

The U.S. Equal Employment Opportunity Commission

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EEOC ANNOUNCES \$47 MILLION AGREEMENT IN PRINCIPLE TO SETTLE CLAIMS OF CLASS-WIDE SEX BIAS AGAINST RENT-A-CENTER

ST. LOUIS - The U.S. Equal Employment Opportunity Commission (EEOC) today announced that the agency and attorneys for a class of over 5,000 women have reached an agreement in principle with Rent-A-Center, Inc. to settle two lawsuits alleging class-wide sex discrimination under Title VII of the Civil Rights Act of 1964. The company has agreed to pay a cash settlement of \$47,000,000 and to begin making wide-ranging institutional changes. Rent-A-Center, based in Plano, Texas, is the nation's largest rent to own company with over 2,200 stores in all 50 states.

"This precedent-setting agreement will transform the entire corporate culture of Rent-A-Center from the bottom up," said EEOC Chair Cari M. Dominguez. "EEOC will not allow the existence of workplace barriers that operate to exclude on the basis of gender. We are fully committed to the task of ensuring that all individuals have the freedom to compete in the workplace on a level playing field."

In addition to the monetary payments for victims, the agreement also provides that Rent-A-Center will offer 10% of future vacancies over a 15 month period to women who are claimed to be past victims of discrimination, and that the company will create a human resources department led by an experienced vice president who will report directly to the president or the CEO. The settlement if approved by EEOC, attorneys for the class, and the Court will provide for a Consent Decree and will settle claims of across-the-board sex discrimination pending in two federal courts.

The settlement is intended to resolve two cases, Wilfong et al. and EEOC v. Rent-A-Center, pending in the U.S. District Court for the Southern District of Illinois in East St. Louis, Illinois, and EEOC v. Rent-A-Center, pending in the U.S. District Court for the Western District of Tennessee in Memphis. It includes an agreement on the part of the rent-to-own giant to make significant changes to its employment practices, including developing policies designed to ensure equal employment opportunities and non-discrimination for female job applicants and employees in the future. The company has committed to create and maintain a Human Resources Department a particularly significant step forward because it dissolved Human Resources in 1998 when it acquired Rent-A-Center.

"The Commission is particularly pleased that this settlement will move Rent-A-Center closer to the goal of providing true equality of opportunity for women," said Donna L. Harper, EEOC Supervisory Trial Attorney in St. Louis and lead lawyer on the case. "Our duty as a federal law enforcement agency is to provide both compensation for victims and future opportunities that put women on a equal footing with men. This proposed settlement does both."

The settlement will extinguish an earlier agreement in principle for \$15,000,000 that was reached with different attorneys in a closely parallel lawsuit (Bunch et al. v. Rent-A-Center). The attorneys in the Wilfong case, the EEOC, and the National Organization for Women opposed that settlement as inadequate and unfair. Although the Bunch case will be dismissed as a result of this new settlement, the plaintiffs in that case will be entitled to their portion of this new settlement. The settlement in principle announced today also includes the following provisions:

- Rent-A-Center's new human resources vice president will report directly to Rent-A-Center CEO Mark Speese or President Mitch Fadel. The vice president will enjoy the full support of the company, including senior corporate management, and will be given the resources necessary to develop, implement and monitor policies that ensure equal employment opportunity for female job applicants and employees.
- Rent-A-Center will seek qualified women to serve on its currently all-male Board of Directors, and publicize its desire to recruit qualified and interested women for jobs in its stores and for promotions at all levels.
- Rent-A-Center will produce and show a videotape featuring CEO Mark Speese and President Mitch Fadel that spells out the company's commitment to nondiscrimination and includes messages that the company welcomes women, values their contributions, and will ensure that women are on a level playing field for jobs and promotions.
- Rent-A-Center will hire and retain a neutral, agreed-upon, qualified, third-party consultant who will serve as a resource for the HR department, an ombudsman to employees, and will consult on Rent-A-Center's new employment policies which will include written qualifications for hiring and promotion.
- Rent-A-Center will develop effective equal opportunity employment training programs for all employees at all levels. These trainings will include, but not be limited to, presentations at annual meetings.

The Court will determine attorneys' fees and costs to be paid out of the settlement fund and the way in which the class members will receive their portion of the settlement.

In addition to enforcing Title VII of the Civil Rights Act of 1964, which prohibits employment discrimination based on race, color, religion, sex, or national origin, the EEOC enforces the Age Discrimination in Employment Act; the Equal Pay Act; Titles I and V of the Americans with Disabilities Act, which prohibits discrimination against people with disabilities in the private sector and state and local governments; prohibitions against discrimination affecting individuals with disabilities in the federal sector; and sections of the Civil Rights Act of 1991. Further information about the Commission is available on its Web site at www.eeoc.gov.

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