



## Delaware Court of Chancery Determines Rent-A-Center Validly Terminated Merger Agreement

March 14, 2019

### *Defers Ruling on Termination Fee*

PLANO, Texas--(BUSINESS WIRE)--Mar. 14, 2019-- Rent-A-Center, Inc. (NASDAQ:RCII) ("Rent-A-Center" or the "Company"), a leader in the rent-to-own industry, today announced that following trial, the Court of Chancery of the State of Delaware (the "Court of Chancery") has ruled that Rent-A-Center validly terminated the Agreement and Plan of Merger (the "Merger Agreement"), dated June 17, 2018, by and among the Company and certain affiliates of Vintage Capital Management, LLC (collectively, "Vintage Capital").

The Court of Chancery has requested that the parties submit additional briefs, after which it will render a decision regarding whether Vintage Capital and B. Riley Financial, Inc. (as guarantor) are obligated to pay the \$126,500,000 reverse termination fee to Rent-A-Center.

Mitch Fadel, Chief Executive Officer of Rent-A-Center, said, "We are pleased that the Court has affirmed the validity of our termination of the Merger Agreement with Vintage Capital. Looking ahead, we will continue to focus on executing our strategic plan to grow our business and enhance value for our stockholders."

Mr. Fadel added, "We look forward to the Court of Chancery's decision regarding the \$126.5 million termination fee, and continue to believe we are entitled to that fee in accordance with the clear terms of the Merger Agreement."

As previously announced on December 18, 2018, after the Company did not receive the extension notice from Vintage Capital that was required by December 17, 2018 to extend the Merger Agreement's stated End Date, the Company terminated the Merger Agreement. The Board of Directors determined that terminating the Merger Agreement was in the best interests of the Company's stockholders, and instructed Rent-A-Center's management to exercise the Company's right to terminate the Merger Agreement and make a demand on Vintage Capital and B. Riley Financial, Inc. for the \$126.5 million reverse termination fee owed to the Company following the termination of the Merger Agreement. Subsequently, on December 21, 2018, Vintage Capital initiated legal proceedings against Rent-A-Center in the Court of Chancery to enforce the Merger Agreement, and Rent-A-Center counterclaimed for a declaration that it validly terminated the Merger Agreement and is entitled to payment of the termination fee from Vintage Capital and B. Riley Financial.

### **About Rent-A-Center, Inc.**

A rent-to-own industry leader, Plano, Texas-based, Rent-A-Center, Inc., is focused on improving the quality of life for its customers by providing them the opportunity to obtain ownership of high-quality, durable products such as consumer electronics, appliances, computers, furniture and accessories, under flexible rental purchase agreements with no long-term obligation. The Company owns and operates approximately 2,300 stores in the United States, Mexico, Canada and Puerto Rico, and approximately 1,200 Acceptance Now kiosk locations in the United States and Puerto Rico. Rent-A-Center Franchising International, Inc., a wholly owned subsidiary of the Company, is a national franchiser of approximately 280 rent-to-own stores operating under the trade names of "Rent-A-Center," "ColorTyme," and "RimTyme." For additional information about the Company, please visit its website at [www.rentacenter.com](http://www.rentacenter.com).

### **Forward-Looking Statements**

This press release contains 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," "predict," "continue," "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 outcome of any appeal relating to the litigation initiated by Vintage Capital and B. Riley challenging the validity of the termination of the Merger Agreement, and the court's pending decision regarding the Company's right to collect on the \$126.5 million reverse breakup fee associated with the termination of the Merger Agreement; risks relating to operations of the business and the Company's financial results arising out of the termination of the Merger Agreement; the effect of the termination of the Merger Agreement on the Company's relationships with third parties, including its employees, franchisees, customers, suppliers, business partners and vendors, which may make it more difficult to maintain business and operations relationships, and negatively impact the operating results of the Company's business segments and the Company's business generally; the risk of material price volatility with respect to trading in the Company's common stock during any appeal relating to the litigation surrounding the termination of the Merger Agreement; the Company's ability to continue to effectively operate and execute its strategic initiatives as a stand-alone enterprise following the termination of the Merger Agreement.

Source: Rent-A-Center, Inc.

**Investors:**

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