

RENT A CENTER INC DE
Form 8-K
July 11, 2017

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): July 11, 2017

Rent-A-Center, Inc.

(Exact Name of Registrant as Specified in Charter)

Delaware
(State or other jurisdiction

of incorporation)

001-38047
(Commission

File Number)
5501 Headquarters Drive

45-0491516
(IRS Employer

Identification No.)

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Plano, Texas 75024

(Address of principal executive offices, including zip code)

(972) 801-1100

(Registrant's telephone number including area code)

Not Applicable

(Former name or former address if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

Pre-commencement communications pursuant to Rule 13e-14(c) under the Exchange Act (17 CFR 240.13e-14(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§ 240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 8.01 Other Events.

In a private letter, dated June 20, 2017, from Vintage Capital Management, LLC (Vintage) to Rent-A-Center, Inc. s (Rent-A-Center or the Company) financial advisor, Vintage made an unsolicited proposal to acquire 100% of the common stock of Rent-A-Center in a go-private transaction for \$15.00 per share. The letter from Vintage was subsequently shared with the entire Rent-A-Center Board of Directors.

On July 5, 2017, following a thorough review by the Rent-A-Center Board of Directors, with the assistance of its financial and legal advisors, the Company formally rejected Vintage s proposal.

The Rent-A-Center Board of Directors is committed to acting in the best interests of the Company and all of its stockholders. The Board remains open-minded and regularly reviews the Company s strategic priorities and opportunities and assesses them against a variety of strategic options. The Board determined that Vintage s proposal significantly undervalues the Company and that the strategic plan currently being implemented by Rent-A-Center positions the Company to deliver greater value to its stockholders than Vintage s inadequate and opportunistic proposal.

Rent-A-Center s strategic plan includes a renewed focus on strengthening its Core U.S. business; optimizing and growing its Acceptance Now business; and leveraging technology investments to expand distribution channels and integrate retail and online offerings. These initiatives are already delivering substantial progress in key performance metrics, including improved same-store sales and reductions in delinquencies.

The Rent-A-Center Board of Directors and management team remain focused on expeditiously executing the strategic plan to restore growth and improve profitability and will continue to act in the best interests of the Company and all stockholders.

Forward-Looking Statements

This report and the guidance above contain forward-looking statements that involve risks and uncertainties. Such forward-looking statements generally can be identified by the use of forward-looking terminology such as may, will, expect, intend, could, estimate, should, anticipate, believe, or confident, or the negative thereof or variations thereon or similar terminology. The Company believes that the expectations reflected in such forward-looking statements are accurate. However, there can be no assurance that such expectations will occur. The Company s actual future performance could differ materially from such statements. Factors that could cause or contribute to such differences include, but are not limited to: the general strength of the economy and other economic conditions affecting consumer preferences and spending; factors affecting the disposable income available to the Company s current and potential customers; changes in the unemployment rate; difficulties encountered in improving the financial and operational performance of the Company s business segments; the Company s chief executive officer and chief financial officer transitions, including the Company s ability to effectively operate and execute its strategies during the interim period and difficulties or delays in identifying and/or attracting a permanent chief financial officer with the required level of experience and expertise; failure to manage the Company s store labor and other store expenses; the Company s ability to develop and successfully execute strategic initiatives; disruptions, including capacity-related

outages, caused by the implementation and operation of the Company's new store information management system, and its transition to more-readily scalable, cloud-based solutions; the Company's ability to develop and successfully implement digital or E-commerce capabilities, including mobile applications; disruptions in the Company's supply chain; limitations of, or disruptions in, the Company's distribution network; rapid inflation or deflation in the prices of the Company's products; the Company's ability to execute and the effectiveness of a store consolidation, including the Company's ability to retain the revenue from customer accounts merged into another store location as a result of a store consolidation; the Company's available cash flow; the Company's ability to identify and successfully market products and services that appeal to its customer demographic; consumer preferences and perceptions of the Company's brand; uncertainties regarding the ability to open new locations; the Company's ability to acquire additional stores or customer accounts on favorable terms; the Company's ability to control costs and increase profitability; the Company's ability to retain the revenue associated with acquired customer accounts and enhance the performance of acquired stores; the Company's ability to enter into new and collect on its rental or lease purchase agreements; the passage of legislation adversely affecting the Rent-to-Own industry; the Company's compliance with applicable statutes or regulations governing its transactions; changes in interest rates; adverse changes in the economic conditions of the industries, countries or markets that the Company serves; information technology and data security costs; the impact of any breaches in data security or other disturbances to the Company's information technology and other networks and the Company's ability to protect the integrity and security of individually identifiable data of its customers and employees; changes in the Company's stock price, the number of shares of common stock that it may or may not repurchase, and future dividends, if any; changes in estimates relating to self-insurance liabilities and income tax and litigation reserves; changes in the Company's effective tax rate; fluctuations in foreign currency exchange rates; the Company's ability to maintain an effective system of internal controls; the resolution of the Company's litigation; and the other risks detailed from time to time in the Company's SEC reports, including but not limited to, its Annual Report on Form 10-K for the year ended December 31, 2016, and its Quarterly Report on Form 10-Q for the quarter ended March 31, 2017. You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this report. Except as required by law, the Company is not obligated to publicly release any revisions to these forward-looking statements to reflect the events or circumstances after the date hereof or to reflect the occurrence of unanticipated events.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

RENT-A-CENTER, INC.

Date: July 11, 2017

By: /s/ Dawn M. Wolverson
Dawn M. Wolverson
Vice President Assistant General Counsel and
Secretary