the District Court certifies the Class and approves this Stipulation and

Settlement Agreement, and an Order and Judgment of Final Approval is entered, then within thirty (30) days of resolving all claims made pursuant to the ADR process. Class Counsel shall return to Defendant, without retaining any copies, all documents produced by Defendant to Plaintiffs in this litigation.

52. Retention of Settlement Administrator. In connection with the consummation of the transactions contemplated hereunder, Plaintiffs and Defendant stipulate and agree that Rust Consulting, Inc. may, subject to the District Court's Order, be retained as the "Settlement Administrator" for the Settlement Class and may be authorized to do the following:

- (a) Establish and maintain a post office box for Settlement administration;
- (b) Send Notice, receive and record opt-out information, calculate allocations in accord with District Court-approved formulae, make distributions of allocations, account for allocations and distributions, and otherwise conduct the administration of this Settlement; and
- (c) Receive databases and the Verified List and establish a database or databases as may be necessary to perform its assigned duties and undertakings. The Verified List and databases, if any, provided by Defendant, shall be used by the Settlement Administrator solely for purposes of this Settlement and for no other purpose.

53. Effect of Failure of Settlement to Become Final. If the Effective Date of the Settlement does not occur for any reason, or if it fails to occur by November 1, 2003, then Defendant shall have the right to declare:

- (a) this Stipulation and Settlement Agreement and the Exhibits thereto, and all documents executed or prepared, acts done, and Orders entered pursuant to it be null, void, and of no force or effect whatsoever and shall not be offered or received in evidence or construed as an admission by RAC, any of the RAC Affiliated Persons, or any other person or entity of the validity of any of the Compromised Claims or any wrongdoing of any kind or as a waiver, abandonment, or release of any claim, position, or defense, and all negotiations, proceedings, statements and releases made in connection herewith shall be without prejudice to any party, person, or entity;

- (b) Any unexpended amounts paid by Defendant in connection with the Settlement shall be repaid to Defendant, except that all sums expended or committed to obligations incurred for the Settlement's administration, such as but not limited to expenses associated with Notice and/or other Settlement administration up to the time this Stipulation and Settlement Agreement becomes null and void, are not refundable to Defendant;
- (c) Upon the occurrence of any event which could void this Stipulation and Settlement Agreement, the party seeking to void the Settlement shall, within seven (7) business days of such event, give written notice to the District Court and all counsel citing the specific event and that party's intent to terminate the Settlement unless the matter is satisfactorily resolved. Failure to give such notice shall constitute a waiver of the right to void this Stipulation and Settlement Agreement; and
- (d) Plaintiffs' Motion for Reconsideration, Motion for Leave to Join Additional Plaintiffs, Second Motion for Leave to Join Additional Plaintiffs and Motion to Consolidate shall be before the District Court for consideration, and Defendant will have twenty (20) days to respond to each.

GENERAL PROVISIONS

54. Good Faith. Plaintiffs, Class Counsel, Defendant and Counsel for Defendant agree that they will promptly undertake to implement the terms of this Stipulation and Settlement Agreement in good faith, and to use good faith in resolving any disputes that may arise in implementing the terms of this Stipulation and Settlement Agreement. Although the Notices and other documents shown in the Exhibits hereto are contemplated to be used substantially in the form attached, the parties hereto may otherwise mutually agree on such changes and/or amendments thereto as they may deem appropriate to consummate the Settlement in keeping with the intent of this Settlement. The entry of any Order by the District Court in a form which varies from those proposed Orders shown as Exhibits to this Stipulation and Settlement Agreement shall not be cause to declare this Stipulation and Settlement Agreement null and void so long as such Order does not materially conflict with the spirit and intent of this Stipulation and Settlement Agreement or the material terms hereof.

55. All of the Exhibits to this Stipulation and Settlement Agreement are incorporated by reference as though fully set forth herein.

56. Entire Agreement. All prior or contemporaneous agreements, contracts, promises, representations, and statements, if any, among the parties hereto, or their representatives, excluding any agreements with respect to recoverable costs and attorneys' fees, are merged into this Stipulation and Settlement Agreement and this Stipulation and Settlement Agreement shall constitute the entire agreement between Plaintiffs, the Settlement Class, and Defendant. This Stipulation and Settlement Agreement, including the Exhibits hereto, constitutes the entire understanding between the parties and no waiver or modification of the material terms hereof shall be valid unless made in writing signed by the party to be charged and approved by the District Court, and then only to the extent therein set forth.

57. Nothing herein is intended to or shall be construed to have created any standing, causes of action, grievances, claims or any other rights in or for any person other than as between the Class Representatives, Class Members, Class Counsel, the Settlement Administrator, and Defendant in accordance with this Stipulation and Settlement Agreement.

58. Binding Effect. This Stipulation and Settlement Agreement, and the acts done in furtherance thereof, shall be binding upon and shall inure to the benefit of the parties hereto, and their respective heirs, executors, administrators, successors, and assigns.

59. Denial of Liability in the Action. This Stipulation and Settlement Agreement and any proceedings taken hereunder shall not in any event be construed nor be deemed to be a concession or admission by or on the part of RAC, any of the RAC Affiliated Persons, or any other person or entity of any liability or wrongdoing or evidence of the truth of any allegation made against RAC, any of the RAC Affiliated Persons, or any other person or entity in any court or legal proceeding.

60. Warranty of Authority to Execute This Agreement. Defendant warrants and agrees that the person(s) executing this Stipulation and Settlement Agreement on its behalf and whose signature(s) appear below or on any counterpart hereto as a representative of Defendant is/are fully authorized to execute this Stipulation and Settlement Agreement on Defendant's behalf and to bind Defendant to each and every term and condition of this Stipulation and Settlement Agreement. Further, each of the parties warrants and agrees that he/she/it enters into the Settlement of his/her/its own volition without coercion.

61. Taxes. Settlement payments to Applicants and former Employee Class Members shall not be subject to withholding, but Defendant will issue each such Applicant or Employee Class Member a Form 1099 for the year in which such payment is made. With respect to current Employee Class Members, thirty percent (30%) of Settlement payments shall be subject to required deductions and withholding and a Form 1099 will be issued by Defendant for the remaining seventy percent (70%) of such payments for the year in which they are made.

62. Execution of Stipulation and Settlement Agreement. This Stipulation and Settlement Agreement shall not become binding or effective unless and until all of the Class Representatives, all Class Counsel, Defendant and Counsel for Defendant have each executed the Stipulation and Settlement Agreement, or a counterpart thereof.

RENT-A-CENTER, INC.

Dated: _____

By: _____

Mark Speese, Chairman of the Board

Dated: _____

By: _____

Mitchell Fadel, President

WINSTEAD SECHREST AND MINICK P.C.

5400 Renaissance Tower

1201 Elm Street

Dallas, Texas 75270

Dated: _____

By: _____

Dan C. Dargene

Lisa Winston Sorrell

Shannon Cameron Carr

STINSON, MAG AND FIZZELL, P.C.

1201 Walnut Street

Suite 2800

P.O. Box 419251

Kansas City, Missouri 64141

Dated: _____

By: _____

Robert L. Driscoll

Sara E. Welch

Dated: _____
Margaret Bunch

Dated: _____
Tracy Levings

Dated: _____
Christy Johnson

Dated: _____
Ruby Smith

Dated: _____
Stephanie Robinson

Dated: _____
Angela Byrd

Dated: _____
Claudetta Davis Burns

Dated: _____
Kimberly Hall

Dated: _____
Sheree Watson

Dated: _____
April Anderson

Dated: _____
Retta Stevenson

Dated: _____

Nicole Brown

WHITE, ALLINDER & GRAHAM, LLC

Hidden Creek Building

14801 E. 42nd Street

Independence, Missouri 64055

Dated: _____

By: _____

Steven White

Gene Graham

Mary Beth Compton

KLAMANN & HUBBARD, P.A.

7101 College Boulevard

Suite 120

Overland Park, Kansas 66210

Dated: _____

By: _____

John M. Klamann

Dirk L. Hubbard

Courtney Hueser

THE POPHAM LAW FIRM

1000 Commerce Trust Building

922 Walnut

Kansas City, Missouri 64106

Dated: _____

By: _____

Dennis E. Egan

Bert S. Braud

**ATTORNEYS FOR PLAINTIFFS AND ALL
PERSONS SIMILARLY SITUATED**

IN THE UNITED STATES DISTRICT COURT FOR THE
WESTERN DISTRICT OF MISSOURI
WESTERN DIVISION

MARGARET BUNCH, et al.)
Individually, and as)
Class Representatives)
Plaintiffs,) Case No. 00-0364-CV-W-3
vs.)
RENT-A-CENTER, INC.,)
Defendant.)

TRACY LEVINGS,)
Individually, and as)
Class Representatives)
Plaintiffs,) Case No. 00-0596-CV-W-3
vs.)
RENT-A-CENTER, INC.,)
Defendant.)

ORDER PRELIMINARILY APPROVING STIPULATION
OF SETTLEMENT, SETTLEMENT, AND FORM, ADEQUACY AND MANNER OF
NOTICE, CONDITIONALLY CERTIFYING A SETTLEMENT CLASS, DIRECTING
NOTICE TO THE SETTLEMENT CLASS AND SETTING
A HEARING ON THE SETTLEMENT AND CERTAIN APPLICATIONS
FOR ATTORNEY’S FEES, AWARDS, AND COSTS

The Plaintiffs and Defendant have entered into Stipulation and Settlement Agreement (“Settlement Agreement”) dated October 31, 2001. The Court has reviewed and considered the terms of the Settlement Agreement and presentation by counsel of the reasons underlying the Settlement contemplated thereby, and the appropriateness of conditional certification of the Settlement Class. The Court determines, preliminarily, without prejudice to the rights of Settlement

Class Members to object to the Settlement, the following: that all the requirements of Rule 23(a), Rule 23(b)(2), and Rule 23(b)(3) of the Federal Rules of Civil Procedure have been satisfied with respect to the conditional maintenance of this action as a Class Action solely for the purpose of considering and acting on the Settlement; that the terms of the Stipulation and Settlement Agreement are fair, adequate and reasonable and that they have been negotiated at arms' length and without collusion; that certification of a Settlement Class, conditioned upon final approval of the Settlement Agreement, is appropriate; that the form, content and method of the Notices by mail and the Summary Notice by publication will adequately inform absent Settlement Class Members of their rights; and, that such Notices constitute the best practicable notice under the circumstances and comport with due process.

IT IS HEREBY ORDERED:

1. **Class Certification.** This action is certified as a Class Action on behalf of the Settlement Class, as defined in the Settlement Agreement, under subparagraphs (a), (b)(2) and (b)(3) of Rule 23 of the Federal Rules of Civil Procedure solely for the purpose of considering and acting on the proposed Settlement. For Settlement purposes, this action shall be maintained as a Class Action on behalf of the following Class of Plaintiffs:

All females who worked at, applied for work, and/or who attempted to apply but were affirmatively discouraged by the Defendant from applying for work at any Rent-A-Center, Rent-A-Center, Inc., or Renters Choice, Inc. store in the United States or any of its territories, at any time between April 19, 1998 and October 1, 2001 (the "Class Period"), except that the Class does not include any female employed as a Market Manager and/or Regional Director nor any female who previously entered into a written settlement agreement with Rent-A-Center, Rent-A-Center, Inc., or Renters Choice, Inc. which releases claims of gender discrimination.

2. **Class Representatives.** The Court approves for settlement purposes the following individuals as Class Representatives in this case: Margaret Bunch, Tracy Levings, Christy Johnson, Ruby Smith, Stephanie Robinson, Angela Byrd, Claudetta Davis Burns, Kimberly Hall, Sheree Watson, April Anderson, Retta Stevenson, and Nicole Brown.

3. **Class Counsel.** The Court has approved the following attorneys and Law Firms as Counsel to represent the Class in this action:

WHITE, ALLINDER & GRAHAM, L.L.C.

Steven White
Gene Graham
Mary Beth Compton
Hidden Creek Building
14801 E. 42nd Street
Independence, Missouri 64055

KLAMANN & HUBBARD, P.A.

John M. Klamann
Dirk L. Hubbard
Courtney Hueser
7101 College Blvd., Suite 120
Overland Park, KS 66210
Telephone: (913) 327-7600
Telecopier: (913) 327-7800

THE POPHAM LAW FIRM, P.C.

Dennis Egan
Bert S. Braud
323 W. 8th Street
Suite 200
Kansas City, MO 64106
Telephone: (816) 221-2288
Telecopier: (816) 221-3999

4. **Proposed Settlement.** The Proposed Settlement between the Plaintiff Class and the

Defendant appears, upon preliminary review, to be within the range of reasonableness and accordingly shall be submitted to the Class Members for their consideration and for a hearing under Fed. R. Civ. P. 23(e).

5. **Hearing.** A hearing shall be held on _____, 2001, at __:00 __.m. to determine the lawfulness, reasonableness, adequacy and fairness of the Settlement, whether the Settlement should be finally approved, whether an Order and Judgment granting Final Judicial Approval should be entered thereon, whether Class Members should be bound by the Release set forth in the Settlement Agreement, and whether Class Members should be subject to a permanent injunction barring Class Members from filing, commencing, prosecuting, intervening in, participating in (as class members or otherwise), or receiving any monetary benefits from, any lawsuit, administrative or regulatory proceeding in any jurisdiction based on, or relating to, the Claims as defined in the Stipulation and Settlement Agreement. At that time or as soon thereafter as practicable, the Court will also consider and rule upon all objections, if any, to the proposed Settlement, any pending disputes as to settlement allocations, and any pending Applications for award of Attorneys fees and for reimbursement of costs, and any objections thereto, all subject to the following:

- (a) Objections by Class Members (persons who do not timely exclude themselves from the Class) to the proposed Settlement and any disputes as to employment duration for allocation purposes will be considered only if submitted in writing and mailed to the Clerk of the District Court at P. O. Box _____ postmarked on or before December 20, 2001.
- (b) At the hearing, Class Members (persons who do not timely opt out and exclude themselves from the Class) may be heard orally in support of or in opposition to the proposed Settlement and/or any Application for Attorneys Fees and/or reimbursement of expenses, or disputes as to employment duration, provided such persons mail to the Clerk of the District Court at P.O. Box _____ postmarked on or before December 20, 2001, a written notification of the desire to appear personally, indicating briefly the nature of the objection or the nature of the matter

on which they otherwise wish to be heard;

- (c) Class Counsel and counsel for the Defendant shall file or otherwise provide to the Court copies of all written objections, summaries of opt-out notices, and other material pertinent to the subject-matter of the hearing on final approval of the Settlement in a timely fashion so as to enable the Court to give due consideration to such matters and the arguments pertaining thereto before and/or at the time of the hearing. Counsel for the Class and for the Defendant should be prepared at the hearing to respond to objections, if any, filed by Class Members and to provide other information, as appropriate, bearing on whether or not the proposed Settlement, Applications, and distribution of settlement proceeds should be approved.

6. **Notice.** The mailing and publication of Notice as provided herein constitute the best Notice practical under the circumstances to the Settlement Class; and such Notices comport with due process and are due and sufficient notice for all purposes to all persons entitled thereto.

7. **Settlement Administration and Notice.** Consistent with the Parties' Stipulation and Settlement Agreement, the Court hereby appoints Rust Consulting, Inc. as Settlement Administrator for the purpose of carrying out the mandates of this Order and the Stipulation and Settlement Agreement applicable to the Settlement Administrator. Class Counsel and Defendant shall work to provide necessary assistance to the Settlement Administrator who in turn shall no later than November 12, 2001, use reasonable efforts to cause to be mailed in the name of the Clerk by first class mail, postage prepaid, to certain identifiable Class Members a Notice in substantially the same form as Exhibit C to the Stipulation and Settlement Agreement. This Notice will be mailed to Class Members who can be identified through an examination of Defendant's records consisting of the database and/or Verified List of employees heretofore provided to Class Counsel by Defendant pursuant to the Stipulation and Settlement Agreement. The Notices shall be mailed in envelopes bearing the return address: "Clerk for the United States District Court for the Western District, P.O. Box _____" and stating "PLEASE FORWARD." In addition, on or before November 30,

2001, the Settlement Administrator and/or Class Counsel shall use best efforts to cause to be published a summary Notice in substantially the same form as Exhibit D to the Stipulation and Settlement Agreement. That summary Notice is to be published in the USA Today newspaper. On or before December 20, 2001, Class Counsel or the Settlement Administrator shall file with the Court an Affidavit that such Notice described herein has been effectuated.

Further, Class Counsel and/or the Settlement Administrator shall rent a post office box in the name of the Clerk of the District Court for the return of undeliverable notices, for the receipt of opt-out forms and written requests for review of employment duration, and for the receipt of written objections to the Settlement; and for other communications from the Class; and Class Counsel or the Settlement Administrator shall mail to Counsel for Defendant exemplar copies of all Notices sent by the Settlement Administrator, all written objections, all written requests for review of employment duration, and all completed and returned opt-out forms.

8. **Exclusion.** That period of time commencing with the date of this Order and ending on December 20, 2001 shall be the “Opt-Out Period.” All Class Members wishing to opt out of the Settlement Class must do so in writing as ordered within the “Opt-Out Period.” Class Members may exclude themselves from the Class by mailing the “Request for Exclusion from Class Action Settlement” form appended to the Mailed Notice or some other appropriate written indication that they request exclusion from the Class to the Clerk of the District Court, P.O. Box _____, postmarked on or before December 20, 2001. Class Counsel shall retain Rust Consulting, Inc. as Settlement Administrator who will arrange for the post office box and who will receive and tabulate requests for exclusion, which tabulation will be presented to defense counsel prior to the hearing on final approval of the Settlement.

9. **List of Class Members.** Class Counsel or the Settlement Administrator will file with the Clerk and provide to counsel for RAC by January 5, 2002, an Affidavit identifying the persons to whom Notice has been mailed and who have not timely requested exclusion. Class Counsel is authorized to respond to inquiries from Settlement Class members concerning the Settlement and the status of the case.

10. **Preliminary Injunction.** All Class Members who have not been excluded from the Class are hereby enjoined from filing, commencing, prosecuting, maintaining, intervening in, participating in (as class members or otherwise) or receiving any benefits from any lawsuit, administrative or regulatory proceeding or order in any jurisdiction based on or relating to the claims and causes of action, or the facts and circumstances relating thereto, in this Action and/or the Released Claims; and all persons are hereby barred and enjoined from organizing Class Members, soliciting the participation of Class Members, or pursuing certification of a separate class which includes a substantial percentage of the Class Members as a purported class action lawsuit (including by seeking to amend a pending complaint to include class allegations or seeking class certification in a pending action) based on or relating to the claims and causes of action, or the facts and circumstances relating thereto, in this Action and/or the Released Claims. The Court finds that issuance of this preliminary injunction is necessary and appropriate in the aid of the Court's jurisdiction over this Action.

11. **Payment of Funds to Settlement Administrator.** Pursuant to the Stipulation and Settlement Agreement, Defendant is Ordered to pay \$500,000 - Settlement Administration Costs Fund - to the Settlement Administrator within two days of the Entry of this Order.

The Settlement Administrator is instructed to retain these Funds (with appropriate investments pursuant to the Stipulation and Settlement Agreement) until further Order of this Court, except that the Settlement Administrator may expend monies from the Settlement Administration Costs Fund to pay for the costs of Settlement Administration.

12. **Termination of Settlement.** This Order shall become null and void, and shall be without prejudice to the rights of the Parties, all of whom shall be restored to their respective positions existing immediately before this Court entered this Order, if (i) the proposed Settlement is not finally approved by the Court, or does not become final, pursuant to the terms of the Settlement Agreement; or (ii) the proposed Settlement is terminated in accordance with the Settlement Agreement or does not become effective as required by the terms of the Settlement Agreement for any other reason. In such event, the proposed Settlement and the Settlement Agreement shall become null and void and be of no further force and effect, and neither the Settlement Agreement nor this Order, shall be used or referred to for any purpose whatsoever.

IT IS SO ORDERED.

Dated: _____

HONORABLE ORTRIE D. SMITH
UNITED STATES DISTRICT JUDGE

IN THE UNITED STATES DISTRICT COURT FOR THE
WESTERN DISTRICT OF MISSOURI
WESTERN DIVISION

MARGARET BUNCH, et al.)
Individually, and as)
Class Representatives)
Plaintiffs,) Case No. 00-0364-CV-W-3
vs.)
RENT-A-CENTER, INC.,)
Defendant.)

TRACY LEVINGS,)
Individually, and as)
Class Representatives)
Plaintiffs,) Case No. 00-0596-CV-W-3
vs.)
RENT-A-CENTER, INC.,)
Defendant.)

NOTICE REGARDING EXHIBIT ATTACHMENT

Exhibits to Exhibit "A" attached to the Joint Motion for Preliminary Approval is in paper form only and is being maintained in the case file in the Clerk's office.

Date: October 31, 2001

KLAMANN & HUBBARD, P.A.

/s/ Dirk Hubbard

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ATTORNEYS FOR PLAINTIFFS AND ALL
OTHER CLASS MEMBERS SIMILARLY SITUATED

CERTIFICATE OF SERVICE

I hereby certify that the foregoing was filed electronically and notice of such filing was made electronically to defendant's counsel pursuant to the Electronic Case Filing Rules of the Western District of Missouri this 31st day of October, 2001:

Robert L. Driscoll
Thomas P. Schult
Teresa L. Clark
Jay P. Yancey
1201 Walnut, Suite 2600
P.O. Box 419251
Kansas City, Missouri 64141-6251

ATTORNEYS FOR DEFENDANT

The person(s) listed below could not be notified electronically. A copy of the foregoing was duly mailed, postage prepaid on this same date to:

Dan C. Dargene
John D. Smart
Steven A. Siegel
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/s/ Dirk Hubbard
Attorney for Plaintiffs