





Notice of 2015 Annual Meeting of Stockholders

Thursday, June 4, 2015

8:00 a.m. local time,

5501 Headquarters Drive, Plano, Texas 75024

The 2015 Annual Meeting of Stockholders of Rent-A-Center, Inc. will be held on Thursday, June 4, 2015, at 8:00 a.m. local time, at the Rent-A-Center, Inc. Field Support Center, which is located, along with our principal executive offices, at 5501 Headquarters Drive, Plano, Texas 75024, for the following purposes:

1. To elect the two Class III directors nominated by the Board of Directors;
2. To ratify the Audit & Risk Committee's appointment of KPMG LLP as our independent registered public accounting firm for the year ending December 31, 2015;
3. To conduct an advisory vote approving the compensation of the named executive officers for the year ended December 31, 2014, as set forth in the proxy statement; and
4. To transact other business that properly comes before the meeting.

Only stockholders of record at the close of business on April 6, 2015, are entitled to receive notice of and to vote at the annual meeting and at any and all adjournments or postponements thereof.

Under rules approved by the Securities and Exchange Commission, we are furnishing proxy materials on the Internet in addition to mailing paper copies of the materials to each registered stockholder. Instructions on how to access and review the proxy materials on the Internet can be found on the proxy card sent to registered stockholders and on the Notice of Internet Availability of Proxy Materials (the "Notice") sent to stockholders who hold their shares in "street name" (i.e. in the name of a broker, bank or other record holder). The Notice will also include instructions for stockholders who hold their shares in street name on how to access the proxy card to vote over the Internet.

Your vote is important, and whether or not you plan to attend the annual meeting, please vote as promptly as possible. We encourage you to vote via the Internet, as it is the most convenient and cost-effective method of voting. You may also vote by telephone or by mail (if you received paper copies of the proxy materials). Instructions regarding all three methods of voting are included in the Notice, the proxy card and the proxy statement.

Thank you in advance for voting and for your support of Rent-A-Center.

By order of the Board of Directors,

Dawn M. Wolverton

Vice President – Assistant General Counsel and Secretary

April 20, 2015

Plano, Texas

Table of Contents

QUESTIONS AND ANSWERS ABOUT THE 2015 ANNUAL MEETING AND VOTING PROCEDURES	4
PROPOSAL ONE: ELECTION OF DIRECTORS	6
BOARD INFORMATION	9
DIRECTOR COMPENSATION	11
CORPORATE GOVERNANCE	13
PROPOSAL TWO: RATIFICATION OF THE SELECTION OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM	16
AUDIT COMMITTEE REPORT	18
EXECUTIVE OFFICERS	19
COMPENSATION COMMITTEE REPORT	20
COMPENSATION DISCUSSION AND ANALYSIS	20
PROPOSAL THREE: ADVISORY VOTE ON EXECUTIVE COMPENSATION	40
COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION	40
RELATED PERSON TRANSACTIONS	41
SECTION 16(A) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE	41
SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT	42
SUBMISSION OF STOCKHOLDER PROPOSALS	43
OTHER BUSINESS	43

Proxy Statement

This proxy statement is furnished in connection with the solicitation of proxies by Rent-A-Center, Inc., on behalf of its Board of Directors (the "Board"), for the 2015 Annual Meeting of Stockholders. This proxy statement and related proxy materials are being made available on the Internet and mailed to our registered stockholders on or about April 20, 2015.

Proxy Summary

This summary highlights information contained elsewhere in this proxy statement. This summary does not contain all of the information that you should consider, and you should read the entire proxy statement carefully before voting. For more complete information regarding our 2014 performance, please review our Annual Report on Form 10-K for the year ended December 31, 2014. Page references are supplied to help you find further information in this proxy statement.

Meeting Information

Date & Time: 8:00 a.m. Central time on Thursday, June 4, 2015

Location: Rent-A-Center, Inc. Field Support Center, 5501 Headquarters Drive, Plano, Texas 75024

Eligibility to Vote: You can vote if you were a stockholder of record at the close of business on April 6, 2015 (see page 4 for information on how to vote)

Voting matters

Proposal	Board Vote Recommendation	Page Reference (for more detail)
Election of Directors	FOR each Director Nominee	6
Ratification of Auditors	FOR	16
Advisory Vote on Executive Compensation	FOR	40

Board Nominees (page 6)

The following table provides summary information about each director who is nominated for election at the 2015 annual meeting. Each director nominee will serve a three year term expiring at the 2018 annual meeting of stockholders and until their successors are elected and qualified. Information regarding our directors whose terms continue past this year's stockholder meeting begins on page 7.

Name	Age	Director Since	Experience/Qualification	Independent	Committee Memberships	Other Public Company Boards
Michael J. Gade	63	2005	<ul style="list-style-type: none">• Retail Marketing• Governance; leadership	X	Compensation; Nominating	MFRI, Inc.
J.V. Lentell	76	1995	<ul style="list-style-type: none">• Banking and finance expertise• Governance; leadership	X	Nominating (Chair); Compensation	N/A

Business Highlights

In 2014, we continued to return value to our stockholders and focus on our strategic growth goals. The following key accomplishments were achieved in fiscal 2014:

- Continued executing on our multi-year program designed to transform and modernize our operations company-wide in order to improve the profitability of the Core U.S. segment while continuing to grow our Acceptance Now segment:
 - launched the flexible labor model pilot in November 2014
 - signed an agreement with a leading 3rd party logistics provider as part of our sourcing & distribution initiative
 - rolled out initial price changes in certain product categories as part of our pricing strategy initiative

- implemented our new technology in over 650 existing Acceptance Now manned locations

- Same store sales increases of over 28% in our Acceptance Now segment and 17% in our Mexico segment;
- Increased earnings per diluted share to \$0.48 compared to \$0.25 for the fourth quarter of 2014; and
- Increased quarterly dividend from \$0.23 to \$0.24, beginning with the dividend for the first quarter of 2015.

Please refer to our Annual Report on Form 10-K for the year ended December 31, 2014 for more information.

Executive Compensation

Principles (page 20)

We generally target total direct compensation (base salary, annual incentive and long-term incentive compensation) at the 50th-75th percentile of that paid at similarly-situated public companies in the retail and consumer finance sector, with cash compensation (base salary and annual incentives) targeted at the 50th percentile, and long-term incentive compensation targeted at the 75th percentile. The objectives of our executive compensation program are to:

- attract, retain and motivate senior executives with competitive compensation opportunities;
- balance short-term and long-term strategic goals;
- align our executive compensation program with the core values identified in our mission statement, which focuses on improving the quality of life for our co-workers and our customers; and
- reward achievement of our financial and non-financial goals.

The following forms of compensation are currently utilized by the Compensation Committee in compensating our named executive officers:

- base salary, which is paid in cash;
- annual incentive compensation, which is paid in cash and is focused on three metrics – profitability, revenue, and a servant leadership component that supports our desired culture (beginning in 2015, the annual cash incentive plan will be based solely on profitability and revenue);
- long-term incentive compensation, which consists of stock options which vest ratably over four years beginning on the first anniversary of the date of grant, restricted stock units which cliff vest after three years, and performance stock units which vest only upon achievement of a specified three-year EBITDA target (beginning with grants made in 2015, we adopted a relative total shareholder metric over a three-year measurement period as the vesting condition for performance stock units);
- double trigger severance arrangements; and
- fringe benefits, including perquisites, with no tax gross-ups.

Relative Total Shareholder Return (page 27)

Our Compensation Committee has adopted a relative total shareholder metric over a three-year measurement period as the vesting condition for future grants of performance stock units pursuant to our long-term incentive compensation program (beginning in 2015).

Stock Ownership Guidelines (pages 12 and 29)

We believe that our Board and our management should have a significant financial stake in the Company to ensure that their interests are aligned with those of our stockholders. To that end, our directors, as well as our Chief Executive Officer and our President and Chief Operating Officer are subject to equity interest guidelines as described on pages 12 and 29, respectively. In addition, our insider trading policy prohibits our directors and executive officers from engaging in hedging or other derivative transactions involving our common stock. We also do not allow shares of our common stock owned by any of our directors or named executive officers to be pledged.

Clawback Policy (page 28)

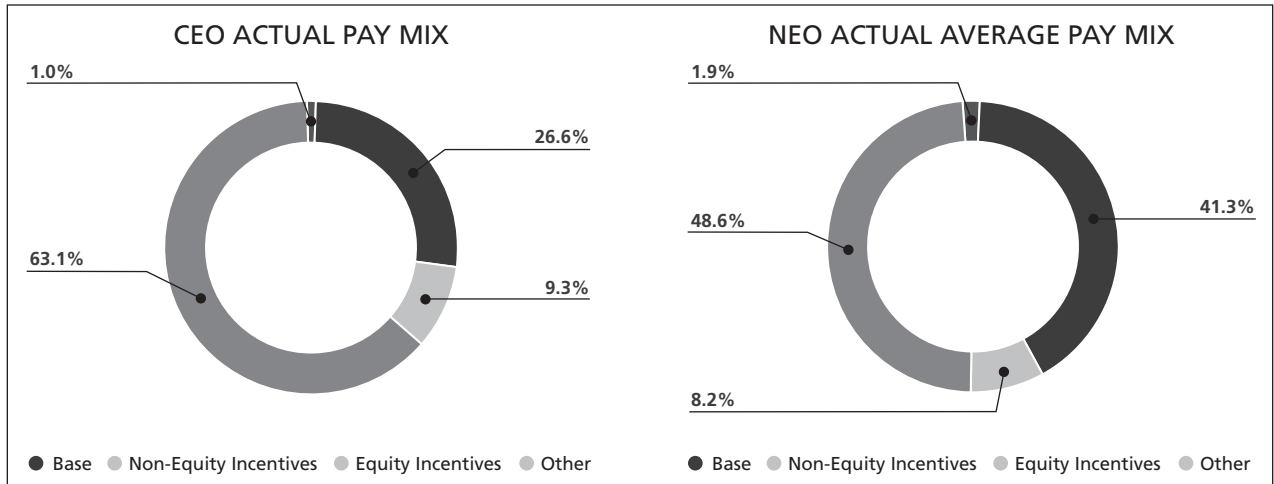
Our Board has adopted a clawback policy applicable to our executive officers as described on page 28.

2014 Executive Total Compensation Mix (page 21)

Pay for Performance. Our executive compensation program directly links a substantial portion of executive compensation to our financial performance through annual and long-term incentives. For the 2014 annual cash incentive program, the EBITDA goal was achieved at 86.4% of target (resulting in a 30% payout of the 65% of the target bonus amounts attributable to the EBITDA target), and the revenue goal was achieved at 96.7% of target (resulting in a 30% payout of the 25% of the target bonus amounts attributable to the revenue target).

We failed to achieve more than 80% of the three-year EBITDA target established in connection with the grant in 2012 of performance-based restricted stock units pursuant to our long-term incentive compensation program. Accordingly, none of the performance-based restricted stock units granted as part of the 2012 long-term incentive compensation awards was earned and no shares were issued to our named executive officers pursuant to such awards.

The mix of the key compensation elements for our Chief Executive Officer and our other named executive officers for fiscal 2014 is shown below. The Actual Compensation Mix charts describe each element of actual compensation as a percent of total direct compensation for fiscal 2014.



The Actual Compensation Mix charts above include salary with respect to 2014, the actual amount paid under the 2014 annual cash incentive program, and the estimated grant date value of stock options, restricted stock units and performance stock units granted during fiscal 2014, as shown in the Summary Compensation Table on page 30. The value of all of the long-term incentive compensation vehicles (stock options, restricted stock units (RSUs), and performance share units (PSUs)) is time vested and depends upon our financial performance over the measurement or vesting period.

QUESTIONS AND ANSWERS ABOUT THE 2015 ANNUAL MEETING AND VOTING PROCEDURES

Why did I receive a notice in the mail regarding the Internet availability of proxy materials instead of a full set of proxy materials?

In accordance with rules adopted by the Securities and Exchange Commission (“SEC”), we are making this proxy statement and our Annual Report on Form 10-K available on the Internet, in addition to mailing a printed copy of these materials to our registered stockholders. If you received the Notice by mail and would prefer to receive a printed copy of our proxy materials, please follow the

instructions for requesting printed copies included in the Notice. The Notice also contains instructions on how to access and review all of the important information contained in the proxy materials provided on the Internet, including how you may submit your proxy by telephone or over the Internet.

Who may vote?

Stockholders of record as of the close of business on April 6, 2015, the record date for the annual meeting, may vote at the meeting. Each share of common stock entitles the holder to one vote per share. As of February 23, 2015, there were 53,025,180 shares of our common stock outstanding.

What constitutes a quorum?

The holders of a majority of our outstanding shares of common stock entitled to vote at the annual meeting must be represented at the annual meeting in person or by proxy to have a quorum. Any stockholder present at the annual meeting, either in person or by proxy, but who abstains from voting, will be counted for purposes of determining whether a quorum exists.

How do I vote?

You cannot vote your shares of common stock unless you are present at the meeting or you have previously given your proxy. You can vote by proxy in one of the following three convenient ways:

- by mail – if you received your proxy materials by mail, you can vote by mail by completing, signing, dating and returning the proxy card in the enclosed envelope;
- on the Internet, by visiting the website shown on the Notice or the proxy card and following the instructions; or
- by telephone, by calling the toll-free telephone number shown on the Notice or the proxy card and following the instructions.

How will the proxies be voted?

All properly executed proxies, unless revoked as described below, will be voted at the meeting in accordance with your directions on the proxy. If a properly executed proxy does not provide instructions, the shares of common stock represented by your proxy will be voted:

- “FOR” each of the Board’s nominees for Class III director;
- “FOR” the ratification of the Audit & Risk Committee’s appointment of KPMG LLP as our independent registered public accounting firm for 2015; and
- “FOR” the resolution approving the compensation of the named executive officers for the year ended December 31, 2014, as set forth in the proxy statement.

The proxy holders will use their discretion on any other matters that properly come before the meeting. Unless otherwise stated, all shares represented by your completed, returned, and signed proxy will be voted as described above. If you are voting on the Internet or by telephone, the proxies will be voted in accordance with your voting instructions. If you are voting on the Internet or by telephone, your voting instructions must be received by 11:59 p.m., Eastern time on June 3, 2015, unless you are a participant in our 401(k) plan, in which case your voting instructions must be received by 11:59 p.m., Eastern time, on June 2, 2015.

How may I revoke my proxy?

You may revoke your proxy at any time before or at the annual meeting (in each case, before the vote at the annual meeting) by:

- Delivering a signed, written revocation letter, dated later than the proxy, to Dawn M. Wolverton, Vice President – Assistant General Counsel and Secretary, at 5501 Headquarters Drive, Plano, TX 75024;
- Delivering a signed proxy, dated later than the first one, to Alliance Advisors, 200 Broadacres Drive, 3rd Floor, Bloomfield, NJ 07003;
- Voting at a later time on the Internet or by telephone, if you previously voted on the Internet or by telephone; or
- Attending the meeting and voting in person or by proxy. Attending the meeting alone will not revoke your proxy.

How many votes must each proposal receive to be adopted?

Under our Bylaws, directors are elected by a majority of the votes cast in uncontested elections. Accordingly, the numbers of votes cast “for” a director nominee must exceed the number of votes cast “against” that nominee. In contested elections, the vote standard would be a plurality of votes cast. Each share may be voted for each of the nominees, but no share may be voted more than once for any particular nominee. Broker non-votes and abstentions will not affect the outcome of the vote.

The affirmative vote of a majority of the shares of common stock present in person or represented by proxy and entitled to vote at the meeting is required to approve the advisory resolution on executive compensation. Broker non-votes will not affect the outcome of the vote. Because abstentions are counted as shares present and entitled to vote on the proposal, each abstention will have the same effect as a vote “against” the advisory resolution on executive compensation.

A majority of the votes cast is required to ratify KPMG as our independent registered public accounting firm. Broker non-votes and abstentions will have no effect on the outcome of the vote to ratify KPMG.

What are broker non-votes?

Broker non-votes occur when nominees, such as banks and brokers, holding shares on behalf of beneficial owners, or customers, do not receive voting instructions from the customers. Brokers holding shares of record for customers generally are not entitled to vote on certain matters unless they receive voting instructions from their customers. In the event that a broker does not receive voting instructions for these matters, a broker may notify us that it lacks voting authority to vote those shares. These broker non-votes refer to votes that could have been cast on the matter in question by brokers with respect to uninstructed shares if the brokers had received their customers’ instructions. These broker non-votes will be included in determining whether a quorum exists.

Your bank or broker is not permitted to vote your uninstructed shares in the election of directors on a discretionary basis. Thus, if you hold your shares in street name and you do not instruct your bank or broker how to vote, no votes will be cast on your behalf in the election of directors, or with respect to Proposal 3 (advisory vote on executive compensation). To be sure your shares are voted in the manner you desire, you should instruct your broker how to vote your shares.

Who is soliciting this proxy?

The Board of Directors is soliciting this proxy. In addition to the solicitation of proxies by mail, proxies may also be solicited by telephone, electronic mail or personal interview. We will reimburse banks, brokers, custodians, nominees and fiduciaries for reasonable expenses they incur in sending these proxy materials to you if you are a beneficial holder of our shares. We have engaged

Alliance Advisors LLC, a proxy solicitation firm, to assist in the solicitation of proxies. We will pay that firm \$7,500 for its proxy solicitation services and reimburse its out-of-pocket expenses for such items as mailing, copying, phone calls, faxes and other related matters in an amount not to exceed \$2,000.

PROPOSAL ONE: ELECTION OF DIRECTORS

What is the organizational structure of the Board?

The number of directors currently constituting our entire Board is eight. The directors are divided into three classes. In general, directors in each class serve for a term of three years.

How many directors are to be elected?

Two Class III directors are to be elected by our stockholders.

Who are the board nominees?

Our Board, upon recommendation of the Nominating and Corporate Governance Committee, has nominated each of Michael J. Gade and J.V. Lentell to be re-elected as Class III directors by the stockholders. Each of Mr. Gade and Mr. Lentell has agreed to stand for re-election. However, should either of them become unable or unwilling to accept nomination or election, the shares of common stock voted for that nominee by proxy will be voted for the election of a substitute nominee whom the proxy holders believe will carry out our present policies. Our Board of Directors has no reason to believe that either of Mr. Gade or Mr. Lentell will be unable or unwilling to serve if elected, and, to the knowledge of the Board, each intends to serve the entire term for which election is sought.

marketing and advertising efforts. In addition, Mr. Gade provides leadership and governance experience through his other directorships, including service on the audit and compensation committees of such companies.

We urge you to vote "FOR" each of Mr. Gade and Mr. Lentell



Michael J. Gade

Independent Director
Age: 63
Director Since: 2005
Term Expires: 2015
Committees Served: Compensation;
Nominating & Corporate Governance

Since 2004, Mr. Gade has been an Executive in Residence at the University of North Texas as a professor of marketing and retailing. Mr. Gade also serves as a strategic advisor to The Boston Consulting Group. A founding partner of Challance Group, LLP, Mr. Gade has over 30 years of marketing and management experience, most recently serving as senior executive for the southwest region of Home Depot, Inc. from 2003 to 2004. From 2000 to 2003, Mr. Gade served as Senior Vice President, Merchandising, Marketing and Business Development for 7-Eleven, Inc. From 1995 to 2000, Mr. Gade was employed by Associates First Capital Corporation as Executive Vice President, Strategic Marketing and Development. Mr. Gade also serves on the Board of Directors of MFRI, Inc. and The Crane Group.

We believe that Mr. Gade's significant retail marketing experience provides our Board with an important resource with respect to our



J. V. Lentell

Independent Director
Age: 76
Director Since: 1995
Term Expires: 2015
Committees Served: Nominating & Corporate
Governance (Chair); Compensation

Mr. Lentell served as our Lead Director from April 2009 until January 2014. Since July 1993, he has served as a director and Vice Chairman of the Board of Directors of Intrust Bank, N.A., successor by merger to Kansas State Bank & Trust Co. Mr. Lentell was employed by Kansas State Bank & Trust Co., in Wichita, Kansas from 1966 until July 1993, serving as Chairman of the Board from 1981 until July 1993.

During his 20 year tenure on our Board, including as our Lead Director from April 2009 until January 2014, Mr. Lentell has provided demonstrated leadership to our Board. Mr. Lentell's service on all Board committees during some period of that time provides him with a deep understanding of the Company and its growth history, which we believe contributes a useful frame of reference in the context of Board discussions. In addition, Mr. Lentell has extensive knowledge of the capital markets and finance issues from his over 50 years of experience in the banking industry which we believe is important to the Board's discussions of our capital and liquidity needs. Further, Mr. Lentell's experience as a board member of various private companies and civic and charitable organizations, including service on the audit, finance, compensation and governance committees of such organizations (in some cases as the chairman), provides our Board and committees with significant insight into compensation, governance and risk management issues.

Our Board of Directors recommends that you vote "FOR" each of the Board nominees.

Who are the continuing members of the Board?

The terms of the following five members of our Board will continue past this year's stockholder meeting.

Term to Expire at the 2016 Annual Meeting:



Robert D. Davis

Chief Executive Officer and Director

Age: 43

Director Since: 2013

Mr. Davis was named our Chief Executive Officer effective as of February 1, 2014, after previously serving as our Executive Vice President – Finance since February 2008, as our Chief Financial Officer since March 1999 and as our Treasurer since January 1997. From September 1999 until February 2008, Mr. Davis served as our Senior Vice President – Finance. From September 1998 until September 1999, Mr. Davis served as our Vice President – Finance and Treasurer. Mr. Davis began his employment with us in 1993.

With over 20 years of experience with the Company, including 15 as Chief Financial Officer, Mr. Davis has an intimate knowledge of our operations and financial position that is a vital component of our Board discussions. We believe Mr. Davis' service as our Chief Executive Officer creates a critical link between management and our Board, enabling our Board to perform its oversight function with the benefit of management's perspectives on our business.



Steven L. Pepper

Independent Director

Age: 52

Director Since: 2013

Committees Served: Audit & Risk; Finance (Chair)

In 2011, Mr. Pepper retired as President of Yum Brands Mexico, a position he had held since 2001. Over the course of his twenty-year career with Yum, Mr. Pepper was responsible for the company's businesses in Europe, Africa and Brazil, as well as serving in key financial positions in the United States and Latin America. From 2006 to 2011, Mr. Pepper was also a member of Yum's Partners Council, a leadership group comprised of the company's twenty top executives. Since retiring from Yum, Mr. Pepper has served as an advisor to a number of private equity groups regarding investments in Latin America. Mr. Pepper also serves on the Advisory Board of Colombia's leading diversified restaurant and food services company, a division of Grupo Nutresa.

Mr. Pepper's experience in oversight responsibility for international operations and expansion, particularly in Mexico, is critical to the Board's consideration of our international operations. In addition, Mr. Pepper possesses particular knowledge and experience in a variety of areas, including accounting and financial matters, marketing, international markets, and global market entry that strengthens the Board's collective knowledge, capabilities and experience.



Paula Stern, Ph.D.

Independent Director

Age: 70

Director Since: 2008

Committees Served: Audit & Risk; Nominating & Corporate Governance

The Honorable Paula Stern, Ph.D., is Chairwoman of The Stern Group, Inc., an international advisory firm focusing on business and government strategy, which was established in 1988. She was Commissioner of the U.S. International Trade Commission from 1978 to 1987 and Chairwoman from 1984 to 1986. She serves on the U.S. Department of State's Advisory Committee on International Economic Policy and the U.S. Department of Commerce's Renewable Energy and Energy Efficiency Advisory Committee. Dr. Stern is a member of the Board of Trustees of the Committee for Economic Development; the Executive Committee of the Atlantic Council; the Council on Foreign Relations; Inter-American Dialogue; and the Bretton Woods Committee. She is also a member of the International Advisory Board of Lafarge and the Corporate Board Advisory Group of Diversified Search. During the past five years, Dr. Stern has served as a director of Hasbro, Inc. She is currently a director of Avon Products, Inc.

Dr. Stern brings over 30 years of professional experience in regulatory, legislative and business matters. We believe her expertise in business and government strategy, including global trade and competitive considerations, provides the Board with valuable leadership and perspective in these areas. In addition, Dr. Stern provides leadership and governance experience gained through her other public company directorships, including service on the finance and governance committees of such companies.

Term to Expire at the 2017 Annual Meeting:



Mark E. Speese

Chairman of the Board; former Chief Executive Officer

Age: 57

Director Since: 1990

Committees Served: Finance

Mr. Speese has served as our Chairman of the Board since October 2001, as our Chief Executive Officer from October 2001 until January 2014, and as one of our directors since 1990. Mr. Speese previously served as our Vice Chairman from September 1999 until March 2001. From 1990 until April 1999, Mr. Speese served as our President. Mr. Speese also served as our Chief Operating Officer from November 1994 until March 1999.

As a founder of our company, Mr. Speese brings leadership, tremendous knowledge of our business as well as the rent-to-own industry, extensive operations experience, and his strategic vision for our company to the Board. We believe Mr. Speese's service as our Chairman and his previous tenure as our Chief Executive Officer creates a critical link between management and our Board, enabling our Board to perform its oversight function with the benefit of management's perspectives on our business.



Jeffery M. Jackson

Independent Director

Age: 59

Director Since: 2007

Committees Served: Audit & Risk (Chair); Finance

Mr. Jackson is Managing Director of Thayer Ventures, a venture capital company investing in technology companies that serve the travel and hospitality industries. Mr. Jackson served as the Executive Vice President – Corporate Business Development of Sabre Holdings, Inc., a travel technology company, from August 2009 to March 2012, and previously served as its Executive Vice President – Chief Financial Officer from 1998 to August 2009. Mr. Jackson served as a board member of Travelocity.com until March 2002, when it became a Sabre Holdings subsidiary. Prior to joining Sabre Holdings in 1998, Mr. Jackson served as both Vice President of Corporate Development and Treasurer, and Vice President and Controller of American Airlines, Inc. Mr. Jackson also serves as a director of tripBAM, Inc., ID90T, Inc., Booking Pal, Inc., Options Away, Inc. and Traxo, Inc.

Mr. Jackson brings financial expertise to our Board, including through his prior experience as Chief Financial Officer of Sabre as well as his service as chairman of our Audit & Risk Committee. In addition, Mr. Jackson brings strong accounting and financial skills important to the oversight of our financial reporting, significant transactions, and enterprise and operational risk management.



Leonard H. Roberts

Independent Director

Age: 66

Director Since: 2006

Committees Served: Compensation (Chair); Finance

Mr. Roberts served as the Executive Chairman of the Board of Directors of RadioShack Corporation from May 2005 until May 2006, and had previously served as a director since 1997, Chairman of the Board and Chief Executive Officer from 1999 to 2005, and President from 1993 to 1999. From 1990 to 1993, Mr. Roberts was Chairman and Chief Executive Officer of Shoney's, Inc., and from 1985 to 1990 was the President and Chief Executive Officer of Arby's, Inc. Mr. Roberts is currently a director of J.C. Penney, Inc. and Texas Health Resources.

We believe that Mr. Roberts' experience as a former Chief Executive Officer of several multi-unit retail companies brings directly relatable experience and a unique perspective in retail marketing to our Board. We also believe that Mr. Roberts' background as a board chairman brings significant corporate governance knowledge, and his experience on the compensation committee of another publicly traded company brings an understanding of compensation issues to our Compensation Committee.

BOARD INFORMATION

Independent Directors

As part of the Company's corporate governance practices, and in accordance with Nasdaq rules, the Board has established a policy requiring a majority of the members of the Board to be independent. In January 2015, each of our non-employee directors (other than Mr. Speese) completed a questionnaire which inquired as to their (and those of their immediate family members) relationship with us and other potential conflicts of interest. Our legal department reviewed the responses of our directors to such questionnaire, as well as material provided by management related to transactions, relationships and arrangements between us and our

directors or parties related to our directors. In March 2015, our Board met to discuss the independence of our directors who are not employed by us. Following such discussions, our Board determined that the following directors are "independent" as defined under Nasdaq rules: Michael J. Gade, Jeffery M. Jackson, J.V. Lentell, Steven L. Pepper, Leonard H. Roberts, and Paula Stern, Ph.D. The table below includes a description of categories or types of transactions, relationships or arrangements considered by our Board in reaching its determination that the directors are independent.

Name	Independent	Transactions/Relationships/Arrangements
Michael J. Gade	Yes	None
Jeffery M. Jackson	Yes	None
J.V. Lentell	Yes	Our banking relationship with Intrust — immaterial
Leonard H. Roberts	Yes	None
Steven L. Pepper	Yes	None
Paula Stern, Ph.D.	Yes	None

Board Leadership Structure

Prior to February 1, 2014, we combined the roles of Chairman and Chief Executive Officer and appointed an independent Lead Director. Mr. Speese served as Chairman and Chief Executive Officer and Mr. Lentell as Lead Director. Mr. Speese retired as Chief Executive Officer as of January 31, 2014. In connection with Mr. Speese's retirement and the appointment of Robert D. Davis as Chief Executive Officer effective as of February 1, 2014, our Nominating and Corporate Governance Committee recommended to our Board, and our Board determined, to separate the roles of Chairman and CEO and have Mr. Speese continue to serve as Chairman.

The Board believes that the separation of the roles of Chairman and Chief Executive Officer at this time is appropriate in light of Mr. Davis' tenure as Chief Executive Officer and is in the best interests of the Company's stockholders. Separating these positions aligns the

Chairman role with our independent directors, enhances the independence of our Board from management and allows our Chief Executive Officer to focus on developing and implementing our growth initiatives and supervising our day-to-day business operations. Our Board believes that Mr. Speese is best situated to serve as Chairman because, as a founder of our company, he is the director most familiar with our business and the rent-to-own industry, and most capable of effectively identifying strategic priorities and leading the discussion and execution of strategy. Mr. Speese works closely with Mr. Davis to set the agenda for Board meetings and to facilitate information flow between the Board and management.

Our Board will review its determination to separate the roles of Chairman and Chief Executive Officer periodically or as circumstances and events may require.

Board Meetings; Executive Session

During 2014, our Board met 11 times, including regularly scheduled and special meetings, and acted twice by unanimous written consent. All of our directors attended more than 75% of the aggregate of the total number of meetings of the Board and the total number of meetings of the Board committees on which they serve.

Our independent directors meet in executive session at each in-person meeting of the Board. Mr. Gade presides over such executive sessions.

Role of the Board in Risk Oversight

Our Board takes an active role, as a whole and also at the committee level, in overseeing management of the Company's risks. The Board and the relevant committees receive regular reports from members of senior management on areas of material risk to the Company, including operational, financial, strategic, competitive, reputational, legal and regulatory risks. The Board also meets with senior management annually for a strategic planning session and discussion of the key risks inherent in our

short- and long-term strategies at the development stage, and also receives periodic updates on our strategic initiatives throughout the year. In addition, our Board has delegated the responsibility for oversight of certain risks to its standing committees, as discussed below. While each committee is responsible for evaluating certain risks and overseeing the management of such risks, our entire Board is regularly informed through committee reports concerning such risks.

Board Committees

The standing committees of the Board during 2014 included the Audit & Risk Committee, the Compensation Committee, the Nominating and Corporate Governance Committee, and the Finance Committee. Each of the standing committees has the authority to retain independent advisors and consultants, with all fees and expenses to be paid by us.

The *Audit & Risk Committee* assists the Board in fulfilling its oversight responsibilities by reviewing risks relating to accounting matters, financial reporting, legal and regulatory compliance, and other enterprise-wide risks. To satisfy these oversight responsibilities, our Audit & Risk Committee reviews, among other things, (1) the financial reports and other financial information provided by us to the SEC or the public, (2) our systems of controls regarding finance, accounting, legal compliance and ethics that management and the Board have established, (3) our independent auditor's qualifications and independence, (4) the performance of our internal audit function and our independent auditors, (5) the efficacy and efficiency of our auditing, accounting and financial reporting processes generally, and (6) our risk management practices. The Audit & Risk Committee has the direct responsibility for the appointment, compensation, retention and oversight of our independent auditors, and reviews our internal audit department's reports, responsibilities, budget and staffing. The Audit & Risk Committee also pre-approves all audit and non-audit services provided by our independent auditors and oversees compliance with our code of ethics. In addition, the Audit & Risk Committee meets regularly with our Chief Financial Officer, the head of our internal audit department, our independent auditors, and management (including regularly scheduled executive sessions with the vice president of internal audit and our independent auditors).

The Board has adopted a charter for the Audit & Risk Committee, which can be found in the "Corporate Governance" section of the "Investor Relations" section of our website at www.rentacenter.com. The Audit & Risk Committee reviews, updates and assesses the adequacy of its charter on an annual basis, and may recommend any proposed modifications to its charter to the Board for its approval, if and when appropriate.

During 2014, the Audit & Risk Committee held 13 meetings. All members of the Audit & Risk Committee are "independent" under SEC and Nasdaq rules. In addition, the Board has determined that each of Mr. Jackson and Mr. Pepper is an "audit

committee financial expert" as defined by SEC rules and Dr. Stern meets the financial sophistication requirements of Nasdaq. Members: Mr. Jackson, Chairman, Mr. Pepper and Dr. Stern.

The *Compensation Committee* (1) discharges the Board's responsibilities with respect to all forms of compensation of our Chief Executive Officer, Chief Operating Officer, Chief Financial Officer, and each of our Executive Vice Presidents, including assessing the risks associated with our executive compensation policies and practices and employee benefits, (2) administers our equity incentive plans and (3) reviews and discusses with our management the Compensation Discussion and Analysis to be included in our annual proxy statement, annual report on Form 10-K or information statement, as applicable, and makes a recommendation to the Board as to whether the Compensation Discussion and Analysis should be included in our annual proxy statement, annual report on Form 10-K or any information statement, as applicable. The Compensation Committee is also responsible for recommending to the Board the form and amount of director compensation and conducting a review of such compensation as appropriate.

The Board has adopted a charter for the Compensation Committee, which can be found in the "Corporate Governance" section of the "Investor Relations" section of our website at www.rentacenter.com. In addition, the Compensation Committee reviews, updates and assesses the adequacy of its charter on an annual basis, and may recommend any proposed modifications to its charter to the Board for its approval, if and when appropriate.

The Compensation Committee's processes for fulfilling its responsibilities and duties with respect to executive compensation and the role of our executive officers in the compensation process are described under "Compensation Discussion and Analysis – Compensation Process" beginning on page 22 of this proxy statement.

Pursuant to its charter, the Compensation Committee has the authority, to the extent it deems necessary or appropriate, to retain compensation consultants, independent legal counsel or other advisors and has the sole authority to approve the fees and other retention terms with respect to such advisors. From time to time, the Compensation Committee has engaged compensation consultants to advise it on certain matters. See "Compensation Discussion and Analysis – Compensation Process" beginning on

page 22 of this proxy statement. In addition, the Compensation Committee also has the authority, to the extent it deems necessary or appropriate, to delegate matters to a sub-committee composed of members of the Compensation Committee.

The Compensation Committee held five meetings in 2014, and acted by unanimous written consent twice. All members of the Compensation Committee are non-employee directors and are “independent” under Nasdaq rules. Members: Mr. Roberts, Chairman, Mr. Lentell and Mr. Gade.

The *Nominating and Corporate Governance Committee* manages risks associated with corporate governance and potential conflicts of interest and assists the Board in fulfilling its responsibilities by (1) identifying individuals believed to be qualified to become members of the Board, consistent with criteria approved by the Board, (2) recommending to the Board candidates for election or reelection as directors, including director candidates submitted by the Company’s stockholders and (3) overseeing, reviewing and making periodic recommendations to the Board concerning our corporate governance policies. In addition, the Nominating and Corporate Governance Committee directs the succession planning efforts for the Chief Executive Officer and reviews management’s succession planning process with respect to our other senior executive officers.

The Board has adopted a written charter for the Nominating and Corporate Governance Committee, which is available in the “Corporate Governance” section of the “Investor Relations” section of our website at www.rentacenter.com. In addition, the

Nominating and Corporate Governance Committee reviews, updates and assesses the adequacy of its charter on an annual basis, and may recommend any proposed modifications to its charter to the Board for its approval, if and when appropriate.

During 2014, the Nominating and Corporate Governance Committee held four meetings, and acted by unanimous written consent once. The Board has determined that each member of the Nominating and Corporate Governance Committee is “independent” as defined under Nasdaq rules. Members: Mr. Lentell, Chairman, Mr. Gade and Dr. Stern.

The *Finance Committee* assists the Board in fulfilling its responsibilities by reviewing and advising the Board with respect to the financial policies, capital structure and operating plans that support our mission, values and critical growth initiatives.

The Board has adopted a written charter for the Finance Committee, which is available in the “Corporate Governance” section of the “Investor Relations” section of our website at www.rentacenter.com. In addition, the Finance Committee reviews, updates and assesses the adequacy of its charter on an annual basis, and may recommend any proposed modifications to its charter to the Board for its approval, if and when appropriate.

During 2014, the Finance Committee held four meetings. A majority of the members of the Finance Committee must be independent. Members: Mr. Pepper, Chairman, Mr. Jackson, Mr. Roberts and Mr. Speese.

DIRECTOR COMPENSATION

Cash Compensation

During 2014, each non-employee director received an annual retainer of \$50,000. Additionally, each non-employee director receives \$2,500 for each Board meeting attended in person and is reimbursed for his or her expenses in attending such meetings. In addition to such compensation, additional annual retainers are paid as follows:

Position	Annual Retainer
Chairman of the Board	\$ 125,000
Chairperson of the Audit & Risk Committee	\$ 16,000
Other members of the Audit & Risk Committee	\$ 9,000
Chairperson of the Compensation Committee	\$ 12,000
Other members of the Compensation Committee	\$ 6,000
Chairperson of the Nominating and Corporate Governance Committee	\$ 8,000
Other members of the Nominating and Corporate Governance Committee	\$ 6,000
Chairperson of the Finance Committee	\$ 8,000
Other members of the Finance Committee	\$ 6,000

All retainers are payable in cash, in four equal installments on the first day of each quarter. Mr. Davis did not receive any cash compensation for his service as a director during 2014.

Equity Compensation

Our non-employee directors receive a deferred stock award pursuant to the Rent-A-Center, Inc. 2006 Long-Term Incentive Plan (the "2006 Plan") on the first business day of each year. Each deferred stock award consists of the right to receive shares of our common stock and is fully vested upon issuance. The shares covered by the award will be issued upon the termination of the

director's service as a member of the Board. All of our non-employee directors serving on January 2, 2014 were granted deferred stock units valued at \$100,000 on that date. Mr. Davis was not granted any equity compensation for his service as a director during 2014.

Director Equity Interest Guideline

Our Board has adopted a guideline encouraging each non-employee member of the Board to hold at least \$200,000 in our common stock and/or the deferred stock units issued as compensation for Board service (based on the price per share on the date or dates of such acquisition) within 5 years of the later of (i) December 23, 2008, or (ii) the date of their original election or appointment to the Board, and to hold such equity interest for so long as such member continues as a director. Each of Mr. Gade, Mr. Jackson, Mr. Lentell, Mr. Roberts, Mr. Speese, and Dr. Stern have met the foregoing guideline. Mr. Pepper was appointed to the Board in May 2013.

The following table sets forth certain information regarding the compensation of our non-employee directors during 2014:

Director Compensation for 2014

Name	Fees Earned or Paid in Cash ⁽¹⁾	Deferred Stock Award ⁽²⁾	Total
Michael J. Gade	\$ 79,500	\$ 100,000	\$ 179,500
Jeffrey M. Jackson	\$ 89,000	\$ 100,000	\$ 189,000
J.V. Lentell	\$ 83,167	\$ 100,000	\$ 183,167
Steven L. Pepper	\$ 83,833	\$ 155,000	\$ 238,833
Leonard H. Roberts	\$ 88,000	\$ 100,000	\$ 188,000
Mark E. Speese ⁽³⁾	\$ 179,314	\$ 91,667	\$ 270,981
Paula Stern, Ph.D.	\$ 77,000	\$ 100,000	\$ 177,000

(1) Includes annual retainer, committee fees and meeting attendance fees paid to each non-employee director with respect to services rendered in 2014.

(2) The amounts in this column reflect the aggregate grant date fair value computed in accordance with FASB ASC Topic 718. Assumptions used in the calculation of these amounts are included in Note N to our consolidated financial statements for the year ended December 31, 2014 included in our Annual Report on Form 10-K filed with the SEC on March 2, 2015. On January 2, 2014, each then current non-employee director was granted 3,000 deferred stock units. Also on January 2, 2014, Mr. Pepper was granted an additional 1,650 deferred stock units valued at \$55,000, representing the pro-rata portion of the 2013 award value (Mr. Pepper joined the Board on May 9, 2013). On February 1, 2014, Mr. Speese was granted 3,676 deferred stock units valued at \$91,667, representing the pro-rata portion of the 2014 award value. Each deferred stock unit represents the right to receive one share of our common stock. The deferred stock units are fully vested and non-forfeitable. The common stock will be issued to the director upon the termination of his or her service as a member of our Board.

(3) Mr. Speese retired as Chief Executive Officer as of January 31, 2014, and is now compensated solely as a director of the Company.

CORPORATE GOVERNANCE

General

Our Board has established corporate governance practices designed to serve the best interests of our company and our stockholders. In this regard, our Board has, among other things, adopted:

- a code of business conduct and ethics applicable to all of our Board members, as well as all of our employees, including our Chief Executive Officer, Chief Financial Officer, our principal accounting officer and controller;
- procedures regarding stockholder communications with our Board and its committees;
- separation of the Chairman and CEO roles;
- a majority voting standard in non-contested elections for directors;
- a policy for the submission of complaints or concerns relating to accounting, internal accounting controls or auditing matters;

- provisions in our Bylaws regarding director candidate nominations and other proposals by stockholders; and
- written charters for its Audit & Risk Committee, Compensation Committee, Nominating and Corporate Governance Committee, and Finance Committee.

Our Board intends to monitor developing standards in the corporate governance area and, if appropriate, modify our policies and procedures with respect to such standards. In addition, our Board will continue to review and modify our policies and procedures as appropriate to comply with any new requirements of the Securities and Exchange Commission or Nasdaq.

Code of Business Conduct and Ethics

Our Board has adopted a Code of Business Conduct and Ethics applicable to all of the members of the Board, as well as all of our employees, including our Chief Executive Officer, Chief Financial Officer, our principal accounting officer and controller. A copy of this Code of Business Conduct and Ethics is published in the

“Corporate Governance” section of the “Investor Relations” section of our website at www.rentacenter.com. We intend to make all required disclosures concerning any amendments to, or waivers from, this Code of Business Conduct and Ethics on our website.

Stockholder Communications with the Board

Our Board has established a process by which stockholders may communicate with our Board. Stockholders may contact the Board or any committee of the Board by any one of the following methods:



By telephone:
972-624-6210



By mail:
Rent-A-Center, Inc.
Attn: Compliance Officer
5501 Headquarters Drive
Plano, TX 75024



By e-mail:
RAC.Board@rentacenter.com

Procedures for Reporting Accounting Concerns

The Audit & Risk Committee has established procedures for (1) the receipt, retention and treatment of complaints received by us regarding accounting, internal accounting controls or auditing matters, and (2) the submission by our employees, on a confidential and anonymous basis, of concerns regarding questionable accounting or auditing matters. These procedures are posted in the “Corporate Governance” section of the “Investor Relations” section of our website at www.rentacenter.com.

Director Nominations

Director Nominees

Under our Bylaws, only persons who are nominated in accordance with the procedures set forth in our Bylaws are eligible for election as, and to serve as, members of our Board. Under our Bylaws, nominations of persons for election to our Board may be made at a meeting of our stockholders (1) by or at the direction of our Board or (2) by any stockholder, provided they comply with the provisions of Article I, Sections 3 and 4 of our Bylaws. The Board has delegated the screening and recruitment process for Board members to the Nominating and Corporate Governance

Committee. The Nominating and Corporate Governance Committee selects individuals it believes are qualified to be members of the Board, and recommends those individuals to the Board for nomination for election or re-election as directors. From time to time, the Nominating and Corporate Governance Committee may engage a consultant to conduct a search to identify qualified candidates. The Nominating and Corporate Governance Committee then undertakes the evaluation process described below for any candidates so identified.

Qualifications

The Nominating and Corporate Governance Committee believes that the minimum requirements for a person to be qualified to be a member of the Board are that a person must be committed to equal opportunity employment, and must not be a director, consultant, or employee of or to any competitor of ours (i.e., a company in the rent-to-own business). The Nominating and Corporate Governance Committee also believes that members of the Board should possess character, judgment, skills (such as an understanding of the retail and rent-to-own industries, business management, finance, accounting, marketing, operations and strategic planning), diversity, and experience with businesses and other organizations of a comparable size and industry. In addition, the Nominating and Corporate Governance Committee considers the composition of the current Board and the Board's needs when evaluating the experience and qualification of director candidates. The Nominating and Corporate Governance Committee evaluates whether certain individuals possess the foregoing qualities and

recommends to the Board candidates for nomination to serve as our directors. This process is the same regardless of whether the nominee is recommended by one of our stockholders.

As noted above, our Nominating and Corporate Governance Committee believes that diversity is one of many attributes to be considered when selecting candidates for nomination to serve as one of our directors. In general, our Nominating and Corporate Governance Committee's goal in selecting directors for nomination to our Board is to create a well-balanced team that (1) combines diverse business and industry experience, skill sets and other leadership qualities, (2) represents diverse viewpoints and (3) enables us to pursue our strategic objectives. While the Committee carefully considers diversity when evaluating nominees for director, the Committee has not established a formal policy regarding diversity in identifying director nominees.

Advance Resignation Policy

As a condition to nomination by the Nominating and Corporate Governance Committee of an incumbent director, a nominee shall submit an irrevocable offer of resignation to the Board, which resignation shall become effective in the event that (a) such nominee is proposed for reelection and is not reelected at a

meeting of the stockholders in which majority voting applies and (b) the resignation is accepted by the Board by the vote of a majority of the directors, not including any director who has not been reelected.

Stockholder Nominations

In addition to nominees by or at the direction of our Board, the Nominating and Corporate Governance Committee will consider candidates for nomination proposed by a stockholder, so long as the stockholder provides notice and information on the proposed nominee to the Nominating and Corporate Governance Committee through the Secretary in accordance with the provisions of Article I, Sections 3 and 4 of our Bylaws relating to direct stockholder nominations.

For the Nominating and Corporate Governance Committee to consider candidates recommended by a stockholder, Article I, Section 3 of our Bylaws requires that the stockholder provide notice to our Secretary (1) not less than 90 nor more than 120 days prior to the anniversary date of the immediately preceding annual meeting of stockholders, or (2) with respect to an election to be held at a special meeting of stockholders for the election of directors, no earlier than 120 days prior to the date of such special

meeting, nor later than the close of business on the later to occur of the 90th day prior to the date of such special meeting or the 10th day following the day on which public disclosure of the date of the special meeting was made (if the first public announcement of the date of the special meeting is less than 100 days prior to the date of the special meeting). The notice to our Secretary must set forth, among other things:

- the name & address of the stockholder and/or beneficial owner making such nomination;
- class & number of shares of capital stock owned, directly or indirectly, beneficially or of record by such stockholder and/or beneficial owner;
- any derivative interests held by such stockholder and/or beneficial owner;
- proxy or voting agreements to which such stockholder and/or beneficial owner may vote any shares of any of our securities;
- short interest position of such stockholder and/or beneficial owner, if any;
- dividend rights to which such stockholder and/or beneficial owner are entitled, if separable;
- proportionate interests of such stockholder and/or beneficial owner arising out of partnership arrangements;
- performance related fees to which such stockholder and/or beneficial owner is entitled based on the increase or decrease in the value of such shares or derivative instrument;
- with respect to each proposed stockholder nominee, information relating to such person that is required to be disclosed in solicitations of proxies for election of directors, or is otherwise required, pursuant to Regulation 14A under the Securities Exchange Act of 1934, as amended (including such person's written consent to being named in the proxy statement as a nominee and to serve as a director if elected); and

- with respect to each proposed stockholder nominee, a description of any compensatory and other material agreements among the nominating stockholder/beneficial owner, its affiliates and associates, and the proposed nominee.

In addition, to be timely, a stockholder's notice shall further be updated and supplemented, if necessary, so that the information provided or required to be provided in such notice shall be correct as of the record date for the meeting and as of the date that is 10 business days prior to the meeting, and such update and supplement must be delivered to our Secretary not later than 5 business days after the record date for the meeting in the case of the update and supplement required to be made as of the record date, and not later than 8 business days prior to the date for the meeting in the case of the update and supplement required to be made as of 10 business days prior to the meeting. In addition, as to each person whom the stockholder proposes to nominate for election or re-election as a director, the following information must be provided to our Secretary in accordance with the time period prescribed for the notice to our Secretary described above:

- a questionnaire furnished by our Secretary and completed by the proposed nominee; and
- the representation and agreement of the proposed nominee regarding no voting agreements, non-disclosed compensation arrangements, and compliance upon election with our governance policies and guidelines.

The above description of the requirements that stockholders must comply with when recommending candidates for our Board is a summary only, and stockholders interested in nominating candidates to our Board are encouraged to closely review our Bylaws.

Director Attendance at Annual Meeting of Stockholders

Our Board has adopted a policy stating that each member of the Board should attend our annual meeting of stockholders. All of our directors then serving as directors attended the 2014 Annual Meeting of Stockholders.

PROPOSAL TWO: RATIFICATION OF THE SELECTION OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

During 2012, the Audit & Risk Committee solicited proposals from several audit firms to serve as our independent registered public accounting firm. Following a thorough formal review of these proposals, the Audit & Risk Committee decided on December 13, 2012 to engage KPMG LLP as our independent registered public accounting firm beginning with the audit for the year ending December 31, 2013, including the 2013 quarterly reviews. In March 2015, the Audit & Risk Committee again appointed KPMG as our independent registered public accounting firm for the fiscal year ending December 31, 2015. Our Board has further directed that we submit the selection of our independent registered public accounting firm for ratification by our stockholders at the annual meeting.

Grant Thornton LLP was engaged to audit our consolidated financial statements for the year ended December 31, 2012 and was dismissed as our independent registered public accounting firm upon completion of these services when we filed our Annual Report on Form 10-K for that year. During the years ended December 31, 2011 and 2012, and through the date we filed our Annual Report on Form 10-K for the year ended December 31, 2012, we had no disagreements with Grant Thornton on any matter of accounting principle or practice, financial statement disclosure, or auditing scope or procedure which, if not resolved to Grant Thornton's satisfaction, would have caused it to make reference to the matter in conjunction with its report on our consolidated financial statements for the relevant year; and there were no reportable events as defined in Item 304(a)(1)(v) of SEC Regulation S-K.

Grant Thornton's audit reports on our consolidated financial statements for the years ended December 31, 2011 and 2012 did not contain an adverse opinion or disclaimer of opinion, nor were they qualified or modified as to uncertainty, audit scope, or accounting principles.

During the years ended December 31, 2011 and 2012, and through the date we filed our Annual Report on Form 10-K for the year ended December 31, 2012, neither we, nor anyone on our behalf, consulted with KPMG with respect to either (i) the application of accounting principles to a specified transaction, either completed or proposed, or the type of audit opinion that might be rendered on our consolidated financial statements, and no written report or oral advice was provided by KPMG to us that KPMG concluded was an important factor considered by us in reaching a decision as to the accounting, auditing, or financial reporting issue or (ii) any matter that was the subject of either a disagreement (as defined in Item 304(a)(1)(iv) of SEC Regulation S-K) or a reportable event (as described in Item 304(a)(1)(v) of SEC Regulation S-K).

Representatives of KPMG will attend the annual meeting, will have an opportunity to make a statement if they so desire and will be available to respond to appropriate questions from stockholders.

The Audit & Risk Committee reviews and pre-approves both audit and all permissible non-audit services provided by our independent registered public accounting firm, and accordingly, all services and fees in 2014 and 2013 provided by KPMG were pre-approved by the Audit & Risk Committee. The Audit & Risk Committee has considered whether the provision of services, other than services rendered in connection with the audit of our annual financial statements, is compatible with maintaining KPMG's independence. The Audit & Risk Committee has determined that the rendering of non-audit services by KPMG during the years ended December 31, 2014 and 2013, was compatible with maintaining such firm's independence.

Stockholder ratification of the selection of KPMG as our independent registered public accounting firm is not required by our Bylaws or otherwise. However, the Board is submitting the selection of KPMG to the stockholders for ratification as a matter of good corporate practice. The Audit & Risk Committee believes it to be in the best interests of our stockholders to retain, and has retained, KPMG as our independent registered public accounting firm for the year ending December 31, 2015. If the stockholders fail to ratify the selection, the Audit & Risk Committee will reconsider whether or not to continue the retention of KPMG. Even if the selection is ratified, the Audit & Risk Committee in its discretion may direct the appointment of a different independent registered public accounting firm at any time during the year if they determine that such a change would be in our best interests and those of our stockholders. The Audit & Risk Committee annually reviews the performance of our independent registered public accounting firm and the fees charged for their services. Based upon the Audit & Risk Committee's analysis of this information, the Audit & Risk Committee will determine which registered independent public accounting firm to engage to perform our annual audit each year.

Our Board of Directors recommends that you vote "FOR" the proposal to ratify the selection of KPMG LLP as our independent registered public accounting firm.

Principal Accountant Fees and Services

The aggregate fees billed by KPMG LLP for the years ended December 31, 2014 and December 31, 2013, for the professional services described below are as follows:

	2014	2013
Audit Fees ¹	\$ 1,533,000	\$ 1,160,000
Audit-Related Fees ²	\$ 265,500	\$ 418,500
Tax Fees ³	\$ 130,300	\$ 90,400
All Other Fees	\$ -0-	\$ -0

- (1) Represents the aggregate fees billed by KPMG for (a) professional services rendered for the audit of our annual financial statements for 2014 and 2013, (b) the audit of management's assessment of the effectiveness of our internal controls over financial reporting as of December 31, 2014 and 2013, and (c) reviews of the financial statements included in our Forms 10-Q filed with the SEC.
- (2) Represents the aggregate fees billed by KPMG for 2014 and 2013 for assurance and related services that are reasonably related to the performance of the audit or review of our financial statements and are not reported above under the caption "Audit Fees." These services comprise engagements related to employee benefit plans and other matters.
- (3) Represents the aggregate fees billed by KPMG for professional services rendered for tax compliance, tax advice and tax planning. In 2014, this amount consists of fees related to federal research tax credits, fixed asset study, debt refinance, and international tax advice and planning. In 2013, this amount consists of fees related to federal research tax credits and international tax advice and planning.

AUDIT COMMITTEE REPORT

In accordance with its written charter adopted by the Board, the Audit & Risk Committee assists the Board in fulfilling its oversight responsibilities by, among other things, reviewing the financial reports and other financial information provided by the Company to any governmental body or the public.

In discharging its oversight responsibilities, the Audit & Risk Committee obtained from the independent registered public accounting firm a formal written statement describing all relationships between the firm and the Company that might bear on the auditors' independence consistent with the applicable requirements of the Public Company Accounting Standards Board, discussed with the independent auditors any relationships that may impact their objectivity and independence, and satisfied itself as to the auditors' independence. The Audit & Risk Committee also discussed with management, the internal auditors and the independent auditors the integrity of the Company's financial reporting processes, including the Company's internal accounting systems and controls, and reviewed with management and the independent auditors the Company's significant accounting principles and financial reporting issues, including judgments made in connection with the preparation of the Company's financial statements. The Audit & Risk Committee also reviewed with the independent auditors their audit plans, audit scope and identification of audit risks.

The Audit & Risk Committee discussed with the independent auditors the matters required to be discussed by Auditing Standard No. 16, Communications with Audit Committees, as adopted by the Public Company Accounting Oversight Board, and, with and without management present, discussed and reviewed the results of the independent auditors' examination of the consolidated financial statements of the Company.

The Audit & Risk Committee reviewed and discussed the audited consolidated financial statements of the Company as of and for the year ended December 31, 2014 with management and the independent auditors. Management is responsible for the

Company's financial reporting process, including its system of internal control over financial reporting (as defined in Rule 13a-15(f) promulgated under the Securities Exchange Act of 1934), and for the preparation of the Company's consolidated financial statements in accordance with generally accepted accounting principles. The independent auditor is responsible for auditing those financial statements, and expressing an opinion on the effectiveness of internal control over financial reporting. The Audit & Risk Committee's responsibility is to monitor and review these processes. The members of the Audit & Risk Committee are "independent" as defined by SEC and Nasdaq rules, and our Board has determined that each of Jeffery M. Jackson and Steven L. Pepper is an "audit committee financial expert" as defined by SEC rules.

The Audit & Risk Committee discussed with the Company's internal and independent auditors the overall scope and plans for their respective audits, including internal control testing under Section 404 of the Sarbanes-Oxley Act. The Audit & Risk Committee periodically meets with the Company's internal and independent auditors, with and without management present, and in private sessions with members of senior management to discuss the results of their examinations, their evaluations of the Company's internal controls, and the overall quality of the Company's financial reporting. The Audit & Risk Committee also periodically meets in executive session.

In reliance on the reviews and discussions referred to above, the Audit & Risk Committee recommended to the Board (and the Board subsequently approved the recommendation) that the audited financial statements be included in the Company's Annual Report on Form 10-K for the year ended December 31, 2014, for filing with the Securities and Exchange Commission.

AUDIT & RISK COMMITTEE

Jeffery M. Jackson, Chairman
Steven L. Pepper
Paula Stern, Ph.D.

EXECUTIVE OFFICERS

The Board appoints our executive officers at the first Board meeting following our annual stockholders meeting and updates the executive officer positions as needed throughout the year. Each executive officer serves at the behest of the Board and until their successors are appointed, or until the earlier of their death, resignation or removal.

The following table sets forth certain information with respect to our executive officers as of the date of this proxy statement:

Name	Age	Position
Robert D. Davis	43	Chief Executive Officer
Mitchell E. Fadel	57	President and Chief Operating Officer
Ricardo Cordon	67	Executive Vice President — Mexico
Guy J. Constant	50	Executive Vice President — Finance, CFO & Treasurer
Mark E. Denman	42	Executive Vice President — Acceptance Now
Fred E. Herman	58	Executive Vice President — Accounting & Global Controller
Christopher A. Korst	55	Executive Vice President — Chief Administrative Officer & General Counsel
Joel M. Mussat	43	Executive Vice President — Chief Omnichannel Officer
Charles J. White	53	Executive Vice President — RTO Domestic

Robert D. Davis. Mr. Davis was named Chief Executive Officer effective as of February 1, 2014, after previously serving as Executive Vice President – Finance since February 2008, as our Chief Financial Officer since March 1999 and as our Treasurer since January 1997. From September 1999 until February 2008, Mr. Davis served as our Senior Vice President – Finance. From September 1998 until September 1999, Mr. Davis served as our Vice President – Finance and Treasurer. Mr. Davis began his employment with us in 1993.

Mitchell E. Fadel. Mr. Fadel has served as President since July 2000, and as our Chief Operating Officer since December 2002. From November 1992 until July 2000, Mr. Fadel served as President and Chief Executive Officer of our franchising subsidiary.

Ricardo Cordon. Mr. Cordon was named Executive Vice President – Mexico effective as of January 1, 2014. Mr. Cordon previously served as our Senior Vice President – Tax, International Governance and Assistant Treasurer from August 2011 to December 2013, and as Vice President – Tax and Assistant Treasurer from July 2007 to August 2011.

Guy J. Constant. Mr. Constant has served as Executive Vice President – Finance, Chief Financial Officer and Treasurer since June 2014. Mr. Constant was previously employed by Brinker International, Inc., serving as Executive Vice President, Chief Financial Officer and President of Global Business Development from January 2013 until March 2014; as Executive Vice President and Chief Financial Officer from September 2010 to January 2013; Senior Vice President of Finance from May 2008 to September 2010; Vice President of Strategic Planning, Analysis and Investor Relations from September 2005 to May 2008; and Senior Director of Compensation from November 2004 to September 2005.

Mark E. Denman. Mr. Denman was named Executive Vice President – Acceptance Now in March 2015. Mr. Denman previously served as our Senior Vice President – Acceptance Now from January 2014 to February 2015, one of our division vice presidents (RTO) from September 2013 to December 2013, and one of our division vice presidents (Acceptance Now) from August 2011 to September 2013. Mr. Denman joined the company in December 2010 in connection with our acquisition of The Rental Store, Inc.

Fred E. Herman. Mr. Herman was named Executive Vice President – Accounting and Global Controller in July 2014, after serving as Executive Vice President – Shared Services since January 1, 2014. Mr. Herman served as the Chief Risk and Compliance Officer from May 2011 until December 2013, as the Vice President of Internal Audit from January 2005 until May 2011 and as the Director of Internal Audit from April 2003 until January 2005. From 1980 to 2003, Mr. Herman worked in public accounting and in internal audit with several public companies.

Christopher A. Korst. Mr. Korst was named Executive Vice President – Chief Administrative Officer and General Counsel in July 2014, after previously serving as Executive Vice President – Chief Administrative Officer since January 1, 2014. Previously, Mr. Korst served as Executive Vice President – Domestic Operations from May 2012 to December 2013, as our Executive Vice President – Operations from January 2008 until April 2012, and as our Senior Vice President – General Counsel from May 2001 to January 2008. Mr. Korst also served as our Secretary from September 2004 until January 2008. From January 2000 until May 2001, Mr. Korst owned and operated AdvantEdge Quality Cars, which he acquired in a management buyout.

Joel M. Mussat. Mr. Mussat was named Executive Vice President – Chief Omnichannel Officer effective as of January 1, 2014. Previously, Mr. Mussat served as Executive Vice President – Emerging Businesses since May 2012, and as our Executive Vice President – Emerging Businesses and Strategic Planning from August 2011 until April 2012. He served as Senior Vice President – Strategic Planning and New Business Development from December 2009 until August 2011, and as Vice President – Strategic Planning from December 2005 until December 2009.

Charles J. White. Mr. White was named Executive Vice President – RTO Domestic effective as of January 1, 2014. Previously, Mr. White served as Senior Vice President – RAC Acceptance from August 2011 to December 2013. From September 2002 to July 2011, Mr. White served as one of our division vice presidents, and as one of our regional directors from January 2000 to September 2002. Prior to joining us as a district manager in 1995, Mr. White served for six years in the Army National Guard and for six years in the U.S. Navy.

COMPENSATION COMMITTEE REPORT

The Compensation Committee has reviewed and discussed the Compensation Discussion and Analysis required by Item 402(b) of Regulation S-K with our management and, based upon such review and discussions, the Compensation Committee recommended to the Board of Directors that the Compensation Discussion and Analysis be included in the proxy statement on Schedule 14A related to the 2015 Annual Meeting of Stockholders, for filing with the Securities and Exchange Commission.

COMPENSATION COMMITTEE

Leonard H. Roberts, Chairman
Michael J. Gade
J.V. Lentell

COMPENSATION DISCUSSION AND ANALYSIS

Executive Compensation Program Objectives

Decisions with respect to compensation of our executive officers, including our Chief Executive Officer and other named executive officers, are made by our Compensation Committee, which is comprised solely of independent directors. Our Compensation Committee has identified four primary objectives for our executive compensation program, which guide the decisions it makes with respect to the amount and type of compensation paid to our named executive officers. The objectives of our executive compensation program are to:

- attract, retain and motivate senior executives with competitive compensation opportunities;
- balance short-term and long-term strategic goals;
- align our executive compensation program with the core values identified in our mission statement, which focuses on improving the quality of life for our co-workers and our customers; and

- reward achievement of our financial and non-financial goals.

The compensation philosophy is generally to target total direct compensation (base salary, annual incentive and long-term incentive compensation) at the 50th-75th percentile of that paid at similarly-situated public companies in the retail and consumer finance sector, with cash compensation (base salary and annual incentives) targeted at the 50th percentile, and long-term incentive compensation targeted at the 75th percentile. The Company places a premium on aligning rewards with desired performance, and as such spends a noticeable portion of its variable compensation on key performers and those deemed to be critical contributors over the longer term.

Executive Summary

We are committed to a pay-for-performance culture. The compensation program is reviewed annually in order to assure that its objectives and components are aligned with the Company's growth goals and culture, and also that it incentivizes short- and long-term profitable growth.

2014 Financial and Strategic Highlights

In 2014, we continued to return value to our stockholders and focus on our strategic growth goals. The following key accomplishments were achieved in fiscal 2014:

- Continued executing on our multi-year program designed to transform and modernize our operations company-wide in

order to improve the profitability of the Core U.S. segment while continuing to grow our Acceptance Now segment:

- launched the flexible labor model pilot in November 2014
- signed an agreement with a leading 3rd party logistics provider as part of our sourcing & distribution initiative

- rolled out initial price changes in certain product categories as part of our pricing strategy initiative
- implemented our new technology in over 650 existing Acceptance Now manned locations
- Same store sales increases of over 28% in our Acceptance Now segment and 17% in our Mexico segment;

- Increased earnings per diluted share to \$0.48 compared to \$0.25 for the fourth quarter of 2014; and
- Increased quarterly dividend from \$0.23 to \$0.24, beginning with the dividend for the first quarter of 2015.

Please refer to our Annual Report on Form 10-K for the year ended December 31, 2014 for more information.

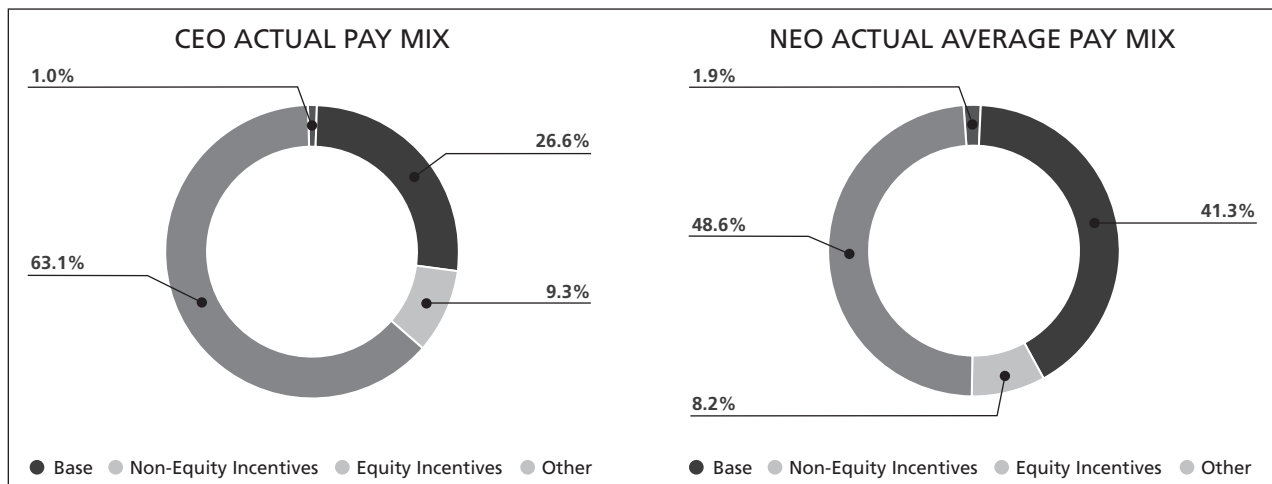
Pay for Performance

Our executive compensation program directly links a substantial portion of executive compensation to our financial performance through annual and long-term incentives. For the 2014 annual cash incentive program, the EBITDA goal was achieved at 86.4% of target (resulting in a 30% payout of the 65% of the target bonus amounts attributable to the EBITDA target), and the revenue goal was achieved at 96.7% of target (resulting in a 30% payout of the 25% of the target bonus amounts attributable to the revenue target).

We failed to achieve more than 80% of the three-year EBITDA target established in connection with the grant in 2012 of

performance-based restricted stock units pursuant to our long-term incentive compensation program. Accordingly, none of the performance-based restricted stock units granted as part of the 2012 long-term incentive compensation awards was earned and no shares were issued to our named executive officers pursuant to such awards.

The mix of the key compensation elements for our Chief Executive Officer and our other named executive officers for fiscal 2014 is shown below. The Actual Compensation Mix charts describe each element of actual compensation as a percent of total direct compensation for fiscal 2014.



The Actual Compensation Mix charts above include salary with respect to 2014, the actual amount paid under the 2014 annual cash incentive program, and the estimated grant date value of stock options, restricted stock units and performance stock units granted during fiscal 2014, as shown in the Summary

Compensation Table on page 30. The value of all of the long-term incentive compensation vehicles (stock options, restricted stock units (RSUs), and performance share units (PSUs)) is time vested and depends upon our financial performance over the measurement or vesting period.

Stockholder Advisory Vote

In May 2014, we held a stockholder advisory vote on the compensation of our named executive officers, referred to as a say-on-pay vote. Our stockholders approved the compensation of our named executive officers, with approximately 98% of the shares of common stock present and entitled to vote at the meeting cast in favor of our proposal. Compensation decisions and changes implemented in fiscal 2014 were made keeping in

mind the support stockholders expressed for our compensation philosophy and pay-for-performance culture. As a result, our Compensation Committee kept most facets of the executive compensation program consistent, with an emphasis on short and long-term incentive compensation that rewards our executives upon value creation for our stockholders.

Compensation Process

The Compensation Committee typically begins the process of determining the amount and mix of total compensation to be paid to our senior executives, including our named executive officers, in December of each year and finalizes the amounts the following January. This enables the Compensation Committee to examine and consider our performance during the previous year in establishing the current year’s compensation.

The Compensation Committee determines each year whether to retain a compensation consultant to assist it with compensation decisions for the upcoming fiscal year. In May 2013, the Compensation Committee approved the engagement of Hay Group, Inc. (“Hay Group”) to conduct a formal evaluation of, and advise it with respect to, the compensation arrangements for our Chief Executive Officer, as well as provide guidance with respect to the compensation of our senior executives, including our other

named executive officers, for the 2014 fiscal year. In determining whether to engage Hay Group to provide such services, the Compensation Committee considered whether such engagement would create any conflicts of interest and determined that the engagement of Hay Group by the Company to advise it with respect to compensation to be paid to our senior executive management for 2014 did not create any such conflicts. Hay Group was engaged directly by the Compensation Committee and has performed no other services to us or any of our executive officers or directors.

Based on the work performed by Hay Group, the Compensation Committee determined that the following similarly-situated public companies (the “Peer Group”) provided an appropriate comparison for the purpose of evaluating our compensation arrangements for our senior executives:

Aaron’s, Inc.	Advance Auto Parts, Inc.	Big Lots Inc.	Brinker International Inc.
Cash America International, Inc.	DFC Global Corp.	Dollar Tree, Inc.	EZCORP, Inc.
Fred’s, Inc.	hhgregg, Inc.	H&R Block, Inc.	Michaels Stores, Inc.
O’Reilly Automotive Inc.	Pier 1 Imports, Inc.	RadioShack Corp.	Sally Beauty, Inc.

The following criteria were used to establish this Peer Group:

- U.S.-based public companies with a similar business focus as ours, including both consumer finance and retail (particularly home furnishings, appliances and other retail organizations with which we compete for customers in a similar demographic);
- Companies with revenue similar to us (generally 0.5 to 2.0 times our revenue); and
- Competitors for executive talent.

Two companies which were previously included in the Peer Group (AutoZone, Inc. and Family Dollar Stores, Inc.) were removed and replaced with Michaels Stores, Inc. and Sally Beauty, Inc. because such companies more closely matched the criteria set forth above. In the fall of 2013, the Compensation Committee approved the use of this Peer Group for use in connection with compensation decisions to be made for the 2014 fiscal year.

Finally, various members of the Compensation Committee have significant professional experience in the retail industry, as well as with respect to the executive compensation practices of large publicly-traded companies. This experience provides a frame of reference within which to evaluate our executive compensation program relative to general economic conditions and our progress in achieving our short-term and long-term goals.

When the Compensation Committee considers the mix and amount of total compensation for our named executive officers, it

reviews tally sheets which contains information regarding, among other things:

- each named executive officer’s compensation and benefits for the previous three years; and
- the type and amount of long-term incentive awards granted to each named executive officer in the previous three years, including any amounts which have become vested.

The Compensation Committee uses these tally sheets to estimate the total annual compensation of the named executive officers, and to provide a perspective on the named executive officers’ wealth accumulation from our compensation programs. Before finalizing the compensation of the named executive officers for any given year, the tally sheets allow the Compensation Committee to fully understand the impact that its decisions will have on each named executive officer’s total existing and potential compensation.

See the sections entitled “– Potential Payments and Benefits Upon Termination Without a Change in Control” and “– Potential Payments and Benefits Upon Termination With a Change in Control” beginning on pages 36 and 37, respectively, of this proxy statement for the total amount of compensation and benefits each named executive officer could receive as a result of the various termination events and a description of our severance arrangements beginning on page 34 of this proxy statement.

Forms of Compensation

The following forms of compensation are currently utilized by the Compensation Committee in compensating our named executive officers:

- base salary, which is paid in cash;
- annual incentive compensation, which is paid in cash;
- long-term incentive compensation, which consists of stock options, restricted stock units, and performance stock units;
- severance arrangements; and
- fringe benefits, including perquisites, with no tax gross-ups.

Base Salary

The base salary for each of our named executive officers represents the guaranteed portion of their total compensation and is determined annually by the Compensation Committee. Base salary is intended to reward the performance of each named executive officer during the fiscal year relative to his position with us. In establishing the base salary for each of our named executive officers, the Compensation Committee reviews:

- the named executive officer's historical performance in his position with us, including the financial performance within his or her area of responsibility and other factors;
- Mr. Davis' recommendations as to the proposed base salary (other than his own);
- our financial performance; and
- market pay practices.

At the beginning of each year, the Compensation Committee considers whether adjustments would be made to the annual base salaries for our named executive officers. During the Compensation Committee's review of the current base salaries, the Compensation Committee primarily considers market data, input provided by our Human Resources department, the input of Mr. Davis (other than with respect to his own base salary),

individual performance, our financial performance, the experience of the executive officer, and each named executive officer's compensation in relation to our other executive officers.

In connection with Mr. Davis' appointment as Chief Executive Officer, the Board, upon recommendation of the Compensation Committee, approved a base salary for Mr. Davis of \$750,000, effective February 1, 2014. The Compensation Committee determined to increase the base salary for Mr. Mussat in 2014 to more closely align his base pay with the market median data as reported by the peers in the Hay Group 2013 Retail Remuneration Survey, and in recognition of his expanded scope of responsibilities as the Company's recently named Chief Omnichannel Officer. The Compensation Committee increased the base salary for 2014 for each of our other named executive officers (other than Mr. Constant) at a modest rate consistent with the salary increases for our other senior executive management.

The Compensation Committee approved the following base salaries of the named executive officers for 2013 and 2014 as set forth in the table below. The base salary adjustments for 2013 and 2014 were effective March 2, 2013, and March 1, 2014, respectively, except with respect to Mr. Davis' increase for 2014, which was effective on February 1, 2014.

ANNUAL BASE SALARIES

Name	2012 Base Salary	2013 Base Salary	2014 Base Salary
Mark E. Speese	\$ 950,000	\$ 983,250	\$ — ⁽¹⁾
Robert D. Davis	\$ 446,700	\$ 469,035	\$ 750,000 ⁽²⁾
Guy J. Constant	—	—	\$ 475,000 ⁽³⁾
Mitchell E. Fadel	\$ 605,200	\$ 623,356	\$ 642,057
Christopher A. Korst	\$ 382,336	\$ 393,806	\$ 405,620
Joel M. Mussat	\$ 312,235	\$ 324,724	\$ 360,000

(1) Mr. Speese is no longer an employee of the Company. Effective as of February 1, 2014, Mr. Speese was compensated as our Chairman as set forth under CEO Transition.

(2) Mr. Davis was appointed Chief Executive Officer effective as of February 1, 2014.

(3) Mr. Constant joined the Company on June 16, 2014.

Annual Cash Incentive Compensation

The Compensation Committee maintains an annual incentive compensation program for our executive officers that provides for awards in the form of a cash bonus. The Compensation Committee believes that cash bonuses are appropriate to promote our interests as well as those of our stockholders by providing our named executive officers with short-term financial rewards based upon achievement of specified short-term objectives, which the Compensation Committee believes will ultimately increase the value of our stock, as well as help us attract and retain our named executive officers by providing attractive compensation opportunities.

Our named executive officers participate in our annual cash incentive program. Under our annual cash incentive program, cash bonus eligibility is established at a pre-determined percentage of the named executive officer's base salary, with such percentage amount set in accordance with the eligible named executive officer's position and responsibilities with us. The percentage allocated as well as the potential ultimate payouts pursuant to our annual cash incentive program for each year are typically approved by the Compensation Committee in January at the same time that all compensation for our named executive officers is reviewed and, if applicable, approved. This enables the Compensation Committee to examine the named executive officer's performance during the previous year, as well as determine financial performance targets for the new fiscal year based in part upon the previous year's performance. In connection with Mr. Davis' appointment as Chief Executive Officer, the Board, upon recommendation of the Compensation Committee, approved an increase in the eligible bonus percentage for Mr. Davis from 55% to 100% of his base salary. No changes to the eligible bonus percentages for our other named executive officers were made for the 2014 annual cash incentive program.

As in prior years, the annual cash incentive program for 2014 included two financial performance metrics: EBITDA and corporate revenue, as well as a target tied to each named executive officer's compliance with our servant leadership values. Previously, the Compensation Committee included pre-tax net income as one of the performance measures for our annual cash incentive program. The Compensation Committee adopted the change to an EBITDA target from a pre-tax net income target because it believes EBITDA generally represents an accurate indicator of our financial performance over a one-year period of time, while excluding the impact of interest and depreciation which can vary significantly. The inclusion of the corporate revenue target in the annual cash incentive program reflects the Compensation Committee's determination that although a substantial portion of the cash bonus opportunity should be dependent on our profitability, a portion of such cash bonus opportunity should be based on our revenue growth. In addition, the Compensation Committee believes that a portion of each named executive officer's cash bonus opportunity should be determined on the basis of such individual's compliance with our servant leadership values. Accordingly, the potential annual incentive award for the named executive officers for the 2014 annual cash incentive program was divided as follows: 65% EBITDA; 25% revenue; and 10% servant leadership. The annual cash incentive program for 2015 will include only the financial

performance metrics and be divided 75% EBITDA and 25% revenue. Each individual named executive officer's compliance with our servant leadership values will be considered when setting such individual's base salary for the following year, rather than as a component of the annual cash incentive program.

The financial performance targets for the 2014 annual cash incentive program were established in January 2014 following a review of our financial projections developed pursuant to our strategic plan and objectives for 2014. Based upon that review, the Compensation Committee established a corporate revenue target under the 2014 annual cash incentive program in the amount of \$3.288 billion and an EBITDA target under the 2014 annual cash incentive program in the amount of \$334.3 million. In setting the EBITDA target under the 2014 annual cash incentive program, the Compensation Committee considered (i) the level of achievement of the pre-tax consolidated net income target for the 2013 annual cash incentive program and (ii) the level of the Company's anticipated investment in its growth strategies for 2014. The Compensation Committee further determined that, consistent with its views as to the financial performance measures for our annual cash incentive program, each eligible executive officer may receive (1) an additional bonus amount in the event that we exceed the financial performance targets for the fiscal year, and (2) a portion of the bonus in the event that we approach, yet fail to achieve, the target levels of financial performance.

With respect to the servant leadership portion of the 2014 annual cash incentive program, which represents 10% of the total bonus opportunity, the named executive officer could earn from 0% to 100% depending on the score such officer receives on a servant leadership index survey completed with respect to such officer by his supervisor, peers and direct reports. Survey participants review a series of positive behavior statements (such as "has earned my trust," "clearly communicates expectations," "displays humility" and "demonstrates respect for others by listening to their viewpoint") and rank the subject officer on a scale of one to five, with five indicating that the subject officer always demonstrates the applicable behavior, and one indicating that the subject officer never demonstrates the applicable behavior. Each named executive officer receives an aggregated score based on all responses. A score of 4.60 or higher is required to earn 100% of the 10% total bonus opportunity with respect to servant leadership. All of our named executive officers received a score of 4.60 or higher in 2014.

In January 2015, the Compensation Committee determined the level of achievement of the revenue and EBITDA targets as previously set by the Committee with respect to the 2014 annual cash incentive program. EBITDA as reported in accordance with GAAP for the year ended December 31, 2014, was \$283.4 million. In reviewing our actual 2014 performance relative to the EBITDA goal, the Compensation Committee determined that it would be appropriate, consistent with past practices, to adjust for certain non-operating items for purposes of determining whether the financial target had been met for the year. The Compensation Committee concluded that the failure to adjust for such items would inappropriately penalize management for certain

operational decisions which the Compensation Committee believed were in the best interests of the Company's stockholders. Accordingly, the Compensation Committee made adjustments to EBITDA pertaining to (i) restructuring charges related to (a) expenses associated with the 150 rent-to-own stores closed in the second quarter of 2014 (a \$2.3 million increase), (b) severance payments in connection with the July 2014 corporate restructuring (a \$2.8 million increase), and (c) the write-down of internally developed software (a \$4.8 million increase); (ii) certain settlement credits (a decrease of \$6.8 million); (iii) a reduction in revenue due to consumer refunds as a result of an operating system programming error (an increase of \$0.6 million); and (iv) certain adjustments relating to accounting changes (a \$1.6 million increase). The Compensation Committee reviewed the combined proposed adjustments and their impact on the calculation of the Company's EBITDA for the fiscal year ended December 31, 2014, and determined that the Company's EBITDA for purposes of the 2014 annual cash incentive program was equal to \$288.7 million.

Total revenue as reported in the Company's financial statements for the year ended December 31, 2014, was \$3.158 billion. In reviewing our actual 2014 performance relative to the revenue target, the Compensation Committee again determined that it would be appropriate, consistent with past practices, to adjust for certain non-GAAP adjustments for purposes of determining whether the revenue target had been met for the year. The Compensation Committee concluded that the failure to adjust for

such items would unfairly penalize management for adopting accounting changes which the Compensation Committee believed to be in the best interests of the Company's stockholders. Accordingly, the Compensation Committee made adjustments to revenue pertaining to non-GAAP reconciliations recorded in the fourth quarter related to the accounting for franchise sales, delivery fees, extended warranties and employee purchases. The Compensation Committee reviewed the combined proposed adjustments and their impact on the calculation of the Company's revenue for the fiscal year ended December 31, 2014, and determined that the Company's revenue for purposes of the 2014 annual cash incentive program was equal to \$3.181 billion.

Accordingly, the Compensation Committee determined that the Company achieved (i) 86.4% of the EBITDA objective for 2014 resulting in payment of 30% of the 65% of the target bonus amounts attributable to the EBITDA condition pursuant to the 2014 annual cash incentive program, and (ii) 96.7% of the revenue objective for 2014 resulting in payment of 30% of the 25% of the target bonus amounts attributable to the revenue condition pursuant to the 2014 annual cash incentive program.

The target and actual amounts awarded to our named executive officers for their annual cash incentive bonus for 2014 performance are set forth below and included in the Summary Compensation Table under the column "Non-Equity Incentive Plan Compensation" on page 30 of this proxy statement.

2014 ANNUAL CASH INCENTIVE AWARD

Name	2014 Incentive Target (%)	2014 Incentive Target (\$)	2014 Actual Annual Cash Incentive Award	2014 Actual Annual Cash Incentive Award as a % of Target
Mark E. Speese	0%	\$ 0	\$ 0	0%
Robert D. Davis	100%	\$708,211 ⁽¹⁾	\$262,038	37%
Mitchell E. Fadel	75%	\$481,543	\$178,171	37%
Guy J. Constant	55%	\$142,434 ⁽¹⁾	\$ 52,701	37%
Christopher A. Korst	50%	\$202,810	\$ 75,040	37%
Joel M. Mussat	50%	\$180,000	\$ 66,600	37%

(1) Pro-rated for time in position

Long-Term Incentive Compensation

Our equity incentive plans are administered by the Compensation Committee and are designed to enable the Compensation Committee to provide incentive compensation to our employees in the form of stock options, stock awards, other equity awards, and performance-based equity awards. The Compensation Committee believes that awarding our named executive officers non-cash, long-term equity incentive compensation, primarily in the form of long-term incentive awards which may increase in value in conjunction with the satisfaction by us of pre-determined performance measures and/or an increase in the value of our common stock, more effectively aligns their interests with ours. The Compensation Committee also believes that such awards will provide our named executive officers with an incentive to remain in their positions with us, since the determination as to whether a particular measure for our performance and/or an increase in the

value of our common stock has been satisfied is typically made over an extended period of time. In general, the Compensation Committee considers equity awards to our named executive officers on an annual basis, normally in January of each year.

Generally, long-term incentive awards are made to our named executive officers pursuant to (i) the 2006 Plan and (ii) the Rent-A-Center, Inc. 2006 Equity Incentive Plan, which we refer to as the "Equity Plan." Under the terms of each of the 2006 Plan and the Equity Plan, awards may be granted at times and upon vesting and other conditions as determined by the Compensation Committee, and may be made in the form of stock options, stock awards, other equity awards, and performance-based equity awards. Stock option awards under our equity incentive plans are granted at the fair market value per share of our common stock

COMPENSATION DISCUSSION AND ANALYSIS

on the date the option is granted as determined by reference to the closing price for shares of our common stock on the Nasdaq Global Select Market on the last market trading day prior to the date the option is granted. The options granted to our named executive officers typically vest ratably over a four-year period, commencing one year from the date of grant, and expire after 10 years.

The restricted stock units granted by our Compensation Committee cliff vest either after a set period of time or upon the achievement of specified goals for our performance over a period of time. Awards of restricted stock with time-based vesting provide our named executive officers with a minimum level of value while also providing an additional incentive for such individuals to remain in their positions with us. Awards of restricted stock with performance-based vesting provide an additional incentive for our named executive officers to remain in their positions with us in order to realize the benefit of such award and also focus them on a performance parameter which the Compensation Committee considers beneficial to increasing the value of our stock, and consequently, stockholder value.

The Compensation Committee determines the timing of the annual grants of stock options and restricted stock units to our named executive officers as well as the terms and restrictions applicable to such grants. The Compensation Committee

approves generally in January of each year the annual grant to our executive officers after the Compensation Committee has reviewed the information set forth in the tally sheets. Grants may also be made in connection with commencement of employment, promotions, or tenure.

2014 Long-term Incentive Compensation Awards. The Compensation Committee adjusted the aggregate amount of the long-term incentive compensation award for 2014 for Mr. Davis from 100% to 200% of his base salary in connection with his promotion to Chief Executive Officer. No changes to the aggregate amount of the long-term incentive compensation awards for 2014 were made for our other named executive officers. Consistent with prior years, the long-term incentive compensation awards for 2014 were comprised of three vehicles, but the Compensation Committee determined to place more emphasis on the portion of the long-term incentive award which is contingent on financial performance. Accordingly the award tranches are weighted as follows: (i) 25% of the value of the award issued in stock options, (ii) 25% of the value of the award issued in time based restricted stock units and (iii) 50% of the value of the award issued in performance-based restricted stock units. On January 31, 2014, the Compensation Committee granted awards under the long-term incentive plan to our named executive officers, targeting grant values by type of award, as follows:

Name	Restricted Stock Units			Total
	Stock Options	Time-Based Vesting	Performance-Based Vesting	
Mark E. Speese	\$ 0	\$ 0	\$ 0	\$ 0
Robert D. Davis	\$ 375,000	\$ 375,000	\$ 750,000	\$ 1,500,000
Mitchell E. Fadel	\$ 240,771	\$ 240,771	\$ 481,543	\$ 963,085
Guy J. Constant ⁽¹⁾	\$ 63,300	\$ 316,685	\$ 118,764	\$ 498,749
Christopher A. Korst	\$ 76,054	\$ 76,054	\$ 152,108	\$ 304,215
Joel M. Mussat	\$ 67,500	\$ 67,500	\$ 135,000	\$ 270,000

(1) Granted 7/11/2014

Consistent with long-term incentive awards made in prior years, the awards to our named executive officers in January 2014 of restricted stock with performance-based vesting contained provisions with respect to our achievement of EBITDA. The Compensation Committee established a three-year EBITDA target as the appropriate basis upon which to measure our performance in this context. The Compensation Committee believed EBITDA represents an accurate indicator of our performance over an extended period of time, as an EBITDA measure incorporates certain factors which the Compensation Committee believed are important to an understanding of our performance over such period, such as an increase in revenue as well as the management of our expenses, while not incorporating other factors which the Compensation Committee does not believe are important to an understanding of our performance over such period, such as any repurchases of our outstanding shares which would affect an earnings per share measurement. The Compensation Committee selected a three-year period over which to measure EBITDA based

upon the time-period utilized with respect to awards made by similarly-situated public companies in the retail industry, as well as upon its belief that a three-year measurement period was appropriate to place an emphasis on our operating results over an extended period of time, as opposed to the single year measure which is utilized in our annual cash incentive program.

In setting the target amount of EBITDA over such three-year period, the Compensation Committee reviewed with management our financial projections as well as the market's expectations with respect to our financial performance over such period. The three-year EBITDA target for the 2014 performance-based awards was set at \$1.203 billion. Each eligible named executive officer may receive (1) an additional payout pursuant to such award in the event that we exceed the target EBITDA over such period, and (2) a portion of the target payout pursuant to such award in the event that we approach, yet fail to achieve, the target level of financial performance.

The percentage of the restricted stock unit awards to be received by each named executive officer if we miss, meet, or exceed the target three-year EBITDA is set forth in the table below:

2014 LONG-TERM INCENTIVE COMPENSATION – FINANCIAL PERFORMANCE TARGET FOR PERFORMANCE-BASED AWARD

LTIP EBITDA Target	% of Incentive Paid
< 80%	0%
80.0% to 83.5%	50%
83.6% to 87.1%	60%
87.2% to 90.7%	70%
90.8% to 94.3%	80%
94.4% to 97.9%	90%
98.0% to 102.0%	100%
102.1% to 105.6%	120%
105.7% to 109.2%	140%
109.3% to 112.8%	160%
112.9% to 115.0%	180%
> 115.0%	200%

See the Grants of Plan-Based Awards table under the column “Estimated Future Payouts Under Equity Incentive Plan Awards” on page 31 of this proxy statement for threshold, target, and maximum amounts payable to our named executive officers under the 2014 long-term incentive performance-based awards.

Determination of Long-term Incentive Compensation Awards. In January 2014, the Compensation Committee determined the level of achievement of the three-year EBITDA target previously set by the Compensation Committee with respect to the long-term incentive performance-based awards made in January 2012. The Compensation Committee reviewed the Company’s EBITDA for each of the three years in the period January 1, 2012 through December 31, 2014, and determined that the Company’s aggregate EBITDA for such three-year period for purposes of the 2012 long-term incentive performance-based awards was equal to \$1.090 billion, or less than 80% of the EBITDA target previously set by the Compensation Committee in the amount of \$1.381 billion. Accordingly, the Compensation Committee determined, in accordance with the terms of the 2012 long-term incentive performance-based awards, that none of the performance-based

restricted stock units granted as part of the 2012 long-term incentive compensation awards was earned and no shares were issued to our named executive officers pursuant to such awards.

Adoption of Relative Total Shareholder Return as Performance Measure. Our Compensation Committee has adopted a relative total shareholder return metric over a three-year measurement period as the vesting condition for future grants of performance stock units (beginning in 2015) under our long-term incentive compensation program. The Compensation Committee made this decision in order to tie the external performance of our common stock to executive compensation and because the Compensation Committee believes that a relative measure is a more appropriate basis for measuring long-term performance than an absolute measure. In order to immediately emphasize the relative total shareholder return metric to our senior executive officers, the Compensation Committee also determined to grant performance stock unit awards with one- and two-year measurement periods to our senior executive officers, including our named executive officers, in January 2015.

Severance Arrangements

We have executive transition agreements with our named executive officers to provide certain payments and benefits upon an involuntary termination of the named executive officer’s employment or the occurrence of certain other circumstances that may affect the named executive officer. The Compensation Committee believes that such severance arrangements assist us in recruiting and retaining top-level talent. In addition, formalizing our severance practices benefits us (1) by providing us with certainty in terms of our obligations to an eligible executive in the

event that our relationship with him or her is severed and (2) by virtue of the non-competition, non-solicitation and release provisions in our loyalty agreements, which inure to our benefit in the event that an eligible executive severs employment with us.

For a more detailed description of the severance arrangements which apply to our named executive officers, please see “Termination of Employment and Change-in-Control Arrangements” beginning on page 34 of this proxy statement.

Fringe Benefits and Perquisites

Our named executive officers are eligible to participate in the benefit plans generally available to all of our employees, which include health, dental, life insurance, vision and disability plans, all of which the Compensation Committee believes are commensurate with plans of other similarly situated public companies in the retail industry. In addition, we will pay for the cost of an executive physical examination for each named executive officer each year. Our named executive officers are not eligible to participate in our 401(k) Retirement Savings Plan. Instead, our named executive officers are eligible to participate in the Rent-A-Center, Inc. Deferred Compensation Plan. The Deferred Compensation Plan allows our executive officers to defer tax liability on a portion of their compensation.

In addition, we own and operate a corporate jet for use by management for business purposes which is available to our named executive officers for limited non-business use. Use of the corporate aircraft by these executives for non-business use is subject to availability. The executive must pay us all direct operating costs and any additional charges incurred by the executive for any non-business use of the corporate aircraft (no later than at the completion of such non-business use). If the actual cost for the non-business use of the corporate aircraft is not paid in full at the completion of the non-business use, such

amount is deemed compensation for the requesting executive and reflected on his or her W-2 earnings statement for the year.

The Compensation Committee has determined it is beneficial to offer the above-described fringe benefits and perquisites in order to attract and retain our named executive officers by offering compensation opportunities that are competitive with those offered by similarly-situated public companies in the retail industry. In determining the total compensation payable to our named executive officers for a given fiscal year, the Compensation Committee will examine such fringe benefits and perquisites in the context of the total compensation which our named executive officers are eligible to receive. However, given the fact that such fringe benefits and perquisites which are available to our named executive officers represent a relatively insignificant portion of their total compensation, the availability of such items does not materially influence the decisions made by the Compensation Committee with respect to other elements of the total compensation to which our named executive officers are entitled or awarded.

For a description of the fringe benefits and perquisites received by our named executive officers in 2014, please see “– All Other Compensation” on page 30 of this proxy statement.

CEO Transition

Mr. Speese retired as Chief Executive Officer as of January 31, 2014, and Robert D. Davis became Chief Executive Officer as of February 1, 2014. Mr. Speese continues to serve as our Chairman. Mr. Speese specified to us that his resignation as Chief Executive Officer did not constitute a termination of his employment agreement for “good reason” and no severance benefits were paid to Mr. Speese. Mr. Speese is now compensated as a non-employee director, as set forth on pages 11-12. In addition, on February 1, 2014, Mr. Speese was granted 3,676 director deferred stock units representing a pro-rated portion of the 2014 award value of \$100,000.

In connection with Mr. Davis’ appointment as Chief Executive Officer, the Board, upon recommendation of the Compensation Committee, approved the following compensation arrangements for Mr. Davis for 2014:

- effective February 1, 2014, his salary was increased to \$750,000;
- the annual cash incentive compensation target was increased to 100% of his base salary; and
- the long term incentive target value was increased to 200% of his base salary.

Clawback Policy

Our Board has adopted a compensation recovery (“clawback”) policy which provides that, in the event of a restatement of our financial results due to our material noncompliance with any financial reporting requirement under the U.S. federal securities laws, we may seek reimbursement of any portion of incentive compensation paid, vested, or awarded during the three-year period preceding the date on which we are required to prepare such a re-statement, which is in excess of the amount that would have been paid or awarded if calculated based on the restated financial results. Restatements of financial results that are the

direct result of changes in accounting standards will not result in recovery of performance-based or incentive compensation under this policy. This policy is intended to be administered in a manner consistent with any applicable rules, regulations or listing standards adopted by the SEC or The Nasdaq Global Select Market, Inc., as contemplated by the Dodd-Frank Wall Street Reform and Consumer Protection Act. We intend to revise our clawback policy to the extent we deem necessary to comply with such rules, regulations or listing standards.

Executive Stock Ownership Guidelines

We believe that our Chief Executive Officer and our President and Chief Operating Officer should have a meaningful financial stake in the Company to ensure that their interests are aligned with those of our stockholders. To that end, our Board adopted equity ownership guidelines to define our expectations for these officers. Under these guidelines, these officers are expected to own shares

of our common stock at certain minimum levels within five years of the later of (i) January 1, 2014, or (ii) the date on which such officer becomes subject to the applicable requirement, taking into account direct and indirect ownership of shares and share equivalents held in our benefit plans. The required levels under our equity ownership guidelines are as follows:

Chief Executive Officer	5x annual base salary
President & Chief Operating Officer	2x annual base salary

Restricted stock unit awards which have not yet vested are counted toward the ownership requirement. Unexercised stock options are not counted. Currently, Mr. Davis owns shares and unvested restricted stock unit awards valued at approximately

6.8X his 2015 annual salary. Mr. Fadel currently owns shares and unvested restricted stock unit awards valued at approximately 4.8X his 2015 annual salary.

Section 162(m)

In general, Section 162(m) of the Internal Revenue Code imposes a \$1,000,000 limit on the amount of compensation we can deduct in any year with respect to our Chief Executive Officer, Chief Financial Officer, and each of our three other most highly compensated executive officers. The limit does not apply to so-called "performance-based compensation," which includes

compensation attributable to stock options and performance-based restricted stock awards granted pursuant to the 2006 Plan or the Equity Plan. The Compensation Committee believes that our executive compensation deduction for 2014 will not be materially affected by the Section 162(m) limitations.

Summary of Compensation

The following table summarizes the compensation earned by our "named executive officers" in 2014, as well as the compensation earned by such individuals in each of 2013 and 2012, if serving as an executive officer during that time. For 2014, our "named executive officers" consisted of our Chairman (who also served as Chief Executive Officer until January 31, 2014), our Chief Executive Officer, our Chief Financial Officer, and our three other most highly compensated executive officers. The table specifically identifies the dollar value of compensation related to 2014, 2013 and 2012 paid to such named executive officers in the form of:

- base salary, paid in cash;
- stock awards, comprised of awards of restricted stock relating to the 2014, 2013 and 2012 fiscal years;

- option awards, comprised of awards of options during the 2014, 2013 and 2012 fiscal years and identified based upon the aggregate fair value in dollars of such award;
- non-equity plan incentive plan compensation, listing the aggregate dollar value of the awards paid to our named executive officers; and
- all other compensation, which includes amounts paid by us to the named executive officers as matching contributions under our Deferred Compensation Plan and insurance premiums.

Our named executive officers were not entitled to receive payments which would be characterized as "Bonus" payments for purposes of the Summary Compensation Table for 2014, 2013 and 2012.

Summary Compensation Table

Name and Principal Position	Year	Salary	Stock Awards ⁽¹⁾	Option Awards ⁽¹⁾	Non-Equity Incentive Plan Compensation ⁽²⁾	All Other Compensation ⁽³⁾	Total
Mark E. Speese⁴ <i>Chairman of the Board</i>	2014	\$ 81,938	\$ 0	\$ 0	\$ 0	\$ 20,694	\$ 102,632
	2013	\$ 983,250	\$ 1,616,686	\$ 630,388	\$ 511,803 ⁽⁵⁾	\$ 15,066	\$ 3,757,193
	2012	\$ 950,000	\$ 1,484,252	\$ 539,506	\$ 1,726,746 ⁽⁶⁾	\$ 9,775	\$ 4,710,279
Robert D. Davis <i>Chief Executive Officer</i>	2014	\$ 750,000	\$ 1,232,214	\$ 543,156	\$ 262,038	\$ 27,643	\$ 2,815,051
	2013	\$ 469,035	\$ 341,810	\$ 133,908	\$ 25,797	\$ 25,182	\$ 995,732
	2012	\$ 446,700	\$ 332,361	\$ 120,798	\$ 229,716	\$ 22,069	\$ 1,151,644
Mitchell E. Fadel <i>President and Chief Operating Officer</i>	2014	\$ 642,057	\$ 791,151	\$ 348,736	\$ 178,171	\$ 30,068	\$ 1,990,183
	2013	\$ 623,356	\$ 681,453	\$ 266,854	\$ 46,752	\$ 40,527	\$ 1,658,942
	2012	\$ 605,200	\$ 562,824	\$ 204,583	\$ 424,397	\$ 27,830	\$ 1,824,834
Guy J. Constant <i>Executive Vice President – Chief Financial Officer</i>	2014	\$ 475,000	\$ 395,669	\$ 63,300	\$ 52,701	\$ 9,877	\$ 996,547
Christopher A. Korst <i>Executive Vice President – Chief Administrative Officer & General Counsel</i>	2014	\$ 405,620	\$ 249,915	\$ 76,630	\$ 75,040	\$ 24,813	\$ 832,018
	2013	\$ 393,806	\$ 215,257	\$ 84,327	\$ 19,690	\$ 28,214	\$ 741,294
	2012	\$ 382,336	\$ 213,474	\$ 77,704	\$ 176,352	\$ 20,343	\$ 870,209
Joel M. Mussat <i>Executive Vice President – Chief Omnichannel Officer</i>	2014	\$ 360,000	\$ 221,810	\$ 68,011	\$ 66,600	\$ 19,604	\$ 736,025

(1) The amounts reflected in this column are the aggregate grant date fair value computed in accordance with FASB ASC Topic 718 for each award of stock options or restricted stock in 2014, 2013 and 2012 to the applicable named executive officer. Assumptions used in the calculation of these amounts are included in Note N to our audited financial statements for our fiscal year ended December 31, 2014 included in our Annual Report on Form 10-K filed with the SEC on March 2, 2015, and our Annual Reports on Form 10-K for prior years.

(2) Represents the cash bonuses which were payable under our annual cash incentive program with respect to services for the year indicated.

(3) For 2014, represents the compensation as described in the "All Other Compensation" table below.

(4) Mr. Speese is no longer an employee of the Company. Effective as of February 1, 2014, Mr. Speese was compensated as a non-employee director. See Director Compensation for 2014.

(5) Represents (1) the cash bonus amount payable under our 2013 annual cash incentive program in the amount of \$0, and (2) the earned portion of the incentive cash awards granted to Mr. Speese in 2011, 2010, 2009, in the amount of \$511,803.

(6) Represents (1) the cash bonus amount payable under our 2012 annual cash incentive program in the amount of \$888,250, and (2) the earned portion of the incentive cash awards granted to Mr. Speese in 2011, 2010, 2009, 2008 in the amount of \$838,496.

All Other Compensation

The following table provides information regarding each component of compensation for 2014 included in the All Other Compensation column in the Summary Compensation Table above.

Name	Company Matching Contributions ⁽¹⁾	Value of Insurance Premiums ⁽²⁾	Other	Total
Mark E. Speese	\$ 0	\$ 7,788	\$ 12,906 ⁽³⁾	\$ 20,694
Robert D. Davis	\$ 14,352	\$ 11,006	\$ 2,285 ⁽⁴⁾	\$ 27,643
Mitchell E. Fadel	\$ 13,704	\$ 8,755	\$ 7,609 ⁽⁵⁾	\$ 30,068
Guy J. Constant	\$ 0	\$ 9,561	\$ 316 ⁽⁶⁾	\$ 9,877
Christopher A. Korst	\$ 8,461	\$ 9,124	\$ 7,228 ⁽⁷⁾	\$ 24,813
Joel M. Mussat	\$ 7,506	\$ 7,141	\$ 4,957 ⁽⁸⁾	\$ 19,604

(1) Represents contributions or other allocations made by us to our Deferred Compensation Plan.

(2) Represents premiums paid by the company for medical, dental, vision, dental, long-term disability and life insurance.

(3) Represents deemed compensation related to incentive travel award in the amount of \$5,396, fees paid by us for an annual executive physical examination in the amount of \$5,189, and premiums paid by RAC for group term life in the amount of \$2,321.

(4) Represents deemed compensation related to incentive travel award in the amount of \$1,781 and premiums paid by RAC for group term life in the amount of \$504.

(5) Represents deemed compensation related to incentive travel award in the amount of \$1,970, fees paid by us for an annual executive physical examination in the amount of \$3,318, and premiums paid by RAC for group term life in the amount of \$2,321.

(6) Represents deemed compensation related to premiums paid by RAC for group term life in the amount of \$316.

(7) Represents deemed compensation related to incentive travel award in the amount of \$1,542, fees paid by us for an annual executive physical examination in the amount of \$3,927, and premiums paid by RAC for group term life in the amount of \$1,759.

(8) Represents deemed compensation related to incentive travel award in the amount of \$1,678, fees paid by us for an annual executive physical examination in the amount of \$2,949, and premiums paid by RAC for group term life in the amount of \$330.

Grants of Plan-Based Awards

The table below sets forth information about plan-based awards granted to the named executive officers during 2014 under the 2014 annual cash incentive program and the 2006 Plan or the Equity Plan, as applicable.

Name	Grant Date	Date of Compensation Committee	Estimated Possible Payouts Under Non-Equity Incentive Plan Awards ⁽¹⁾			Estimated Future Payouts Under Equity Incentive Plan Awards ⁽²⁾			All Other Stock Awards: Number of Shares of Stock or Units ⁽³⁾	All Other Option Awards: Number of Underlying Securities Options ⁽⁴⁾	Exercise or Base Price of Option Award ⁽⁵⁾	Closing Price on Grant Date	Grant Date Fair Value of Stock and Option Award
			Threshold	Target	Maximum	Threshold	Target	Maximum					
Mark E. Speese													
Short-Term Incentive	N/A	N/A	-	-	-	-	-	-	-	-	-	-	-
Restricted Stock Units	N/A	N/A	-	-	-	-	-	-	-	-	-	-	-
Stock Options	N/A	N/A	-	-	-	-	-	-	-	-	-	-	-
Robert D. Davis													
Short-Term Incentive	N/A	1/29/14	\$138,101	\$708,211	\$1,416,422	-	-	-	-	-	-	-	-
Restricted Stock Units	1/31/14	1/29/14	-	-	-	0	39,953	79,606	14,983	-	-	\$24.94	\$1,232,214
Stock Options	1/31/14	1/29/14	-	-	-	-	-	-	-	70,357	\$25.03	\$24.94	\$ 543,156
Mitchell E. Fadel													
Short-Term Incentive	N/A	1/29/14	\$ 93,901	\$481,543	\$ 963,086	-	-	-	-	-	-	-	-
Restricted Stock Units	1/31/14	1/29/14	-	-	-	0	25,652	51,304	9,620	-	-	\$24.94	\$ 791,151
Stock Options	1/31/14	1/29/14	-	-	-	-	-	-	-	45,173	\$25.03	\$24.94	\$ 348,736
Guy J. Constant													
Short-Term Incentive	N/A	1/29/14	\$ 27,775	\$142,434	\$ 284,868	-	-	-	-	-	-	-	-
Restricted Stock Units	7/01/14	6/23/14	-	-	-	0	11,042	22,084	4,141	-	-	\$28.97	\$ 395,669
Stock Options	7/01/14	6/23/14	-	-	-	-	-	-	-	10,000	\$28.68	\$28.97	\$ 63,300
Christopher A. Korst													
Short-Term Incentive	N/A	1/29/14	\$ 39,548	\$202,810	\$ 405,620	-	-	-	-	-	-	-	-
Restricted Stock Units	1/31/14	1/29/14	-	-	-	0	8,103	16,206	3,039	-	-	\$24.94	\$ 249,915
Stock Options	1/31/14	1/29/14	-	-	-	-	-	-	-	14,270	\$25.03	\$24.94	\$ 76,630
Joel M. Mussat													
Short-Term Incentive	N/A	1/29/14	\$ 35,100	\$180,000	\$ 360,000	-	-	-	-	-	-	-	-
Restricted Stock Units	1/31/14	1/29/14	-	-	-	0	7,192	14,384	2,697	-	-	\$24.94	\$ 221,810
Stock Options	1/31/14	1/29/14	-	-	-	-	-	-	-	12,665	\$25.03	\$24.94	\$ 68,011

(1) These columns show the potential value of the payout of the annual cash incentive bonuses for 2014 performance for each named executive officer if the threshold, target and maximum performance levels are achieved. The potential payout is performance-based and driven by company and individual performance. The actual amount of the annual cash incentive bonuses paid for 2014 performance is shown in the Summary Compensation Table under the "Non-Equity Incentive Plan Compensation" column.

(2) Represents restricted stock units which vest upon our achievement of a three-year EBITDA of \$1.203 billion for the three year period ending December 31, 2016 and the named executive officer remains an employee through December 31, 2016. The issuance of the stock underlying the performance-based restricted stock units granted to our named executive officers will range from a minimum of zero shares if we achieve less than 80% of the target EBITDA, to the maximum number of shares if we achieve at least 115.1% of the target EBITDA. EBITDA for the fiscal year ended December 31, 2014 was \$283.4 million, determined in accordance with the terms of the performance-based award.

(3) Represents restricted stock units which vest upon completion of three-years of continuous employment with us from January 31, 2014.

(4) Represents options to purchase shares of our common stock which vest ratably over a four-year period.

(5) Calculated by reference to the closing price for shares of our common stock on the Nasdaq Global Select Market on the last trading day before the date of grant as reported on the Nasdaq Global Select Market, in accordance with the applicable plan.

Outstanding Equity Awards at Fiscal Year End

The following table provides information regarding stock options and restricted stock units held by the named executive officers that were outstanding at December 31, 2014.

	Option Awards				Stock Awards	
	Number of Securities Underlying Unexercised Options - Exercisable	Number of Securities Underlying Unexercised Options - Unexercisable	Option Exercise Price	Option Expiration Date	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested ⁽¹⁾
Mark E. Speese	70,000		\$ 29.29	10/2/16		
	7,500		\$ 32.28	1/3/21		
	25,728		\$ 37.19	1/31/22		
	17,390		\$ 34.77	1/31/23		
Robert D. Davis	5,320		\$ 19.52	1/31/16	6,407 ⁽¹⁰⁾	\$ 232,702
	3,465		\$ 28.81	1/31/17	7,194 ⁽¹²⁾	\$ 261,286
	10,440		\$ 15.26	1/30/18	39,953 ⁽¹⁴⁾	\$ 1,451,093
	10,949		\$ 15.37	1/30/19	3,003 ⁽⁹⁾	\$ 109,069
	7,555		\$ 19.70	1/29/20	3,372 ⁽¹¹⁾	\$ 122,471
	6,234	2,077 ⁽²⁾	\$ 29.91	1/31/21	14,983 ⁽¹³⁾	\$ 544,183
	5,761	5,760 ⁽³⁾	\$ 37.19	1/31/22		
	3,694	11,082 ⁽⁴⁾	\$ 34.77	1/31/23		
	70,357 ⁽⁵⁾	\$ 25.03	1/31/24			
Mitchell E. Fadel	7,500	2,500 ⁽⁶⁾	\$ 32.28	1/3/21	10,850 ⁽¹⁰⁾	\$ 394,072
	10,660	3,553 ⁽²⁾	\$ 29.91	1/31/21	14,342 ⁽¹²⁾	\$ 520,901
	9,756	9,756 ⁽³⁾	\$ 37.19	1/31/22	25,652 ⁽¹⁴⁾	\$ 931,681
	7,365	22,092 ⁽⁴⁾	\$ 34.77	1/31/23	5,085 ⁽⁹⁾	\$ 184,687
		45,173 ⁽⁵⁾	\$ 25.03	1/31/24	6,723 ⁽¹¹⁾	\$ 244,179
		\$		9,620 ⁽¹³⁾	\$ 349,398	
Guy J. Constant		10,000 ⁽⁷⁾	\$ 28.68	7/1/24	11,042 ⁽¹⁴⁾	\$ 401,045
					4,141 ⁽¹³⁾	\$ 150,401
Christopher A. Korst	2,425		\$ 28.81	1/31/17	4,113 ⁽¹⁰⁾	\$ 149,384
	2,500		\$ 14.52	1/2/18	4,530 ⁽¹²⁾	\$ 164,530
	2,267		\$ 15.26	1/30/18	8,103 ⁽¹⁴⁾	\$ 294,301
	9,600		\$ 15.37	1/30/19	1,931 ⁽⁹⁾	\$ 70,134
	6,656		\$ 19.70	1/29/20	2,124 ⁽¹¹⁾	\$ 77,144
	5,051	1,683 ⁽²⁾	\$ 29.91	1/31/21	3,039 ⁽¹³⁾	\$ 110,376
	3,706	3,705 ⁽³⁾	\$ 37.19	1/31/22		
	2,327	6,978 ⁽⁴⁾	\$ 34.77	1/31/23		
	14,270 ⁽⁵⁾	\$ 25.03	1/31/24			
Joel M. Mussat	520		\$ 28.81	1/31/17	3,359 ⁽¹⁰⁾	\$ 121,999
	2,142	713 ⁽²⁾	\$ 29.91	1/31/21	3,826 ⁽¹²⁾	\$ 138,960
	5,625	1,875 ⁽⁸⁾	\$ 27.45	10/3/21	7,192 ⁽¹⁴⁾	\$ 261,213
	3,020	3,020 ⁽³⁾	\$ 37.19	1/31/22	1,574 ⁽⁹⁾	\$ 57,168
	1,900	5,699 ⁽⁴⁾	\$ 34.77	1/31/23	1,734 ⁽¹¹⁾	\$ 62,979
	12,665 ⁽⁵⁾	\$ 25.03	1/31/24	2,697 ⁽¹³⁾	\$ 97,955	

(1) Calculated by reference to the closing price for shares of our common stock on the Nasdaq Global Select Market on December 31, 2014 which was \$36.32.

(2) These options to purchase shares of our common stock vested on January 31, 2015.

(3) These options to purchase shares of our common stock vest in equal parts on each of January 31, 2015 and January 31, 2016.

(4) These options to purchase shares of our common stock vest in equal parts on each of January 31, 2015, January 31, 2016 and January 31, 2017.

(5) These options to purchase shares of our common stock vest in equal parts on each of January 31, 2015, January 31, 2016, January 31, 2017 and January 31, 2018.

(6) These options to purchase shares of our common stock vested on January 3, 2015.

- (7) These options to purchase shares of our common stock vest in equal parts on each of July 1, 2015, July 1, 2016, July 1, 2017, and July 1, 2018.
- (8) These options to purchase shares of our common stock vest on October 3, 2015.
- (9) Represents the number of shares of our common stock that will vest and become issuable pursuant to the time-based restricted stock unit awards upon the named executive officer's completion of three years of continuous employment with us from January 31, 2012. These shares vested on January 31, 2015.
- (10) Represents the number of shares of our common stock that will vest and become issuable pursuant to the performance-based restricted stock unit awards upon our achievement of a three-year EBITDA target of \$1.368 billion for the three-year period ending December 31, 2014 and the named executive officer remains an employee through December 31, 2013. Aggregate EBITDA for the fiscal years ended December 31, 2012, 2013, and 2014 was \$1.090 billion, determined in accordance with the terms of the performance-based award, which resulted in no shares vesting.
- (11) Represents the number of shares of our common stock that will vest and become issuable pursuant to the time-based restricted stock unit awards upon the named executive officer's completion of three years of continuous employment with us from January 31, 2013.
- (12) Represents the number of shares of our common stock that will vest and become issuable pursuant to the performance-based restricted stock unit awards upon our achievement of a three-year EBITDA target of \$1.593 billion for the three-year period ending December 31, 2015 and the named executive officer remains an employee through December 31, 2015. EBITDA for the fiscal year ended December 31, 2013 and 2014 was \$617.4 million, determined in accordance with the terms of the performance-based award.
- (13) Represents the number of shares of our common stock that will vest and become issuable pursuant to the time-based restricted stock unit awards upon the named executive officer's completion of three years of continuous employment with us from January 31, 2014.
- (14) Represents the number of shares of our common stock that will vest and become issuable pursuant to the performance-based restricted stock unit awards upon our achievement of a three-year EBITDA target of \$1.203 billion for the three-year period ending December 31, 2016 and the named executive officer remains an employee through December 31, 2016. EBITDA for the fiscal year ended December 31, 2014 was \$283.4 million, determined in accordance with the terms of the performance-based award.

Option Exercises and Stock Vested

The following table reflects certain information with respect to options exercised by our named executive officers during the 2014 fiscal year, as well as applicable stock awards that vested, during the 2014 fiscal year:

	Option Awards		Stock Awards	
	Number of Shares Acquired on Exercise	Value Realized on Exercise	Number of Shares Acquired on Vesting	Value Realized on Vesting
Mark E. Speese	–	–	–	\$ –
Robert D. Davis	–	–	2,872	\$ 71,628
Mitchell E. Fadel	34,508	\$436,659	4,911	\$122,480
Guy J. Constant	–	–	–	–
Christopher A. Korst	–	–	2,327	\$ 58,035
Joel M. Mussat	653	\$ 4,329	987	\$ 24,616

Nonqualified Deferred Compensation

The Rent-A-Center, Inc. Deferred Compensation Plan is an unfunded, nonqualified deferred compensation plan for a select group of our key management personnel and highly compensated employees. The Deferred Compensation Plan first became available to eligible employees in July 2007, with deferral elections taking effect as of August 3, 2007. Beginning in 2012, highly compensated employees (including our named executive officers) are no longer eligible to participate in our 401(k) Retirement Savings Plan and must participate in the Deferred Compensation Plan in order to defer any compensation.

The Deferred Compensation Plan allows participants to defer up to 50% of their base compensation and up to 100% of any bonus compensation. Participants may invest the amounts

deferred in measurement funds that are the same funds offered as the investment options in our 401(k) Retirement Savings Plan. We may make discretionary contributions to the Deferred Compensation Plan, which are subject to a three-year graded vesting schedule based on the participant's years of service with us. Currently, we make matching contributions in the Deferred Compensation Plan of 50% of the employee's contribution to the plan up to an amount not to exceed 4% of such employee's compensation, which is the same matching policy as under our 401(k) Retirement Savings Plan. We are obligated to pay the deferred compensation amounts in the future in accordance with the terms of the Deferred Compensation Plan.

COMPENSATION DISCUSSION AND ANALYSIS

The following table provides information for the named executive officers regarding contributions, earnings and balances for our Deferred Compensation Plan.

Name	Executive Contributions in Last FY	Registrant Contributions in Last FY ⁽²⁾	Aggregate Earnings in Last FY	Aggregate Withdrawals/ Distributions	Aggregate Balance at Last FYE ⁽³⁾
Mark E. Speese ⁽¹⁾	–	–	–	–	–
Robert D. Davis	\$ 107,637	\$ 14,352	\$ 51,573	\$ 0	\$ 668,503
Mitchell E. Fadel	\$ 27,408	\$ 13,704	\$ 11,382	\$ 0	\$ 160,770
Guy J. Constant	–	–	–	–	–
Christopher A. Korst	\$ 41,122	\$ 8,461	\$ 24,357	\$ 0	\$ 273,527
Joel M. Mussat	\$ 75,058	\$ 7,506	\$ 33,473	\$ 0	\$ 456,777

(1) At his election, does not participate in our Deferred Compensation Plan.

(2) Represents matching contributions or other allocations made by us under our Deferred Compensation Plan which amount was also reported as compensation in the "Summary Compensation Table" on page 30 of this proxy.

(3) Of these amounts, the following aggregate amounts are included in the Summary Compensation Table above (as fiscal 2012, 2013 or 2014 compensation, as applicable) for each Named Executive Officer: Mr. Davis – \$244,394; Mr. Fadel – \$92,785; Mr. Korst – \$115,593; and Mr. Mussat – \$75,058.

Termination of Employment and Change-in-Control Arrangements

Severance Arrangements

We have entered into executive transition agreements with each of our named executive officers, other than Mr. Speese. Each executive transition agreement has substantially identical terms and is intended to provide certain payments and benefits upon an involuntary termination of the named executive officer's employment or the occurrence of certain other circumstances that may affect the named executive officer.

Termination Not in Conjunction with a Change in Control. If the named executive officer's employment is terminated without "cause," the named executive officer will be entitled to receive:

- unpaid but earned base salary through the date of termination;
- a pro rata bonus calculated based upon the named executive officer's bonus amount from the previous year;
- one and one half times the sum of the named executive officer's highest annual rate of salary during the previous 24 months, and the named executive officer's average annual bonus for the two preceding calendar years; and
- continued health insurance coverage for the named executive officer and the named executive officer's spouse and covered dependents for up to 18 months.

If the named executive officer's employment is terminated due to disability or death, the named executive officer will be entitled to receive:

- unpaid but earned base salary through the date of termination;
- a pro rata bonus calculated based upon the named executive officer's bonus amount from the previous year; and
- continued health insurance coverage for the named executive officer and the named executive officer's spouse and covered dependents for 12 months.

If the named executive officer's employment is terminated for "cause" or if the named executive officer terminates his employment for any reason other than death, the named executive officer will be entitled to receive his unpaid but earned base salary through the date of termination (reduced by amounts owed by the named executive officer to us or our affiliates).

Termination in Conjunction With a Change In Control. If the named executive officer's employment is terminated in conjunction with a change in control of us without "cause" or by the named executive officer for "good reason," the named executive officer will be entitled to receive the same severance payments and benefits as described above (not in connection with a change in control) with respect to a termination without "cause," except that the named executive officer will be entitled to receive two times the sum of the named executive officer's highest annual rate of salary during the previous 24 months, and the named executive officer's average annual bonus for the two preceding calendar years, rather than one and one half times such amount, and the named executive officer will be entitled to continued health insurance coverage for up to two years, rather than 18 months. If the named executive officer's employment is terminated in connection with a change in control due to disability or death, or for "cause" or without "good reason," the named executive officer will be entitled to receive the same severance payments and benefits as described above (not in connection with a change in control) with respect to a termination due to disability or death or for "cause," respectively.

Under each of the executive transition agreements, the term "change in control" generally means the occurrence of any of the following after September 14, 2006:

- any person becomes the beneficial owner of 40% or more of the combined voting power of our then outstanding voting securities;

- a consolidation, merger or reorganization of us, unless (i) our stockholders immediately prior to such transaction own at least a majority of the voting power of the outstanding voting securities of the resulting entity, (ii) the members of our Board immediately prior to the execution of the agreement providing for such a transaction constitute a majority of the board of directors of the surviving corporation or of its majority stockholder, and (iii) no person beneficially owns more than 40% of the combined voting power of the then outstanding voting securities of the surviving corporation (other than a person who is (a) us or a subsidiary of us, (b) an employee benefit plan maintained by us, the surviving corporation or any subsidiary, or (c) the beneficial owner of 40% or more of the combined voting power of our outstanding voting securities immediately prior to such transaction;
- individuals who, as of September 14, 2006, constitute our entire Board cease to constitute a majority of our Board, provided that anyone who later becomes a director and whose appointment or nomination for election was approved by at least two-thirds of our directors at the time shall be considered as though such individual were a member of our Board; or
- a complete liquidation or dissolution of us, or a sale or other disposition of all or substantially all of our assets (other than to an entity described in the second bullet point above).

Long-Term Incentive Plans

Awards Pursuant to the 2006 Plan and the Equity Plan. Pursuant to stock option agreements under the 2006 Plan and the Equity Plan, if the individual's employment with us is terminated because of death or disability, any options that are vested and exercisable on the date of termination will remain exercisable for 12 months thereafter, but not beyond the term of the agreement. If the individual's employment is terminated by us for "cause," then the options (whether or not then vested and exercisable) will immediately terminate and cease to be exercisable. If the individual's employment with us is terminated for any other reason, any options that are vested and exercisable as of the date of termination will remain exercisable for three months thereafter, but not beyond the term of the agreement.

Pursuant to the 2006 Plan and the Equity Plan, each holder of an option to purchase shares of our common stock may exercise such option immediately prior to an "exchange transaction," regardless of whether currently vested, and any outstanding options not exercised before the exchange transaction shall terminate. However, if, as part of an exchange transaction, our stockholders receive capital stock of another corporation in exchange for our common stock, and if our Board so directs, then all outstanding options shall be converted into options to purchase shares of such stock, with the amount and price to be determined by adjusting the amount and price of the options granted under the 2006 Plan or the Equity Plan, as applicable, on the same basis as the determination of the number of shares of exchange stock the holders of our outstanding common stock are entitled to receive in the exchange transaction. In addition, unless our Board determines otherwise, the vesting conditions with respect to the converted options shall be substantially the same as those set forth in the original option agreement. The Board may accelerate the vesting of stock awards and other awards, provide for cash settlement of and/or make such other adjustments to any outstanding award as it deems appropriate in the context of an exchange transaction.

Under the 2006 Plan and the Equity Plan, the term "exchange transaction" means a merger (other than in which the holders of our common stock immediately prior thereto have the same proportionate ownership of common stock in the surviving corporation immediately thereafter), consolidation, acquisition or disposition of property or stock, separation, reorganization (other than a reincorporation or the creation of a holding company), liquidation of us or any other similar transaction or event so designated by our Board, as a result of which our stockholders receive cash, stock or other property in exchange for or in connection with their shares of our common stock.

Pursuant to stock compensation agreements under the 2006 Plan and the Equity Plan, if the individual's employment with us is terminated because of death or disability, or there is a change in ownership of us, then any unvested restricted stock units will vest on the date of such termination of employment or immediately prior to the consummation of the change in ownership of us, as the case may be. However, any unvested restricted stock units do not vest by reason of a change in ownership unless the individual remains continuously employed by us until such change in ownership is complete or the individual's employment is sooner terminated by us in connection with such change in ownership. In addition, upon the termination of the individual's employment or other service with us for any reason other than disability or death, any unvested restricted stock units will thereupon terminate and be canceled.

Under each of the stock compensation agreements, the term "change in ownership" is defined as any transaction or series of transactions as a result of which any one person or group of persons acquires (i) ownership of our common stock that, together with the common stock previously held by such person, constitutes more than 50% of the total fair market value or total voting power of such stock, or (ii) ownership of our assets having a total gross fair market value at least equal to 80% of the total gross fair market value of all of the assets immediately prior to such transaction or series of transactions.

Potential Payments and Benefits Upon Termination Without a Change in Control

The following table provides quantitative disclosure of the estimated payments that would be made to our named executive officers under their employment agreement or severance agreements, as well as the amounts our named executive officers would receive upon the exercise of the equity and cash awards held by them on December 31, 2014, the last business day of our fiscal 2014, assuming that:

- each named executive officer's employment with us was terminated on December 31, 2014, and was not in connection with an event which constituted a "change in control" or an "exchange transaction" under any agreement or plan described above;
- the base salary earned by each named executive officer for his services to us through December 31, 2014 has been fully paid to such named executive officer;
- to the extent not otherwise terminated in connection with the named executive officer's termination, each of our named executive officers exercised any previously unexercised, vested options and sold the underlying shares at the closing price for shares of our common stock on the Nasdaq Global Select Market on December 31, 2014, which was \$36.32; and
- to the extent not otherwise terminated in connection with the named executive officer's termination, each of our named executive officers sold the shares of our common stock underlying their previously unvested restricted stock units at the closing price for shares of our common stock on the Nasdaq Global Select Market on December 31, 2014.

Name	Cash Severance Payout	Continuation of Medical Benefits	Acceleration and Continuation of Outstanding Awards	Total Termination Benefits
Robert D. Davis				
Termination by Us without "Cause"	\$1,602,914	\$8,754	\$ 735,896	\$2,347,564
Termination by Us for "Cause"	\$ 0	\$ 0	\$ 0	\$ 0
Termination by Us due to Mr. Davis's Disability or death	\$ 262,038	\$5,836	\$3,456,700	\$3,724,574
Termination by Mr. Davis for Reason other than death or disability	\$ 0	\$ 0	\$ 735,896	\$ 735,896
Mitchell E. Fadel				
Termination by Us without "Cause"	\$1,309,948	\$6,210	\$ 110,046	\$1,426,204
Termination by Us for "Cause"	\$ 0	\$ 0	\$ 0	\$ 0
Termination by Us due to Mr. Fadel's Disability or death	\$ 178,171	\$4,140	\$2,734,965	\$2,917,276
Termination by Mr. Fadel for Reason other than death or disability	\$ 0	\$ 0	\$ 110,046	\$ 110,046
Guy J Constant				
Termination by Us without "Cause"	\$ 606,752	\$8,754	\$ 0	\$ 615,506
Termination by Us for "Cause"	\$ 0	\$ 0	\$ 0	\$ 0
Termination by Us due to Mr. Constant's Disability or death	\$ 52,701	\$5,836	\$ 551,447	\$ 609,984
Termination by Mr. Constant for Reason other than death or disability	\$ 0	\$ 0	\$ 0	\$ 0
Christopher A. Korst				
Termination by Us without "Cause"	\$ 754,518	\$8,754	\$ 468,181	\$1,231,453
Termination by Us for "Cause"	\$ 0	\$ 0	\$ 0	\$ 0
Termination by Us due to Mr. Korst's Disability or death	\$ 75,040	\$5,836	\$1,330,443	\$1,411,319
Termination by Mr. Korst for Reason other than death or disability	\$ 0	\$ 0	\$ 468,181	\$ 468,181
Joel M. Mussat				
Termination by Us without "Cause"	\$ 668,727	\$6,210	\$ 70,474	\$ 745,411
Termination by Us for "Cause"	\$ 0	\$ 0	\$ 0	\$ 0
Termination by Us due to Mr. Mussat's Disability or death	\$ 66,600	\$4,140	\$ 810,748	\$ 881,488
Termination by Mr. Mussat for Reason other than death or disability	\$ 0	\$ 0	\$ 70,474	\$ 70,474

Potential Payments and Benefits Upon Termination With a Change in Control

The following table provides quantitative disclosure of the estimated payments that would be made to our named executive officers under their employment agreement or severance agreements, as well as the amounts our named executive officers would receive upon the exercise of the equity and cash awards held by them on December 31, 2014, the last business day of our fiscal 2012, assuming that:

- each named executive officer's employment with us was terminated on December 31, 2014, and was in connection with an event which constituted a "change in control" or an "exchange transaction" under any agreement or plan described above;
- the base salary earned by each named executive officer for his services to us through December 31, 2014 has been fully paid to such named executive officer;
- with respect to options awarded pursuant to the 2006 Plan or the Equity Plan, the Board does not direct such outstanding options to be converted into options to purchase shares of the exchange stock;
- to the extent not otherwise terminated in connection with the named executive officer's termination, each of our named executive officers exercised any previously unexercised options and sold the underlying shares at the closing price for shares of our common stock on the Nasdaq Global Select Market on December 31, 2014; and
- to the extent not otherwise terminated in connection with the named executive officer's termination, each of our named executive officers sold the shares of our common stock underlying their previously unvested restricted stock units at the closing price for shares of our common stock on the Nasdaq Global Select Market on December 31, 2014.

Name	Cash Severance Payout	Continuation of Medical Benefits	Acceleration and Continuation of Outstanding Awards	Total Termination Benefits
Robert D. Davis				
Termination by Us without "Cause" or by Mr. Davis for "Good Reason"	\$2,049,873	\$11,672	\$4,281,521	\$6,343,066
Termination by Us due to Mr. Davis's Disability or death	\$ 262,038	\$ 5,836	\$4,281,521	\$4,549,395
Termination by Us for "Cause" or by Mr. Davis without "Good Reason"	\$ 0	\$ 0	\$4,281,521	\$4,281,521
Mitchell E. Fadel				
Termination by Us without "Cause" or by Mr. Fadel for "Good Reason"	\$1,687,208	\$ 8,280	\$3,312,086	\$5,007,574
Termination by Us due to Mr. Fadel's Disability or death	\$ 178,171	\$ 4,140	\$3,312,086	\$3,494,397
Termination by Us for "Cause" or by Mr. Fadel without "Good Reason"	\$ 0	\$ 0	\$3,312,086	\$3,312,086
Guy J. Constant				
Termination by Us without "Cause" or by Mr. Constant for "Good Reason"	\$ 633,103	\$11,672	\$ 627,847	\$1,272,621
Termination by Us due to Constant's Disability or death	\$ 52,701	\$ 5,836	\$ 627,847	\$ 686,383
Termination by Us for "Cause" or by Mr. Constant without "Good Reason"	\$ 0	\$ 0	\$ 627,847	\$ 627,847
Christopher A. Korst				
Termination by Us without "Cause" or by Mr. Korst for "Good Reason"	\$ 981,010	\$11,672	\$1,516,762	\$2,509,445
Termination by Us due to Mr. Korst's Disability or death	\$ 75,040	\$ 5,836	\$1,516,762	\$1,597,638
Termination by Us for "Cause" or by Mr. Korst without "Good Reason"	\$ 0	\$ 0	\$1,516,762	\$1,516,762
Joel M. Mussat				
Termination by Us without "Cause" or by Mr. Mussat for "Good Reason"	\$ 869,436	\$ 8,280	\$ 983,771	\$1,861,488
Termination by Us due to Mr. Mussat's Disability or death	\$ 66,600	\$ 4,140	\$ 983,771	\$1,054,512
Termination by Us for "Cause" or by Mr. Mussat without "Good Reason"	\$ 0	\$ 0	\$ 983,771	\$ 983,771

Potential Realizable Value of Outstanding Awards Upon a Change in Control Without Termination

Under our long-term incentive plans, in the event of a “change in control” of us or an “exchange transaction” involving us, the vesting of outstanding awards may be accelerated regardless of whether the employment of the holder is terminated in connection therewith. The following table provides quantitative disclosure of the potential realizable value of outstanding awards granted to our named executive officers pursuant to our long-term incentive plans assuming that:

- an event which constituted a “change in control” and an “exchange transaction” under each of the agreements and plans described above was consummated on December 31, 2014;
- with respect to options awarded pursuant to the 2006 Plan and the Equity Plan, the Board does not direct such outstanding options to be converted into options to purchase shares of the exchange stock;

- each named executive officer exercised any previously unexercised options and sold the underlying shares at the closing price for shares of our common stock on the Nasdaq Global Select Market on December 31, 2014; and
- each named executive officer sold the shares of our common stock underlying their previously unvested restricted stock units at the closing price for shares of our common stock on the Nasdaq Global Select Market on December 31, 2014.

Name	Potential Realizable Value ⁽¹⁾
Robert D. Davis	\$ 4,281,521
Mitchell E. Fadel	\$ 3,312,086
Guy J. Constant	\$ 627,847
Christopher A. Korst	\$ 1,516,762
Joel M. Mussat	\$ 983,771

(1) Calculated by reference to the closing price for shares of our common stock on The Nasdaq Global Select Market on December 31, 2014, the last business day of fiscal 2014, which was \$36.32.

Compensation Related Risk

The Compensation Committee believes that the design of our compensation programs, including our executive compensation program, does not encourage our executives or employees to take unnecessary and excessive risks and that the risks arising from these programs are not reasonably likely to have a material adverse effect on us. The Compensation Committee considered the following factors in making that determination:

- The allocation among the components of direct annual compensation provides an appropriate balance between annual and long-term incentives and between fixed and performance-based compensation.
- The performance measures and the multi-year vesting features of the long-term equity incentive compensation component encourage participants to seek sustainable growth and value creation.
- Inclusion of share-based compensation through the long-term equity incentive compensation component encourages appropriate decision-making that is aligned with the long-term interests of our stockholders.
- Our annual cash incentive program and the awards of restricted stock with performance-based vesting contain provisions with respect to our achievement of the applicable financial target such that each participant may receive (1) an additional payout pursuant to such award in the event that we exceed the applicable financial target, and (2) a portion of the target payout pursuant to such award in the event that we approach, yet fail to achieve, the target level of financial performance.
- We maintain a values-driven, ethics-based culture supported by a strong tone at the top.

Equity Compensation Plan Information

The following table sets forth certain information concerning all equity compensation plans previously approved by our stockholders and all equity compensation plans not previously approved by our stockholders as of December 31, 2014.

Plan Category	Number of Securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plan ⁽¹⁾
Equity compensation plans approved by security holders	3,261,537	\$30.63	6,243,314
Equity compensation plans not approved by security holders	-0-	-0-	-0-
Total	3,261,537	\$30.63	6,243,314

(1) Pursuant to the terms of the Plans, when an optionee leaves our employ, unvested options granted to that employee terminate and become available for re-issuance. Vested options not exercised within 90 days from the date the optionee leaves our employ terminate and become available for re-issuance.

PROPOSAL THREE: ADVISORY VOTE ON EXECUTIVE COMPENSATION

In accordance with the Dodd-Frank Wall Street Reform and Consumer Protection Act, we are seeking stockholder approval of our executive compensation program and practices as disclosed in this proxy statement. As described above in the "Compensation Discussion and Analysis" section of this proxy statement, the Compensation Committee has structured our executive compensation program to achieve the following key objectives:

- attract, retain and motivate senior executives with competitive compensation opportunities;
- balance short-term and long-term strategic goals;
- align our executive compensation program with the core values identified in our mission statement which focuses on improving the quality of life for our co-workers and our customers; and
- reward achievement of our financial and non-financial goals.

We urge stockholders to read the "Compensation Discussion and Analysis" beginning on page 20 of this proxy statement, which describes in more detail how our executive compensation policies and procedures operate and are designed to achieve our compensation objectives, as well as the Summary Compensation Table and other related compensation tables and narrative disclosures, appearing on pages 30 through 38, which provide detailed information on the compensation of our named executive officers. The Compensation Committee and the Board believe that the policies and procedures articulated in the "Compensation Discussion and Analysis" are effective in achieving our goals and that the compensation of our named executive officers reported in this proxy statement has contributed to our recent and long-term success.

In accordance with Section 14A of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and as a matter of good corporate governance, we are asking stockholders to approve the following advisory resolution at the 2015 Annual Meeting of Stockholders:

"RESOLVED, that the stockholders of Rent-A-Center, Inc. (the "Company") approve, on an advisory basis, the compensation of the Company's named executive officers for the year ended December 31, 2014, as disclosed in the 2015 Proxy Statement pursuant to the compensation disclosure rules of the Securities and Exchange Commission (including Item 402 of Regulation S-K), including the Compensation Discussion and Analysis, the Summary Compensation Table and the other related tables and narrative disclosure."

This advisory resolution, commonly referred to as a "say-on-pay" resolution, is non-binding on the Board. Although non-binding, the Board and the Compensation Committee will carefully take into account the outcome of the vote when considering future compensation arrangements for our named executive officers. We intend to conduct future advisory votes on executive compensation at each subsequent annual meeting.

The affirmative vote of a majority of the shares of common stock present in person or represented by proxy and entitled to be voted on the proposal at the meeting is required for approval of this advisory resolution.

Our Board of Directors recommends that you vote "FOR" approval of the advisory resolution on executive compensation.

COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION

Mr. Roberts, Mr. Gade, and Mr. Lentell each served as members of the Compensation Committee for all or a portion of 2014. Each member is independent and no member of the Compensation Committee (1) has ever been employed by us, as an officer or otherwise, or (2) other than with respect to Mr. Lentell, as described under the heading "Related Person Transactions" below, has or had any relationship with us in 2014

requiring disclosure pursuant to SEC rules. In addition, during 2014, none of our executive officers served as a member of the compensation or similar committee or as a member of the board of directors of any other entity having an executive officer that also served on the Compensation Committee or Board of Directors of Rent-A-Center.

RELATED PERSON TRANSACTIONS

Policy on Review and Approval of Transactions with Related Persons

The Board has adopted a written statement of policy and procedures for the identification and review of transactions involving us and “related persons” (our directors and executive officers, stockholders owning five percent or greater of our outstanding stock, immediate family members of any of the foregoing, or any entity in which any of the foregoing persons is employed or is a partner or principal or in a similar position or in which such person has a five percent or greater beneficial ownership interest).

Our directors and executive officers are required to provide notice to our legal department of the facts and circumstances of any proposed transaction involving amounts greater than \$50,000 involving them or their immediate family members that may be deemed to be a related person transaction. Our legal department will then assess whether the proposed related person transaction requires approval pursuant to the policy and procedures. If our

legal department determines that any proposed, ongoing or completed transaction involves an amount in excess of \$100,000 and is a related person transaction, our Chief Executive Officer and the Chairman of the Nominating and Corporate Governance Committee must be notified (unless it involves our Chief Executive Officer, in which case the Chairman of the Nominating and Corporate Governance Committee must be notified), for consideration at the next regularly scheduled meeting of the Nominating and Corporate Governance Committee. In certain instances, the Chairman of the Nominating and Corporate Governance Committee may pre-approve or ratify, as applicable, any related person transaction in which the aggregate amount involved is, or is expected to be, less than \$500,000. The Nominating and Corporate Governance Committee or its Chairman, as applicable, will approve or ratify, as applicable, only those related person transactions that are in, or are not inconsistent with, our best interests and those of our stockholders.

Intrust Bank Relationship

J.V. Lentell, one of our directors, serves as Vice Chairman of the Board of Directors of Intrust Bank, N.A., one of our lenders. Intrust Bank, N.A. is a \$15 million participant (total commitment) in our senior credit facility. We also maintain operational checking and other accounts, including a \$20 million revolving line of credit, with Intrust Bank, N.A. In addition, Intrust Bank, N.A. serves as trustee of our 401(k) and deferred compensation plans. During

2014, we paid Intrust a total of \$1,383,816 in fees in connection with banking services provided by them, of which \$928,103 was for administration fees and trustee fees for our 401(k) and deferred compensation plans. The total fees paid to Intrust during 2014 constituted less than 1% of Intrust’s annual revenue for the year ended December 31, 2014.

SECTION 16(A) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Based on a review of reports filed by our directors, executive officers and beneficial owners of more than 10% of our shares of common stock, and upon representations from those persons, we believe that all SEC stock ownership reports required to be filed by those reporting persons during and with respect to 2014 were timely made.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth the common stock ownership for each of our directors, each of the named executive officers who are currently employed by us, all of our directors and executive officers as a group, and each of our known 5% stockholders. Beneficial ownership is determined in accordance with SEC rules and regulations. Unless otherwise indicated and subject to community property laws where applicable, we believe that each of the stockholders named in the table below has sole voting and investment power with respect to the shares indicated as beneficially owned. Information in the table is as of February 23, 2015, unless otherwise indicated.

Name of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percent
Mark E. Speese	1,426,322 ⁽¹⁾	2.7
Robert D. Davis	111,443 ⁽²⁾	*
Michael J. Gade	39,130 ⁽³⁾	*
Jeffery M. Jackson	28,230 ⁽⁴⁾	*
J.V. Lentell	42,730 ⁽⁵⁾	*
Steven L. Pepper	7,404 ⁽⁶⁾	*
Leonard H. Roberts	33,230 ⁽⁷⁾	*
Paula Stern, Ph.D.	17,730 ⁽⁸⁾	*
Guy J. Constant	10,000 ⁽⁹⁾	
Mitchell E. Fadel	86,621 ⁽¹⁰⁾	*
Christopher A. Korst	54,688 ⁽¹¹⁾	*
Joel M. Mussat	23,432 ⁽¹²⁾	
BlackRock, Inc.	4,259,365 ⁽¹³⁾	8.1
Dimensional Fund Advisors LP	4,462,362 ⁽¹⁴⁾	8.4
FMR LLC	7,865,391 ⁽¹⁵⁾	14.9
The Vanguard Group	3,109,191 ⁽¹⁶⁾	5.9
All named executive officers and directors as a group (12 total)	1,880,960	3.5

* Less than 1%.

(1) Represents (a) 1,121,382 shares held directly, (b) 120,618 shares issuable pursuant to currently exercisable options, (c) 177,892 shares held directly by Mr. Speese's spouse, and (d) 6,430 deferred stock units.

(2) Represents (a) 29,061 shares held directly, (b) 79,658 shares issuable pursuant to currently exercisable options, and (c) 2,724 shares held pursuant to our 401(k) Plan (as of December 31, 2014).

(3) Represents (a) 2,400 shares held directly, (b) 19,000 shares issuable pursuant to currently exercisable options, and (c) 17,730 deferred stock units.

(4) Represents (a) 1,500 shares held directly, (b) 9,000 shares issuable pursuant to currently exercisable options and (c) 17,730 deferred stock units.

(5) Represents (a) 10,000 shares held directly; (b) 15,000 shares issuable pursuant to currently exercisable options, and (c) 17,730 deferred stock units.

(6) Represents 7,404 deferred stock units.

(7) Represents (a) 1,500 shares held directly, (b) 14,000 shares issuable pursuant to currently exercisable options, and (c) 17,730 deferred stock units.

(8) Represents 17,730 deferred stock units.

(9) Represents 10,000 shares held directly.

(10) Represents (a) 6,856 shares held directly, (b) 64,869 shares issuable pursuant to currently exercisable options, (c) 11,071 shares held pursuant to our 401(k) Plan (as of December 31, 2014), and (d) 3,825 shares held in a personal IRA account.

(11) Represents (a) 9,566 shares held directly, (b) 43,961 shares issuable pursuant to currently exercisable options, and (c) 1,161 shares held pursuant to our 401(k) Plan (as of December 31, 2014).

(12) Represents (a) 1,061 shares held directly and (b) 22,371 shares issuable pursuant to currently exercisable options.

(13) The address of BlackRock, Inc. is 55 East 52nd Street, New York, New York, 10022. BlackRock, Inc. exercises sole voting control over 4,121,139 of these shares and sole investment control over all 4,259,365 shares. This information is based on a Schedule 13G/A filed by BlackRock, Inc. with the Securities and Exchange Commission on January 23, 2015.

(14) The address of Dimensional Fund Advisors LP is Building One, 6300 Bee Cave Road, Austin, Texas 78746. Dimensional Fund Advisors LP exercises sole voting control over 4,343,941 of these shares and sole investment control over all 4,462,362 shares. This information is based on a Schedule 13G/A filed by Dimensional Fund Advisors LP with the Securities and Exchange Commission on February 5, 2015.

(15) The address of FMR LLC is 245 Summer Street, Boston, Massachusetts 02210. FMR LLC exercises sole voting control over 99,270 of these shares and shared investment control over all 7,865,391 shares. This information is based on a Schedule 13G/A filed by FMR LLC with the Securities and Exchange Commission on February 13, 2015.

(16) The address of The Vanguard Group is 100 Vanguard Blvd., Malvern, Pennsylvania 19355. The Vanguard Group exercises sole voting control over 75,516 of these shares, shared investment control over 70,216 of these shares, and sole investment control over 3,038,975 of these shares. This information is based on a Schedule 13G/A filed by The Vanguard Group with the Securities and Exchange Commission on February 10, 2015.

SUBMISSION OF STOCKHOLDER PROPOSALS

From time to time, stockholders may seek to nominate directors or present proposals for inclusion in the proxy statement and form of proxy for consideration at an annual stockholders meeting. To be included in the proxy statement or considered at an annual or any special meeting, you must timely submit nominations of directors or proposals, in addition to meeting other legal requirements. We must receive proposals for possible inclusion in the proxy statement related to the 2016 annual stockholders meeting no

later than December 22, 2015. Proposals for possible consideration at the 2016 annual stockholders meeting must be received by us no earlier than February 5, 2016, and no later than March 6, 2016. The 2016 annual stockholders meeting is expected to take place on June 2, 2016. Direct any proposals, as well as related questions, to Corporate Secretary, Rent-A-Center, Inc., 5501 Headquarters Drive, Plano, Texas 75024.

OTHER BUSINESS

The Board does not intend to bring any business before the annual stockholders meeting other than the matters referred to in this notice and at this date has not been informed of any matters that may be presented to the annual stockholders meeting by others. If, however, any other matters properly come before the annual stockholders meeting, it is intended that the persons named in the accompanying proxy will vote pursuant to the proxy in accordance with their best judgment on such matters.

PLEASE VOTE – YOUR VOTE IS IMPORTANT

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

Form 10-K

(Mark One)



ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended December 31, 2014



or
TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Commission File No. 0-25370

Rent-A-Center, Inc.

(Exact name of registrant as specified in its charter)

Delaware

45-0491516

(State or other jurisdiction of incorporation or organization)

(I.R.S. Employer Identification No.)

5501 Headquarters Drive
Plano, Texas 75024

(Address, including zip code of registrant's principal executive offices)

972-801-1100

Registrant's telephone number, including area code

SECURITIES REGISTERED PURSUANT TO SECTION 12(B) OF THE ACT:

Title of Each Class	Name of Exchange on Which Registered
Common Stock, par value \$0.01 per share	The Nasdaq Global Select Market, Inc.

SECURITIES REGISTERED PURSUANT TO SECTION 12(G) OF THE ACT:

NONE

Indicate by check mark	YES	NO								
• If the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.	<input checked="" type="checkbox"/>	<input type="checkbox"/>								
• If the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Exchange Act.	<input type="checkbox"/>	<input checked="" type="checkbox"/>								
• Whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.	<input checked="" type="checkbox"/>	<input type="checkbox"/>								
• Whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).	<input checked="" type="checkbox"/>	<input type="checkbox"/>								
• If disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.	<input checked="" type="checkbox"/>									
• Whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer, or a smaller reporting company. See definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.										
<table style="width: 100%; border: none;"> <tr> <td style="width: 33%; border: none;">Large accelerated filer <input checked="" type="checkbox"/></td> <td style="width: 33%; border: none;">Accelerated filer <input type="checkbox"/></td> <td style="width: 33%; border: none;">Non-accelerated filer <input type="checkbox"/></td> <td style="border: none;">(Do not check if a smaller reporting company) <input type="checkbox"/></td> </tr> <tr> <td colspan="3" style="border: none;"></td> <td style="border: none;">Smaller reporting company <input type="checkbox"/></td> </tr> </table>	Large accelerated filer <input checked="" type="checkbox"/>	Accelerated filer <input type="checkbox"/>	Non-accelerated filer <input type="checkbox"/>	(Do not check if a smaller reporting company) <input type="checkbox"/>				Smaller reporting company <input type="checkbox"/>		
Large accelerated filer <input checked="" type="checkbox"/>	Accelerated filer <input type="checkbox"/>	Non-accelerated filer <input type="checkbox"/>	(Do not check if a smaller reporting company) <input type="checkbox"/>							
			Smaller reporting company <input type="checkbox"/>							
• Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).	<input type="checkbox"/>	<input checked="" type="checkbox"/>								

Aggregate market value of the 51,477,316 shares of Common Stock held by non-affiliates of the registrant at the closing sales price as reported on The Nasdaq Global Select Market, Inc. on June 30, 2014 \$1,476,369,423

Number of shares of Common Stock outstanding as of the close of business on February 23, 2015: 53,025,180

DOCUMENTS INCORPORATED BY REFERENCE:

Portions of the definitive proxy statement relating to the 2015 Annual Meeting of Stockholders of Rent-A-Center, Inc. are incorporated by reference into Part III of this report.

TABLE OF CONTENTS

	<u>Page</u>
PART I	3
ITEM 1. Business	3
ITEM 1A. Risk Factors	9
ITEM 1B. Unresolved Staff Comments	13
ITEM 2. Properties	13
ITEM 3. Legal Proceedings	13
ITEM 4. Mine Safety Disclosures	13
PART II	14
ITEM 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities	14
ITEM 6. Selected Financial Data	16
ITEM 7. Management's Discussion and Analysis of Financial Condition and Results of Operations	18
ITEM 7A. Quantitative and Qualitative Disclosures about Market Risk	29
ITEM 8. Financial Statements and Supplementary Data	30
ITEM 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure	60
ITEM 9A. Controls and Procedures	60
ITEM 9B. Other Information	60
PART III	61
ITEM 10. Directors, Executive Officers and Corporate Governance	61
ITEM 11. Executive Compensation	61
ITEM 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters	61
ITEM 13. Certain Relationships and Related Transactions, and Director Independence	61
ITEM 14. Principal Accountant Fees and Services	61
PART IV	62
ITEM 15. Exhibits and Financial Statement Schedules	62

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Annual Report on Form 10-K includes “forward-looking” statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements can be identified by the fact that they do not relate strictly to historical or current facts. They often include words such as “believes,” “expects,” “anticipates,” “estimates,” “intends,” “plans,” “seeks” or words of similar meaning, or future or conditional verbs, such as “will,” “should,” “could,” “may,” “aims,” “intends,” or “projects.” A forward-looking statement is neither a prediction nor a guarantee of future events or circumstances, and those future events or circumstances may not occur. You should not place undue reliance on forward-looking statements, which speak only as of the date of this Annual Report on Form 10-K. These forward-looking statements are all based on currently available operating, financial and competitive information and are subject to various risks and uncertainties. Our actual future results and trends may differ materially depending on a variety of factors, including, but not limited to, the risks and uncertainties discussed under “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations.” Given these risks and uncertainties, you should not rely on forward-looking statements as a prediction of actual results. Any or all of the forward-looking statements contained in this Annual Report on Form 10-K and any other public statement made by us, including by our management, may turn out to be incorrect. We are including this cautionary note to make applicable and take advantage of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 for forward-looking statements. We expressly disclaim any obligation to update or revise any forward-looking statements, whether as a result of new information, future events, changes in assumptions or otherwise. Factors that could cause or contribute to these 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 our current and potential customers;
- changes in the unemployment rate;
- difficulties encountered in improving the financial performance of our Core U.S. and Mexico segments;
- our ability to develop and successfully execute the competencies and capabilities that are the focus of our strategic initiatives, including those initiatives that are part of our multi-year program designed to transform and modernize our operations;
- our ability to successfully implement our new store information management system;
- our ability to successfully market smartphones and related services to our customers;
- our ability to develop and successfully implement virtual or e-commerce capabilities;
- our ability to retain the revenue from customer accounts merged into another store location as a result of a store consolidation;
- our ability to execute and the effectiveness of a store consolidation;
- rapid inflation or deflation in prices of our products;
- our available cash flow;
- our ability to identify and successfully market products and services that appeal to our customer demographic;
- consumer preferences and perceptions of our brands;
- uncertainties regarding the ability to open new locations;
- our ability to acquire additional stores or customer accounts on favorable terms;
- our ability to control costs and increase profitability;
- our ability to enhance the performance of acquired stores;
- our ability to retain the revenue associated with acquired customer accounts;
- our ability to enter into new and collect on our rental or lease purchase agreements;
- the passage of legislation adversely affecting the rent-to-own industry;
- our compliance with applicable statutes or regulations governing our transactions;
- changes in interest rates;

- adverse changes in the economic conditions of the industries, countries or markets that we serve;
- information technology and data security costs;
- our ability to protect the integrity and security of individually identifiable data of our customers and employees;
- the impact of any breaches in data security or other disturbances to our information technology and other networks;
- changes in our stock price, the number of shares of common stock that we 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 our effective tax rate;
- fluctuations in foreign currency exchange rates;
- our ability to maintain an effective system of internal controls;
- the resolution of our litigation; and
- the other risks detailed from time to time in our reports to the Securities and Exchange Commission.

PART I

ITEM 1. Business.

History of Rent-A-Center

Unless the context indicates otherwise, references to “we,” “us” and “our” refer to the consolidated business operations of Rent-A-Center, Inc., the parent, and any or all of its direct and indirect subsidiaries. For any references in this document to Note A through Note U, refer to the Notes to Consolidated Financial Statements in Item 8.

We are one of the largest rent-to-own operators in North America, focused on improving the quality of life for our customers by providing them the opportunity to obtain ownership of high-quality durable products, such as consumer electronics, appliances, computers (including tablets and smartphones), furniture and accessories, under flexible rental purchase agreements with no long-term obligation. We were incorporated in the State of Delaware in 1986, and our common stock is traded on the Nasdaq Global Select Market under the symbol “RCII.”

Our principal executive offices are located at 5501 Headquarters Drive, Plano, Texas 75024. Our telephone number is (972) 801-1100 and our company website is www.rentacenter.com. We do not intend for information contained on our website to be part of this Annual Report on Form 10-K. We make available free of charge on or through our website our Annual Report on Form 10-K, our quarterly reports on Form 10-Q, our current reports on Form 8-K and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Exchange Act as soon as reasonably practicable after we electronically file such material with, or furnish it to, the Securities and Exchange Commission (the “SEC”). Additionally, we provide electronic or paper copies of our filings free of charge upon request.

The Rental Purchase Transaction

The rental purchase transaction is a flexible alternative for consumers to obtain use and enjoyment of brand name merchandise with no long-term obligation. Key features of the rental purchase transaction include:

Brand name merchandise. We offer well-known brands such as LG, Samsung, Sony, Toshiba and Vizio home electronics; Whirlpool appliances; Acer, Apple, Asus, Dell, Hewlett-Packard, Samsung, Sony and Toshiba computers and/or tablets; Samsung and HTC smartphones; and Albany, Ashley, England, Klaussner, Lane, Standard and Welton furniture.

Convenient payment options. Our customers make payments on a weekly, semi-monthly or monthly basis in our stores, kiosks, online or by telephone. We accept cash, credit or debit cards. Rental payments are generally made in advance and, together with applicable fees, constitute our primary revenue source. Approximately 83% and 92% of our rental purchase agreements are on a weekly term in our Core U.S. rent-to-own stores and our Mexico segment, respectively. Payments are made in advance on a monthly basis in our Acceptance Now segment.

No negative consequences. A customer may terminate a rental purchase agreement at any time without penalty.

No credit needed. Generally, we do not conduct a formal credit investigation of our customers. We verify a customer’s residence and sources of income. References provided by the customer are also contacted to verify certain information contained in the rental purchase order form.

Delivery & set-up included. We generally offer same-day or next-day delivery and installation of our merchandise at no additional cost to the customer in our rent-to-own stores. Our Acceptance Now locations rely on our third-party retail partners to deliver merchandise rented by the customer. Such third-party retail partners typically charge us a fee for delivery, which we pass on to the customer.

Product maintenance & replacement. We provide any required service or repair without additional charge, except for damage in excess of normal wear and tear. Repair services are provided through our network of service centers, the cost of which may be reimbursed by the vendor if the item is still under factory warranty. If the product cannot be repaired at the customer’s residence, we provide a temporary replacement while the product is being repaired. If the product cannot be repaired, we will replace it with a product of comparable quality, age and condition.

Lifetime reinstatement. If a customer is temporarily unable to make payments on a piece of rental merchandise and must return the merchandise, that customer generally may later re-rent the same piece of merchandise (or if unavailable, a substitute of comparable quality, age and condition) on the terms that existed at the time the merchandise was returned, and pick up payments where they left off without losing what they previously paid.

Flexible options to obtain ownership. Ownership of the merchandise generally transfers to the customer if the customer has continuously renewed the rental purchase agreement for a period of seven to 30 months, depending upon the product type, or exercises a specified early purchase option.

Our Growth Strategy

We are in the midst of a multi-year program designed to transform and modernize our operations in order to improve the profitability of the Core U.S. segment while continuing to grow our Acceptance Now segment. This program is focused on building new competencies and capabilities through a variety of operational and infrastructure initiatives such as introducing a new labor model in our Core U.S. stores, formulating a customer-focused, value-based pricing strategy, developing a new sourcing and distribution model and implementing new technology into our Acceptance Now locations.

Flexible Labor Model

Historically, we have utilized a fixed labor model in our Core U.S. rent-to-own stores, generally using five employees who perform all tasks including sales, customer verification, collections, merchandise receiving and delivery and setup. This fixed labor model includes regularly scheduled overtime, and does not allow us to scale our costs to match the revenue cycles. We are implementing a flexible labor model utilizing part-time employees so that we can provide better customer service during peak operating hours and gain cost savings during off-peak hours, and expect to deploy this model throughout 2015 and 2016. Our business has some seasonality discussed further below, and the flexible labor model is expected to have a positive impact on Core U.S. operating profit.

Pricing and Promotions

We need to price our products to remain competitive in the market, maintain a customer-centric focus and drive traffic. We tested new pricing strategies in 2014 that we are implementing in our Core U.S. stores in 2015 to meet these challenges. We are focusing on areas of immediate impact, while building a foundation for improvement, and will incorporate more structured and data-driven decision making to improve our Core U.S. marketing promotions, sales events and brand alignment.

Sourcing and Distribution

Since the Company's inception, the stores in our Core U.S. segment have relied on rental merchandise shipped from the manufacturer or distributor directly to the store and have not utilized centralized warehousing and distribution. This operating model allowed us to expand our store base rapidly with lower costs to enter new markets, but

also limited our product options, reduced our ability to leverage our expenses, created longer lead times and embedded additional costs. Now that the store base has matured and we have achieved substantial market penetration, we are creating new direct supplier partnerships, implementing a new system to manage distribution operations, implementing a network of distribution centers through a third-party logistics partnership and automating replenishment processes from distribution centers to stores, all of which will be operational in the second half of 2015. The use of distribution centers will allow us to take greater advantage of discounted bulk purchasing and will expand the number of potential manufacturers and suppliers, which will allow us to offer our customers a wider selection of products while generating greater margins, better flexibility and improved store service levels.

Virtual Acceptance Now

In 2014, we developed a virtual solution that decreased the time to process rental purchase agreements, streamlined the sales process and enhanced the customer's experience. This virtual solution was implemented in 650 of our manned Acceptance Now locations in 2014. This platform will also be used in unmanned locations, or virtual kiosks, where the retailer does not have enough credit-constrained customers to justify creating a manned location. We expect to roll out the virtual kiosk in the second half of 2015, with a plan for 1,250 unmanned locations.

Technology Investments

Included in our multi-year transformation program are significant investments in new technologies that will enable the strategic programs described above, as well as other initiatives. We are developing and implementing applications and systems to support our new distribution network, such as a warehouse management system and enhancements to our automated replenishment system. As described above, we have developed a virtual solution for the Acceptance Now transaction. We are also in the process of implementing our new store information management system and processes that extend and improve capabilities for store sales and operations. In the fourth quarter of 2014, we implemented our Enterprise corporate management system which integrates key corporate back-office systems, such as our financial reporting and inventory management systems, as well as collects and consolidates critical business data from all store operations.

Our Operating Segments

We report four operating segments: Core U.S., Acceptance Now, Mexico, and Franchising. We began reporting our Canadian stores in the Core U.S. segment effective January 1, 2014, and now we only report Mexico operations in the segment formerly reported as International. Additional information regarding our operating segments is presented in "Management's Discussion and Analysis of Financial Condition and Results of Operations" contained in Item 7 of this Annual Report on Form 10-K, and financial information regarding these segments and revenues by geographic area are provided in Note S in the consolidated financial statements contained in this Annual Report on Form 10-K. Substantially all of our revenues for the past three years originated in the United States.

Core U.S.

Our Core U.S. segment is our largest operating segment, comprising approximately 76% of our consolidated net revenues and approximately 74% of our segment operating profit for the year ended December 31, 2014. Approximately 77% of our business in this segment is from repeat customers.

During the second half of 2014, we began to offer smartphones for rent in our Core U.S. stores, along with no-contract service plans. Our smartphone offerings do not require the purchase of the service plans we offer, and the service plans can be purchased for phones that are already owned by the customer.

At December 31, 2014, we operated 2,824 company-owned stores in the United States, Canada and Puerto Rico, including 45 retail

installment sales stores under the names “Get It Now” and “Home Choice.” We routinely evaluate the markets in which we operate and will close, sell or merge underperforming stores.

Acceptance Now

Through our Acceptance Now segment, we generally provide an on-site rent-to-own option at a third-party retailer’s location. In the event a retail purchase credit application is declined, the customer can be introduced to an in-store Acceptance Now representative who explains an alternative transaction for acquiring the use and ownership of the merchandise. Because we neither require nor perform a formal credit investigation for the approval of the rental purchase transaction, applicants who meet the basic criteria are generally approved. We believe our Acceptance Now program is beneficial for both the retailer and the consumer. The retailer captures more sales because we buy the inventory item directly from them and future rental payments are generally made at the retailer’s location. We believe consumers also benefit from our Acceptance Now program because they are able to obtain the products they want and need without the necessity of credit.

Each Acceptance Now kiosk location typically consists of an area with a computer, desk and chairs. We occupy the space without charge by agreement with each retailer. Accordingly, capital expenditures with respect to a new Acceptance Now location are minimal, and any exit costs associated with the closure of an Acceptance Now location would also be immaterial on an individual basis. Our operating model is highly agile and dynamic because we can open and close locations quickly and efficiently.

Total financing requirements of a typical new Acceptance Now kiosk location approximate \$350,000, with roughly 80% of that amount relating to the purchase of rental merchandise. A newly opened Acceptance Now location is typically profitable on a monthly basis within one year of its initial opening, and achieves cumulative break-even profitability in the second year after its initial opening.

We rely on our third-party retail partners to deliver merchandise rented by the customer. Such third-party retail partners typically charge us a fee for delivery, which we pass on to the customer. In the event the customer returns rented merchandise, we pick it up at no additional charge. Merchandise returned from an Acceptance Now kiosk location is offered for rent at one of our Core U.S. rent-to-own stores.

The following table summarizes our locations allocated among these operating segments as of December 31:

	2014	2013	2012
Core U.S.	2,824	3,010	3,008
Acceptance Now	1,406	1,325	966
Mexico	177	151	90
Franchising	187	179	224
Total locations	4,594	4,665	4,288

The following discussion applies generally to all of our operating segments, unless otherwise noted.

Rent-A-Center Operations

Store Expenses

Our expenses primarily relate to merchandise costs and the operations of our stores, including salaries and benefits for our employees, occupancy expense for our leased real estate, advertising expenses, lost, damaged, or stolen merchandise, fixed asset depreciation, and other expenses.

We intend to grow the Acceptance Now segment by increasing the number of our retail partners and the number of locations with our existing retail partners. In addition, our strategy includes enhancing our Acceptance Now offering by launching a virtual capability as discussed above in the section “Our Growth Strategy.” As of December 31, 2014, we operated 1,406 kiosk locations inside furniture and electronics retailers located in 40 states and Puerto Rico.

Mexico

Our Mexico segment currently consists of our company-owned rent-to-own stores in Mexico. At December 31, 2014, we operated 177 stores after adding 26 rent-to-own store locations in 2014. We have stopped opening new stores and are pursuing several operational initiatives designed to improve the financial performance of our operations. We are optimistic that these initiatives will be successful; however, if we are unable to achieve an acceptable level of profitability in Mexico, we will consider all available alternatives for our operations in Mexico.

We are subject to the risks of doing business internationally as described under “Risk Factors.”

Franchising

The stores in our Franchising segment use Rent-A-Center’s, ColorTyme’s or RimTyme’s trade names, service marks, trademarks and logos, and operate under distinctive operating procedures and standards. Franchising’s primary source of revenue is the sale of rental merchandise to its franchisees who, in turn, offer the merchandise to the general public for rent or purchase under a rent-to-own transaction.

At December 31, 2014, this segment franchised 187 stores in 30 states operating under the Rent-A-Center (106 stores), ColorTyme (50 stores) and RimTyme (31 stores) names. These rent-to-own stores primarily offer high quality durable products such as consumer electronics, appliances, computers, furniture and accessories, wheels and tires.

As franchisor, Franchising receives royalties of 2.0% to 6.0% of the franchisees’ monthly gross revenue and, generally, an initial fee up to \$35,000 per new location.

Product Selection

Our Core U.S. and Mexico stores generally offer merchandise from four basic product categories: consumer electronics, appliances, computers (including tablets and smartphones), furniture and accessories. Although we seek to maintain sufficient inventory in our stores to offer customers a wide variety of models, styles and brands, we generally limit merchandise to prescribed levels to maintain strict inventory controls. We seek to provide a wide variety of high quality merchandise to our customers, and we emphasize high-end products from name-brand manufacturers. Customers may request either new merchandise or previously rented merchandise. Previously rented merchandise is generally offered at a similar weekly or monthly rental rate as is offered for new merchandise, but with an opportunity to obtain ownership of the merchandise after fewer rental payments.

Consumer electronic products offered by our stores include high definition televisions, home theater systems, video game consoles and stereos. Appliances include refrigerators, freezers, washing machines, dryers, and ranges. We offer desktop, laptop, tablet computers and smartphones. Our furniture products include dining room, living room and bedroom furniture featuring a number of styles, materials and colors. Accessories include lamps and tables and are typically rented as part of a package of items, such as a complete room of furniture. Showroom displays enable customers to visualize how the product will look in their homes and provide a showcase for accessories.

The merchandise assortment may vary in our Mexico stores according to market characteristics and consumer demand unique to the particular country in which we are operating. For example, in Mexico, the appliances we offer are sourced locally, providing our customers in Mexico the look and feel to which they are accustomed in that product category.

Acceptance Now locations offer the merchandise as available at the applicable third-party retailer, primarily furniture and accessories, consumer electronics and appliances.

For the year ended December 31, 2014, furniture and accessories accounted for approximately 39% of our consolidated store rental revenue, consumer electronic products for 27%, appliances for 18% and computers (including tablets and smartphones) for 16%.

Management

Our executive management team has extensive rent-to-own or similar retail experience and has demonstrated the ability to grow and manage our business through their operational leadership and strategic vision. In addition, our regional and district managers have long tenures with us, and we have a history of promoting management personnel from within. We believe this extensive industry and company experience will allow us to effectively execute our growth strategies.

Purchasing

We utilize a centralized inventory management system that includes automated merchandise replenishment. Our automated replenishment system uses perpetual inventory records to analyze individual store requirements, as well as other pertinent information such as delivery and return forecasts, blanket orders, predetermined inventory levels, and vendor performance, to generate recommended merchandise order information. These recommended orders are reviewed by the store manager and delivered electronically to our vendors. The stores also

Product Turnover

On average, in the Core U.S. segment, a rental term of 15 months or exercising an early purchase option is generally required to obtain ownership of new merchandise. Product turnover is the number of times a product is rented to a different customer. On average, a product is rented (turned over) to three customers before a customer acquires ownership. Merchandise returned in the Acceptance Now segment is moved to a Core U.S. store where it is offered for rent. Ownership is attained in approximately 25% of first-time rental purchase agreements in the Core U.S. segment. The average total life for each product in our Core U.S. segment is approximately 17 months, which includes the initial rental period, all re-rental periods and idle time in our system. To cover the higher operating expenses generated by product turnover and the key features of rental purchase transactions, rental purchase agreements require higher aggregate payments than are generally charged under other types of purchase plans, such as installment purchase or credit plans.

Collections

Store managers use our management information system to track collections on a daily basis. If a customer fails to make a rental payment when due, store personnel will attempt to contact the customer to obtain payment and reinstate the agreement, or will terminate the account and arrange to regain possession of the merchandise. We attempt to recover the rental items as soon as possible following termination or default of a rental purchase agreement, generally by the seventh day. Collection efforts are enhanced by the personal and job-related references required of customers, the personal nature of the relationships between our employees and customers, and the availability of lifetime reinstatement. Currently, we track past due amounts using a guideline of seven days in our Core U.S. segment and 30 days in the Acceptance Now segment. These metrics align with the majority of the rental purchase agreements in each segment, since payments are generally made weekly in the Core U.S. segment and monthly in the Acceptance Now segment.

If a customer does not return the merchandise or make payment, the remaining book value of the rental merchandise associated with delinquent accounts is generally charged off on or before the 90th day following the time the account became past due in the Core U.S. and Mexico segments, and on or before the 150th day in the Acceptance Now segment.

have online access to determine whether other stores in their market may have merchandise available. This centralized inventory management system allows us to retain tight control over our inventory, improve the diversity and assortment of merchandise in our stores, and assist us in having the right products available at the right time. In addition, this centralized inventory management system requires less involvement by our store employees resulting in more time available for customer service and sales activities.

In our Core U.S. and Mexico segments, we purchase our rental merchandise from a variety of manufacturers and distributors. In 2014, approximately 14% of our merchandise purchases were attributable to Vertex Wireless, LLC, due to the initial rollout of smartphones. No other brand accounted for more than 10% of merchandise purchased during this period. We do not generally enter into written contracts with our suppliers that obligate us to meet certain minimum purchasing levels. Although we expect to continue relationships with our existing suppliers, we believe there are numerous sources of products available, and we do not believe the success of our operations is dependent on any one or more of our present suppliers.

In our Acceptance Now segment, we purchase the merchandise selected by the customer from the applicable third-party retailer at the time such customer enters into a rental purchase agreement with us.

With respect to our Franchising segment, the franchise agreement requires the franchised stores to exclusively offer for rent or sale only those brands, types and models of products that Franchising has approved. The franchised stores are required to maintain an adequate mix of inventory that consists of approved products for rent as dictated by Franchising policy manuals. Franchising negotiates purchase arrangements with various suppliers it has approved. Franchising's largest suppliers are Ashley Furniture Industries and Whirlpool Corporation, which accounted for approximately 16% and 14% of merchandise purchased by Franchising in 2014, respectively.

Marketing

We promote our products and services through television and radio commercials, print advertisements, store telemarketing, Internet sites, direct response and store signage, all of which are designed to increase our name recognition among our customers and potential customers. Our advertisements emphasize such features as product and name-brand selection, prompt delivery, price match, service at no extra cost, lifetime reinstatement and the absence of initial deposits, formal credit investigations or long-term obligations. In addition, we promote the "RAC Worry-Free Guarantee[®]" to further highlight these aspects of the rent-to-own transaction. We believe that as the Rent-A-Center name gains familiarity and national recognition through our advertising efforts, we will

continue to educate our customers and potential customers about the rent-to-own alternative to credit as well as solidify our reputation as a leading provider of high quality branded merchandise and services.

Franchising has established national advertising funds for the franchised stores, whereby Franchising has the right to collect up to 3% of the monthly gross revenue from each franchisee as contributions to the fund. Franchising directs the advertising programs of the fund, generally consisting of television and radio commercials and print advertisements. Franchising also has the right to require franchisees to expend up to 3% of their monthly gross revenue on local advertising.

Industry & Competition

According to the Association of Progressive Rental Organizations ("APRO"), the \$8.5 billion rent-to-own industry in the United States, Mexico and Canada consists of approximately 10,100 stores and serves approximately 4.8 million customers. We estimate that the two largest rent-to-own industry participants account for approximately 6,800 of the total number of stores, and the majority of the remainder of the industry consists of operations with fewer than 50 stores. The rent-to-own industry is highly fragmented and has experienced significant consolidation. We believe this consolidation trend in the industry will continue, presenting opportunities for us to continue to acquire additional stores or customer accounts on favorable terms.

The rent-to-own industry serves a highly diverse customer base. According to APRO, approximately 83% of rent-to-own customers have household incomes between \$15,000 and \$50,000 per year. The rent-to-own industry serves a wide variety of customers by allowing them to obtain merchandise that they might otherwise be unable to obtain due to insufficient cash resources or a lack of access to credit. We believe the number of consumers lacking access to credit is increasing. According to a report issued by the Fair Isaac Corporation on February 3, 2014, consumers in the "subprime" category (those with credit scores below 650) made up 34% of the United States population.

The rent-to-own industry is experiencing rapid change with the emergence of virtual and kiosk-based operations, such as our Acceptance Now business. In addition, an increasing number of traditional retailers are offering the rent-to-own transaction or other programs designed to attract the traditional rent-to-own customer. These new industry participants are disrupting traditional rent-to-own stores by attracting customers and making the rent-to-own transaction more acceptable to potential customers. In addition, banks and consumer finance companies are developing products and services designed to compete for the traditional rent-to-own customer.

These factors are increasingly contributing to an already highly competitive environment. Our stores and kiosks compete with other national, regional and local rent-to-own businesses, including on-line only competitors, as well as with rental stores that do not offer their customers a purchase option. With respect to customers desiring to purchase merchandise for cash or on credit, we also compete with retail stores, online competitors, and non-traditional lenders. Competition is based primarily on convenience, store location, product selection and availability, customer service, rental rates and terms.

Seasonality

Our revenue mix is moderately seasonal, with the first quarter of each fiscal year generally providing higher merchandise sales than any other quarter during a fiscal year, primarily due to federal income tax refunds. Generally, our customers will more frequently exercise the early purchase option on their existing rental purchase agreements or purchase pre-leased merchandise off the showroom floor during the first

quarter of each fiscal year, also due to federal income tax refunds. Furthermore, we tend to experience slower growth in the number of rental purchase agreements in the third quarter of each fiscal year when compared to other quarters throughout the year. We expect these trends to continue in the future.

Trademarks

We own various trademarks and service marks, including Rent-A-Center® and RAC Worry-Free Guarantee® that are used in connection with our operations and have been registered with the United States Patent and Trademark Office. The duration of our trademarks is unlimited, subject to periodic renewal and continued use. In addition, we have obtained trademark registrations in Canada, Mexico, and certain other foreign jurisdictions. We believe we hold the necessary rights for protection of the trademarks and service marks essential to our business. The products held for rent in our stores also bear trademarks and service marks held by their respective manufacturers.

Franchising licenses the use of the Rent-A-Center and ColorTyme trademarks and service marks to its franchisees under the franchise agreement. Franchising owns various trademarks and service marks, including ColorTyme® and RimTyme®, that are used in connection with its operations and have been registered with the United States Patent and Trademark office. The duration of these marks is unlimited, subject to periodic renewal and continued use.

Employees

As of February 23, 2015, we had approximately 22,200 full-time employees.

Government Regulation

Core U.S. & Acceptance Now

State Regulation. Currently, 46 states, the District of Columbia and Puerto Rico have rental purchase statutes that recognize and regulate rental purchase transactions as separate and distinct from credit sales. We believe this existing legislation is generally favorable to us, as it defines and clarifies the various disclosures, procedures and transaction structures related to the rent-to-own business with which we must comply. With some variations in individual states, most related state legislation requires the lessor to make prescribed disclosures to customers about the rental purchase agreement and transaction, and provides time periods during which customers may reinstate agreements despite having failed to make a timely payment. Some state rental purchase laws prescribe grace periods for non-payment, prohibit or limit certain types of collection or other practices, and limit certain fees that may be charged. Ten states limit the total rental payments that can be charged to amounts ranging from 2.0 times to 2.4 times the disclosed cash price or the retail value of the rental product. Five states limit the cash price of merchandise to amounts ranging from 1.56 to 2.5 times our cost for each item.

Although Minnesota has a rental purchase statute, the rental purchase transaction is also treated as a credit sale subject to consumer lending restrictions pursuant to judicial decision. Therefore, we offer our customers in Minnesota an opportunity to purchase our merchandise through an installment sale transaction in our Home Choice stores. We operate 17 Home Choice stores in Minnesota.

North Carolina has no rental purchase legislation. However, the retail installment sales statute in North Carolina expressly provides that lease transactions which provide for more than a nominal purchase price at the end of the agreed rental period are not credit sales under the statute. We operate 109 rent-to-own stores and 67 Acceptance Now locations in North Carolina.

Courts in Wisconsin and New Jersey, which do not have rental purchase statutes, have rendered decisions which classify rental purchase transactions as credit sales subject to consumer lending restrictions. Accordingly, in Wisconsin, we offer our customers an opportunity to purchase our merchandise through an installment sale transaction in our Get It Now stores. In New Jersey, we have modified our typical rental purchase agreements to provide disclosures, grace periods, and pricing that we believe comply with the retail installment sales act. We operate 28 Get It Now stores in Wisconsin and 48 Rent-A-Center stores in New Jersey.

There can be no assurance as to whether new or revised rental purchase laws will be enacted or whether, if enacted, the laws would not have a material and adverse effect on us.

Federal Regulation. To date, no comprehensive federal legislation has been enacted regulating or otherwise impacting the rental purchase transaction. The Dodd-Frank Wall Street Reform and Consumer Protection Act ("Dodd-Frank Act") does not regulate leases with terms of 90 days or less. Because the rent-to-own transaction is for a term of week to week, or at most, month to month, and established federal law deems the term of a lease to be its minimum term regardless of extensions or renewals, if any, we believe the rent-to-own transaction is not covered by the Dodd-Frank Act.

From time to time, we have supported legislation introduced in Congress that would regulate the rental purchase transaction. While both beneficial and adverse legislation may be introduced in Congress in the future, any adverse federal legislation, if enacted, could have a material and adverse effect on us.

Mexico and Canada

No comprehensive legislation regulating the rent-to-own transaction has been enacted in Mexico or Canada. We use substantially the same rental purchase transaction in those countries as in the U.S. stores, but with such additional provisions as we believe may be necessary to comply with such country's specific laws and customs.

ITEM 1A. Risk Factors.

You should carefully consider the risks described below before making an investment decision. We believe these are all the material risks currently facing our business. Our business, financial condition or results of operations could be materially adversely affected by these risks. The trading price of our common stock could decline due to any of these risks, and you may lose all or part of your investment. You should also refer to the other information included in this Annual Report on Form 10-K, including our consolidated financial statements and related notes.

Future revenue and earnings growth depends on our ability to execute our growth strategies.

Our Core U.S. store base is mature. As a result, our same store sales have increased more slowly than in historical periods, or in some cases, decreased. Accordingly, we are focused on acquiring new customers through sources other than our existing U.S. rent-to-own stores, as well as seeking additional distribution channels for our products and services. Our primary growth strategy is our Acceptance Now segment. Effectively managing growth can be challenging, particularly as we continue to expand into channels outside our traditional rent-to-own store model. This growth places significant demands on management and operational systems. If we are unable to successfully execute these growth strategies, our revenue and earnings may grow more slowly or even decrease.

Our plans depend significantly on initiatives designed to transform and modernize the efficiency and effectiveness of our operations.

We are in the midst of a multi-year program designed to transform and modernize our operations in order to improve the profitability of the Core U.S. segment while continuing to grow our Acceptance Now segment. This program is focused on building new competencies and capabilities through a variety of operational and infrastructure initiatives such as introducing a new labor model for our Core U.S. stores, formulating a customer-focused value-based pricing strategy, developing a new sourcing and distribution model and implementing new technology into our Acceptance Now locations. Higher costs or failure to achieve targeted results associated with the implementation of such new programs or initiatives could adversely affect our results of operations or negatively impact our ability to successfully execute our growth strategies.

We are highly dependent on the financial performance of our Core U.S. operating segment.

Our financial performance is highly dependent on our Core U.S. segment, which comprised approximately 76% of our consolidated net revenues and a substantial portion of our net earnings for the year ended December 31, 2014. Any significant decrease in the financial performance of the Core U.S. segment may also have a material adverse impact on our ability to implement our growth strategies.

Failure to effectively manage our costs could have a material adverse effect on our profitability.

Certain elements of our cost structure are largely fixed in nature. Consumer spending remains uncertain, which makes it more challenging for us to maintain or increase our operating income in the

Core U.S. segment. The competitiveness in our industry and increasing price transparency means that the focus on achieving efficient operations is greater than ever. As a result, we must continuously focus on managing our cost structure. Failure to manage our labor and benefit rates, advertising and marketing expenses, operating leases, charge-offs due to customer stolen merchandise, other store expenses or indirect spending could materially adversely affect our profitability.

Our Acceptance Now segment depends on the success of our third-party retail partners and our continued relationship with them.

Our Acceptance Now segment revenues depend in part on the ability of unaffiliated third-party retailers to attract customers. In addition, in most cases, our agreements with such third-party retailers may be terminated at the retailer's election. The failure of our third-party retail partners to maintain quality and consistency in their operations and their ability to continue to provide products and services, or the loss of the relationship with any of these third-party retailers and an inability to replace them, could cause our Acceptance Now segment to lose customers, substantially decreasing the revenues and earnings of our Acceptance Now segment. This could adversely affect our financial results and slow our overall growth. In 2014, approximately 18% of the total revenue of the Acceptance Now segment originated at our Acceptance Now kiosks located in stores operated by a nationwide furniture retailer and 90 of its licensees, collectively. An additional approximately 35% of the total revenues in the Acceptance Now segment in 2014 was generated by our Acceptance Now kiosks located in stores operated by three of our other third-party retail partners. We may be unable to continue growing the Acceptance Now segment if we are unable to find third-party retailers willing to partner with us or if we are unable to enter into agreements with third-party retailers acceptable to us.

The success of our business is dependent on factors affecting consumer spending that are not under our control.

Consumer spending is affected by general economic conditions and other factors including levels of employment, disposable consumer income, prevailing interest rates, consumer debt and availability of credit, costs of fuel, inflation, recession and fears of recession, war and fears of war, pandemics, inclement weather, tax rates and rate increases, timing of receipt of tax refunds, consumer confidence in future economic conditions and political conditions, and consumer perceptions of personal well-being and security. Unfavorable changes in factors affecting discretionary spending could reduce demand for our products and services resulting in lower revenue and negatively impacting the business and its financial results.

If we are unable to compete effectively with the growing e-commerce sector, our business and results of operations may be materially adversely affected.

With the continued expansion of Internet use, as well as mobile computing devices and smart phones, competition from the e-commerce sector continues to grow. Although we have plans to launch virtual capabilities within our Acceptance Now and Core U.S. segments, we do not currently offer the rent-to-own transaction via an on-line marketplace. Certain of our competitors, and a number of e-commerce retailers, have established e-commerce operations against which we compete for customers. It is possible that the increasing competition from the e-commerce sector may reduce our market share, gross margin, and operating margin, and may materially adversely affect our business and results of operations in other ways.

Our debt agreements impose restrictions on us which may limit or prohibit us from engaging in certain transactions. If a default were to occur, our lenders could accelerate the amounts of debt outstanding, and holders of our secured indebtedness could force us to sell our assets to satisfy all or a part of what is owed.

Covenants under our senior credit facilities and the indenture governing our outstanding senior unsecured notes restrict our ability to pay dividends and engage in various operational matters. In addition, covenants under our senior credit facilities require us to maintain specified financial ratios. Our ability to meet these financial ratios may be affected by events beyond our control. These restrictions could limit our ability to obtain future financing, make needed capital expenditures or other investments, repurchase our outstanding debt or equity, pay dividends, withstand a future downturn in our business or in the economy, dispose of operations, engage in mergers, acquire additional stores or otherwise conduct necessary corporate activities. Various transactions that we may view as important opportunities, are also subject to the consent of lenders under the senior credit facilities, which may be withheld or granted subject to conditions specified at the time that may affect the attractiveness or viability of the transaction.

If a default were to occur, the lenders under our senior credit facilities could accelerate the amounts outstanding under the credit facilities. In addition, the lenders under these agreements could terminate their commitments to lend to us. If the lenders under these agreements accelerate the repayment of borrowings, we may not have sufficient liquid assets at that time to repay the amounts then outstanding under our indebtedness or be able to find additional alternative financing. Even if we could obtain additional alternative financing, the terms of the financing may not be favorable or acceptable to us.

The existing indebtedness under our senior credit facilities is secured by substantially all of our assets. Should a default or acceleration of this indebtedness occur, the holders of this indebtedness could sell the assets to satisfy all or a part of what is owed.

Our current insurance program may expose us to unexpected costs and negatively affect our financial performance.

Our insurance coverage is subject to deductibles, self-insured retentions, limits of liability and similar provisions that we believe are prudent based on our operations. Because we self-insure a significant

portion of expected losses under our workers' compensation, general liability, vehicle and group health insurance programs, unanticipated changes in any applicable actuarial assumptions and management estimates underlying our recorded liabilities for these losses, including potential increases in medical and indemnity costs, could result in materially different amounts of expense than expected under these programs, which could have a material adverse effect on our financial condition and results of operations.

Our operations in Mexico are subject to political or regulatory changes and significant changes in the economic environment and other concerns.

We opened our first store in Mexico in October 2010, and operated 177 stores in Mexico as of December 31, 2014. Changes in the business, regulatory or political climate in Mexico could adversely affect our operations there. Mexico is also subject to certain potential risks and uncertainties that are beyond our control, such as violence, social unrest, enforcement of property rights and public safety and security that could restrict or eliminate our ability to open new or operate some or all of our locations in Mexico, or significantly reduce customer traffic or demand. In addition, our assets, investments in, earnings from and dividends from our Mexican subsidiaries must be translated to U.S. dollars from the Mexican peso. Accordingly, we are exposed to risks associated with fluctuations of the exchange rate for the Mexican peso which may have an impact on our future costs or on future cash flows from our Mexico operations, and could adversely affect our financial performance.

Failure to improve our financial performance in Mexico could result in our taking actions that may change or impact our projected results in the future.

We are pursuing several operational initiatives designed to improve the financial performance of our operations in Mexico. If we are unable to achieve an acceptable level of profitability in Mexico, we will consider all available alternatives for our operations in Mexico, some of which may change or impact our projected results in the future.

Our transactions are regulated by and subject to the requirements of various federal and state laws and regulations, which may require significant compliance costs and expose us to litigation. Any negative change in these laws or the passage of unfavorable new laws could require us to alter our business practices in a manner that may be materially adverse to us.

Currently, 46 states, the District of Columbia and Puerto Rico have passed laws that regulate rental purchase transactions as separate and distinct from credit sales. One additional state has a retail installment sales statute that excludes leases, including rent-to-own transactions, from its coverage if the lease provides for more than a nominal purchase price at the end of the rental period. The specific rental purchase laws generally require certain contractual and advertising disclosures. They also provide varying levels of substantive consumer protection, such as requiring a grace period for late fees and contract reinstatement rights in the event the rental purchase agreement is terminated. The rental

purchase laws of ten states limit the total amount that may be charged over the life of a rental purchase agreement and the laws of five states limit the cash prices for which we may offer merchandise.

Similar to other consumer transactions, our rental purchase transaction is also governed by various federal and state consumer protection statutes. These consumer protection statutes, as well as the rental purchase statutes under which we operate, provide various consumer remedies, including monetary penalties, for violations. In our history, we have been the subject of litigation alleging that we have violated some of these statutory provisions.

Although there is currently no comprehensive federal legislation regulating rental purchase transactions, adverse federal legislation may be enacted in the future. From time to time, both favorable and adverse legislation seeking to regulate our business has been introduced in Congress. In addition, various legislatures in the states where we currently do business may adopt new legislation or amend existing legislation that could require us to alter our business practices in a manner that could have a material adverse effect on our business, financial condition and results of operations.

Our reputation, ability to do business and operating results may be impaired by improper conduct by any of our employees, agents or business partners.

Our operations in the U.S. and abroad are subject to certain laws generally prohibiting companies and their intermediaries from making improper payments to government officials for the purpose of obtaining or retaining business, such as the U.S. Foreign Corrupt Practices Act, and similar anti-bribery laws in other jurisdictions. Our employees, contractors or agents may violate the policies and procedures we have implemented to ensure compliance with these laws. Any such improper actions could subject us to civil or criminal investigations in the U.S. and in other jurisdictions, could lead to substantial civil and criminal, monetary and non-monetary penalties, and related shareholder lawsuits, could cause us to incur significant legal fees, and could damage our reputation.

We may be subject to legal proceedings from time to time which seek material damages. The costs we incur in defending ourselves or associated with settling any of these proceedings, as well as a material final judgment or decree against us, could materially adversely affect our financial condition by requiring the payment of the settlement amount, a judgment or the posting of a bond.

In our history, we have defended class action lawsuits alleging various regulatory violations and have paid material amounts to settle such claims. Significant settlement amounts or final judgments could materially and adversely affect our liquidity and capital resources. The failure to pay any material judgment would be a default under our senior credit facilities and the indenture governing our outstanding senior unsecured notes.

Our operations are dependent on effective management information systems. Failure of these systems could negatively impact our ability to manage store operations, which could have a material adverse effect on our business, financial condition and results of operations.

We utilize integrated management information systems. The efficient operation of our business is dependent on these systems to effectively manage our financial and operational data. The failure of our management information systems to perform as designed, loss of data or any interruption of our management information systems for a significant period of time could disrupt our business. If the management information systems sustain repeated failures, we may not be able to manage our store operations, which could have a material adverse effect on our business, financial condition and results of operations.

We are currently investing in the development of new store information management systems and processes that extend and improve capabilities for store sales and operations. Such enhancements to or replacement of our store information management systems could have a significant impact on our ability to conduct our core business operations and increase our risk of loss resulting from disruptions of normal operating processes and procedures that may occur during the implementation of new technology. We can make no assurances that the costs of investments in our new store information management systems will not exceed estimates, that such systems and processes will be implemented without material disruption, or that such systems and processes will be as beneficial as predicted. If any of these events occur, our results of operations could be harmed.

If we fail to protect the integrity and security of customer and employee information, we could be exposed to litigation or regulatory enforcement and our business could be adversely impacted.

We collect and store certain personal information provided to us by our customers and employees in the ordinary course of our business. Despite instituted safeguards for the protection of such information, we cannot be certain that all of our systems are entirely free from vulnerability to attack. Computer hackers may attempt to penetrate our network security and, if successful, misappropriate confidential customer or employee information. In addition, one of our employees, contractors or other third party with whom we do business may attempt to circumvent our security measures in order to obtain such information, or inadvertently cause a breach involving such information. Loss of customer or employee information could disrupt our operations, damage our reputation, and expose us to claims from customers, employees, regulators and other persons, any of which could have an adverse effect on our business, financial condition and results of operations. In addition, the costs associated with information security, such as increased investment in technology, the costs of compliance with privacy laws, and costs incurred to prevent or remediate information security breaches, could adversely impact our business.

A change of control could accelerate our obligation to pay our outstanding indebtedness, and we may not have sufficient liquid assets at that time to repay these amounts.

Under our senior credit facilities, an event of default would result if a third party became the beneficial owner of 35.0% or more of our voting stock or upon certain changes in the constitution of Rent-A-Center's Board of Directors. As of December 31, 2014, \$478.3 million was outstanding under our senior credit facilities.

Under the indenture governing our outstanding senior unsecured notes, in the event of a change in control, we may be required to offer to purchase all of our outstanding senior unsecured notes at 101% of their original aggregate principal amount, plus accrued interest to the date of repurchase. A change in control also would result in an event of default under our senior credit facilities, which would allow our lenders to accelerate indebtedness owed to them.

If a specified change in control occurs and the lenders under our debt instruments accelerate these obligations, we may not have sufficient liquid assets to repay amounts outstanding under these agreements.

Rent-A-Center's organizational documents and our debt instruments contain provisions that may prevent or deter another group from paying a premium over the market price to Rent-A-Center's stockholders to acquire its stock.

Rent-A-Center's organizational documents contain provisions that classify its Board of Directors, authorize its Board of Directors to issue blank check preferred stock and establish advance notice requirements on its stockholders for director nominations and actions to be taken at meetings of the stockholders. In addition, as a Delaware corporation, Rent-A-Center is subject to Section 203 of the Delaware General Corporation Law relating to business combinations. Our senior credit facilities and the indentures governing our senior unsecured notes each contain various change of control provisions which, in the event of a change of control, would cause a default under those provisions. These provisions and arrangements could delay, deter or prevent a merger, consolidation, tender offer or other business combination or change of control involving us that could include a premium over the market price of Rent-A-Center's common stock that some or a majority of Rent-A-Center's stockholders might consider to be in their best interests.

Rent-A-Center is a holding company and is dependent on the operations and funds of its subsidiaries.

Rent-A-Center is a holding company, with no revenue generating operations and no assets other than its ownership interests in its direct and indirect subsidiaries. Accordingly, Rent-A-Center is dependent on the cash flow generated by its direct and indirect operating subsidiaries and must rely on dividends or other intercompany transfers from its operating subsidiaries to generate the funds necessary to meet its obligations, including the obligations under the senior credit facilities. The ability of Rent-A-Center's subsidiaries to pay dividends or make other payments to it is subject to applicable state laws. Should one or more of Rent-A-Center's subsidiaries be unable to pay dividends or make distributions, its ability to meet its ongoing obligations could be materially and adversely impacted.

Our stock price is volatile, and you may not be able to recover your investment if our stock price declines.

The price of our common stock has been volatile and can be expected to be significantly affected by factors such as:

- our ability to meet market expectations with respect to the growth and profitability of each of our operating segments;
- quarterly variations in our results of operations, which may be impacted by, among other things, changes in same store sales or when and how many locations we acquire or open;
- quarterly variations in our competitors' results of operations;
- changes in earnings estimates or buy/sell recommendations by financial analysts; and
- the stock price performance of comparable companies.

In addition, the stock market as a whole historically has experienced price and volume fluctuations that have affected the market price of many specialty retailers in ways that may have been unrelated to these companies' operating performance.

Failure to achieve and maintain effective internal controls could have a material adverse effect on our business and stock price.

Effective internal controls are necessary for us to provide reliable financial reports. If we cannot provide reliable financial reports, our brand and operating results could be harmed. All internal control systems, no matter how well designed, have inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation.

While we continue to evaluate and improve our internal controls, we cannot be certain that these measures will ensure that we implement and maintain adequate controls over our financial processes and reporting in the future. Any failure to implement required new or improved controls, or difficulties encountered in their implementation, could harm our operating results or cause us to fail to meet our reporting obligations.

If we fail to maintain the adequacy of our internal controls, as such standards are modified, supplemented or amended from time to time, we may not be able to ensure that we can conclude on an ongoing basis that we have effective internal control over financial reporting in accordance with Section 404 of the Sarbanes-Oxley Act. Failure to achieve and maintain an effective internal control environment could cause investors to lose confidence in our reported financial information, which could have a material adverse effect on our stock price.

ITEM 1B. Unresolved Staff Comments.

None.

ITEM 2. Properties.

We lease space for substantially all of our Core U.S. and Mexico stores and certain support facilities under operating leases expiring at various times through 2023. Most of our store leases are five year leases and contain renewal options for additional periods ranging from three to five years at rental rates adjusted according to agreed-upon formulas. Store sizes average approximately 4,700 square feet. Approximately 75% of each store's space is generally used for showroom space and 25% for offices and storage space. Our Acceptance Now kiosks occupy space without charge in the retailer's location with no lease commitment.

We believe suitable store space generally is available for lease and we would be able to relocate any of our stores or support facilities without significant difficulty should we be unable to renew a particular lease. We also expect additional space is readily available at competitive rates to open new stores or support facilities, as necessary.

We own the land and building in Plano, Texas, in which our corporate headquarters is located. The land and improvements are pledged as collateral under our senior credit facilities.

ITEM 3. Legal Proceedings.

From time to time, we, along with our subsidiaries, are party to various legal proceedings arising in the ordinary course of business. We reserve for loss contingencies that are both probable and reasonably estimable. We regularly monitor developments related to these legal proceedings, and review the adequacy of our legal reserves on a quarterly basis. We do not expect these losses to have a material impact on our consolidated financial statements if and when such losses are incurred.

We are subject to unclaimed property audits by states in the ordinary course of business. A comprehensive multi-state unclaimed property

audit is currently in progress. The property subject to review in this audit process includes unclaimed wages, vendor payments and customer refunds. State escheat laws generally require entities to report and remit abandoned and unclaimed property to the state. Failure to timely report and remit the property can result in assessments that could include interest and penalties, in addition to the payment of the escheat liability itself. We routinely remit escheat payments to states in compliance with applicable escheat laws. Management believes it is too early to determine the ultimate outcome of this audit, as our remediation efforts are still in process.

ITEM 4. Mine Safety Disclosures.

Not applicable.

PART II

ITEM 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities.

Our common stock has been listed on the Nasdaq Global Select Market® and its predecessors under the symbol "RCII" since January 25, 1995, the date we commenced our initial public offering. The following table sets forth, for the periods indicated, the high and low sales price per share of our common stock as reported, and the quarterly cash dividend declared per share on our common stock.

2014	High	Low	Cash Dividends Declared	2013	High	Low	Cash Dividends Declared
Fourth Quarter	\$ 37.49	\$ 28.00	\$ 0.24	Fourth Quarter	\$ 39.00	\$ 32.83	\$ 0.23
Third Quarter	\$ 31.20	\$ 23.42	\$ 0.23	Third Quarter	\$ 40.80	\$ 36.44	\$ 0.21
Second Quarter	\$ 30.49	\$ 25.67	\$ 0.23	Second Quarter	\$ 39.61	\$ 33.20	\$ 0.21
First Quarter	\$ 33.77	\$ 23.65	\$ 0.23	First Quarter	\$ 38.23	\$ 32.93	\$ 0.21

As of February 23, 2015, there were approximately 41 record holders of our common stock.

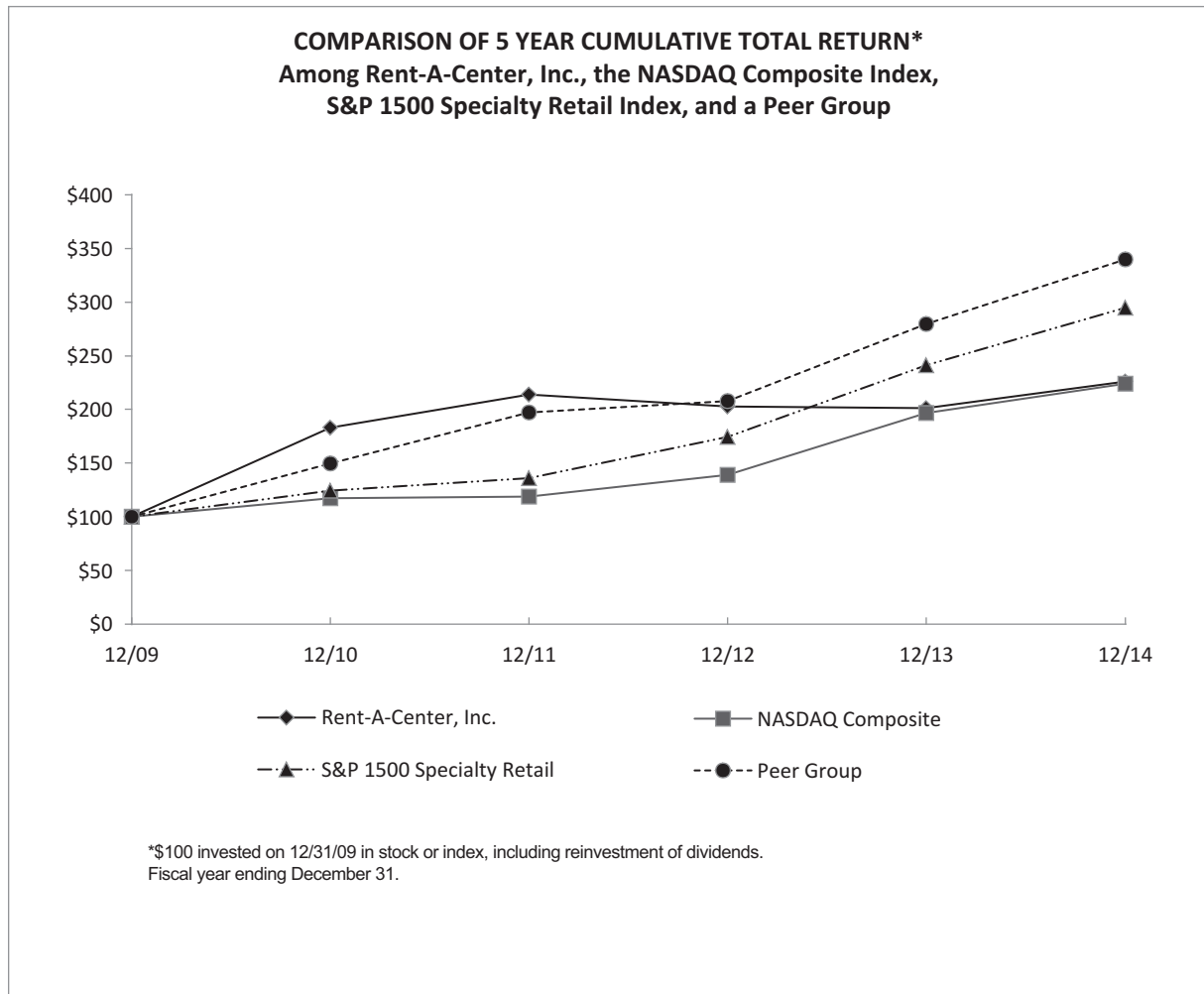
Future decisions to pay cash dividends on our common stock continue to be at the discretion of our Board of Directors and will depend on a number of factors, including future earnings, capital requirements, contractual restrictions, financial condition, future prospects and any other factors our Board of Directors may deem relevant. Cash dividend payments are subject to certain restrictions in our debt agreements. Please see Note I and Note J to the consolidated financial statements for further discussion of such restrictions.

Under our current common stock repurchase program, our Board of Directors has authorized the purchase, from time to time, in the open market and privately negotiated transactions, up to an aggregate of \$1.25 billion of Rent-A-Center common stock. As of December 31, 2014, we had purchased a total of 36,994,653 shares of Rent-A-Center common stock for an aggregate purchase price of \$994.8 million under this common stock repurchase program. No shares were repurchased during 2014.

Stock Performance Graph

The following chart represents a comparison of the five year total return of our common stock to the NASDAQ Composite Index and the S&P 1500 Specialty Retail Index. We selected the S&P 1500 Specialty Retail Index for comparison because the Compensation Committee of our Board of Directors recently chose this published industry index as the comparator group to measure our relative total shareholder return for purposes of determining vesting of performance stock units granted under our long-term incentive compensation program. For the year ended December 31, 2013, we used a peer group index selected by us,

which included companies offering similar products and services as ours, such as rent-to-own and general merchandise retailers that market to our targeted customer demographic. The peer group index consisted of Aaron's, Inc., Big Lots, Inc., Conn's, Inc., Dollar General Corp., Dollar Tree Stores, Inc., Family Dollar Stores, Inc., Fred's, Inc., hhgregg, Inc. and O'Reilly Automotive, Inc. The graph assumes \$100 was invested on December 31, 2009, and dividends, if any, were reinvested for all years ending December 31.



ITEM 6. Selected Financial Data.

The selected financial data presented below for the five years ended December 31, 2014, have been derived from our audited consolidated financial statements. The historical financial data are qualified in their entirety by, and should be read in conjunction with, the consolidated financial statements and the notes thereto, the section entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations" and other financial information included in this report.

	Year Ended December 31,				
	2014	2013	2012	2011	2010
	<i>(In thousands, except per share data)</i>				
Consolidated Statements of Earnings					
Revenues					
Store					
Rentals and fees	\$ 2,745,828	\$ 2,695,895 ⁽⁴⁾	\$ 2,653,925 ⁽⁴⁾	\$ 2,494,483 ⁽⁴⁾	\$ 2,339,997 ⁽⁴⁾
Merchandise sales	290,048	278,753	300,077	259,796	220,329
Installment sales	75,889	71,475 ⁽⁴⁾	67,071 ⁽⁴⁾	67,123 ⁽⁴⁾	62,601 ⁽⁴⁾
Other	19,949	18,133	16,391	17,925	76,542
Franchise					
Merchandise sales	19,236	24,556 ⁽⁴⁾	32,893 ⁽⁴⁾	29,792 ⁽⁴⁾	28,432 ⁽⁴⁾
Royalty income and fees	6,846	5,206	5,314	5,011	4,857
	3,157,796	3,094,018	3,075,671	2,874,130	2,732,758
Cost of revenues					
Store					
Cost of rentals and fees	704,595	676,674 ⁽⁴⁾	642,387 ⁽⁴⁾	572,874 ⁽⁴⁾	525,641 ⁽⁴⁾
Cost of merchandise sold	231,520	216,206	241,219	201,854	164,133
Cost of installment sales	26,084	24,541 ⁽⁴⁾	23,287 ⁽⁴⁾	23,340 ⁽⁴⁾	22,071 ⁽⁴⁾
Vendor settlement credit	(6,836) ⁽¹⁾	—	—	—	—
Franchise cost of merchandise sold	18,070	23,104 ⁽⁴⁾	31,314 ⁽⁴⁾	28,307 ⁽⁴⁾	27,099 ⁽⁴⁾
	973,433	940,525	938,207	826,375	738,944
Gross profit	2,184,363	2,153,493	2,137,464	2,047,755	1,993,814
Operating expenses					
Store expenses					
Labor	888,929	881,671 ⁽⁴⁾	840,377 ⁽⁴⁾	791,630 ⁽⁴⁾	757,339 ⁽⁴⁾
Other store expenses	839,801	789,212 ⁽⁴⁾	764,770 ⁽⁴⁾	744,767 ⁽⁴⁾	728,553 ⁽⁴⁾
General and administrative expenses	162,316	147,621	140,039	131,909	120,662
Depreciation, amortization and write-down of intangibles	87,399	87,980	79,249	69,889	66,665
Other charges	12,456 ⁽²⁾	—	—	24,063 ⁽⁵⁾	18,939 ⁽⁶⁾
	1,990,901	1,906,484	1,824,435	1,762,258	1,692,158
Operating profit	193,462	247,009	313,029	285,497	301,656
Finance charges from refinancing	4,213 ⁽³⁾	—	—	—	3,100 ⁽⁷⁾
Interest expense, net	46,896	38,813	31,223	36,607	25,912
Earnings before income taxes	142,353	208,196	281,806	248,890	272,644
Income tax expense	45,931	79,439 ⁽⁴⁾	101,788 ⁽⁴⁾	89,169 ⁽⁴⁾	102,323 ⁽⁴⁾
NET EARNINGS	\$ 96,422	\$ 128,757	\$ 180,018	\$ 159,721	\$ 170,321
Basic earnings per common share	\$ 1.82	\$ 2.35	\$ 3.06	\$ 2.61	\$ 2.62
Diluted earnings per common share	\$ 1.81	\$ 2.33	\$ 3.03	\$ 2.58	\$ 2.58
Cash dividends declared per common share	\$ 0.93	\$ 0.86	\$ 0.69	\$ 0.54	\$ 0.18

ITEM 6. Selected Financial Data — Continued.

	December 31,				
	2014	2013	2012	2011	2010
<i>(Dollar amounts in thousands)</i>					
Consolidated Balance Sheet Data					
Rental merchandise, net	\$ 1,237,856	\$ 1,124,198 ⁽⁸⁾	\$ 1,006,419 ⁽⁸⁾	\$ 942,526 ⁽⁸⁾	\$ 828,674 ⁽⁸⁾
Intangible assets, net	1,377,992	1,373,518	1,352,888	1,350,855	1,326,091
Total assets	3,271,197	3,018,175 ⁽⁸⁾	2,859,085 ⁽⁸⁾	2,795,241 ⁽⁸⁾	2,683,867 ⁽⁸⁾
Total debt	1,042,813	916,275	687,500	740,675	701,114
Total liabilities	1,881,802	1,682,306 ⁽⁸⁾	1,403,228 ⁽⁸⁾	1,446,564 ⁽⁸⁾	1,335,684 ⁽⁸⁾
Stockholders' equity	1,389,395	1,335,869 ⁽⁸⁾	1,455,857 ⁽⁸⁾	1,348,677 ⁽⁸⁾	1,348,183 ⁽⁸⁾
Operating Data (Unaudited)					
Core U.S. and Mexico stores open at end of period	3,001	3,161	3,098	3,074	3,008
Acceptance Now locations open at end of period	1,406	1,325	966	750	384
Same store revenue growth (decrease) ⁽⁹⁾	1.2%	(2.0)%	1.4%	0.8%	(0.4)%
Franchise stores open at end of period	187	179	224	216	209

- (1) Includes a \$6.8 million credit due to the settlement of a lawsuit against the manufacturers of LCD screen displays.
- (2) As discussed further in Note M, includes store closure charges of \$5.1 million, corporate restructuring charges of \$2.8 million and asset impairment charges of \$4.6 million.
- (3) Includes the effects of a \$4.2 million financing expense related to the payment of debt origination costs and the write-off of unamortized financing costs.
- (4) Includes revisions for immaterial errors identified that increased (decreased) the following items as discussed in Note B to the consolidated financial statements, in millions:

	December 31,			
	2013	2012	2011	2010
Rentals and fees	\$ (2.5)	\$ (0.2)	\$ (2.4)	\$ 4.5
Installment sales	(1.2)	(1.3)	(1.5)	(1.2)
Franchise merchandise sales	(6.4)	(5.5)	(4.2)	(2.1)
Cost of rentals and fees	(6.5)	(3.7)	2.4	6.4
Cost of installment sales	(1.2)	(1.3)	(1.5)	(1.2)
Franchise cost of merchandise sold	(6.4)	(5.5)	(4.2)	(2.1)
Store labor	1.2	2.2	1.1	0.5
Other store expenses	2.0	3.9	—	—
Income tax expense	0.3	(1.0)	(2.1)	(0.9)

- (5) Includes the effects of a \$1.4 million restructuring charge in connection with the acquisition in November 2011 of 58 rent-to-own stores; a \$7.6 million restructuring charge related to the closure of eight Home Choice stores in Illinois and 24 RAC Limited locations within third-party grocery stores, as well as the closure of 26 core rent-to-own stores following the sale of all customer accounts at these locations and a \$4.9 million restructuring charge for lease terminations related to The Rental Store acquisition; includes the effects of a \$7.3 million impairment charge related to the discontinuation of the financial services business; includes the effects of a \$2.8 million litigation expense related to the settlement of various California claims, including wage and hour violations.
- (6) Includes the effects of an \$18.9 million impairment charge related to the discontinuation of our financial services business.
- (7) Includes the effects of a \$3.1 million financing expense related to the write-off of unamortized financing costs.
- (8) Includes revisions for immaterial errors identified that increased (decreased) the following items as discussed in Note B to the consolidated financial statements, in millions:

	December 31,			
	2013	2012	2011	2010
Rental merchandise, net	\$ (0.9)	\$ (1.1)	\$ —	\$ —
Total assets	(0.4)	(0.7)	0.4	0.2
Total liabilities	7.3	7.5	6.9	3.0
Stockholders' equity	(7.7)	(8.2)	(6.5)	(2.8)

- (9) In 2010 through 2012, same store revenue growth or decrease for each period presented includes revenues only of stores open throughout the full period and the comparable prior period. Beginning in 2013, new or acquired stores were added to the same store revenue base in the 13th full month of operation.

ITEM 7. Management's Discussion and Analysis of Financial Condition and Results of Operations.

Results of Operations

The following discussion focuses on our results of operations and issues related to our liquidity and capital resources. You should read this discussion in conjunction with the consolidated financial statements and notes thereto included elsewhere in this Annual Report on Form 10-K.

The following results of operations narrative and table reflect the revisions to prior year balances due to immaterial error corrections discussed in Note B to the consolidated financial statements, as well as the realignment of our segments discussed in Note S, as Canada is now reported in the Core U.S. segment, the segment formerly reported as International has been revised to reflect the operations of Mexico only and we are no longer allocating corporate costs to the segments.

Overview

During 2014, we have continued efforts under our multi-year transformation program, testing a new labor model for our Core U.S. stores, formulating a customer-focused value-based pricing strategy, developing a new sourcing and distribution model and implementing new technology into our Acceptance Now locations.

We continue to grow the Acceptance Now segment, with revenue growth of approximately \$155 million year over year. Same store sales increased over 25% in 2014, we added a net of 81 Acceptance Now locations and launched our virtual solution in 650 locations. Acceptance Now contributed over 20% of our consolidated revenues in 2014.

Revenues in our Core U.S. segment decreased approximately \$113 million year over year. In addition to softer demand, during the second quarter of 2014, we closed 150 Core U.S. stores and merged those accounts into existing Core U.S. stores, which improved profitability but reduced revenues. This revenue decrease was partially offset by the nationwide roll-out of smartphones in July 2014. Revenue from smartphones grew to approximately 7% of our Core U.S. revenues in the fourth quarter of 2014.

The investments we are making in our business have resulted in increases in other store expenses and general and administrative expenses. Interest expense has increased due to increased debt outstanding and increased interest rates. Our effective tax rate decreased in 2014 due primarily to wage credits and the research and development credit.

(Dollar amounts in thousands)	Year Ended December 31,			2014-2013 Change		2013-2012 Change	
	2014	2013	2012	\$	%	\$	%
Revenues							
Store							
Rentals and fees	\$ 2,745,828	\$ 2,695,895	\$ 2,653,925	\$ 49,933	1.9%	\$ 41,970	1.6%
Merchandise sales	290,048	278,753	300,077	11,295	4.1%	(21,324)	(7.1)%
Installment sales	75,889	71,475	67,071	4,414	6.2%	4,404	6.6%
Other	19,949	18,133	16,391	1,816	10.0%	1,742	10.6%
Total store revenues	3,131,714	3,064,256	3,037,464	67,458		26,792	
Franchise							
Merchandise sales	19,236	24,556	32,893	(5,320)	(21.7)%	(8,337)	(25.3)%
Royalty income and fees	6,846	5,206	5,314	1,640	31.5%	(108)	(2.0)%
Total revenues	3,157,796	3,094,018	3,075,671	63,778	2.1%	18,347	0.6%
Cost of revenues							
Store							
Cost of rentals and fees	704,595	676,674	642,387	27,921	4.1%	34,287	5.3%
Cost of merchandise sold	231,520	216,206	241,219	15,314	7.1%	(25,013)	(10.4)%
Cost of installment sales	26,084	24,541	23,287	1,543	6.3%	1,254	5.4%
Total cost of store revenues	962,199	917,421	906,893	44,778		10,528	
Vendor settlement credit	(6,836)	—	—	(6,836)	—%	—	—%
Franchise cost of merchandise sold	18,070	23,104	31,314	(5,034)	(21.8)%	(8,210)	(26.2)%
Total cost of revenues	973,433	940,525	938,207	32,908	3.5%	2,318	0.2%
Gross profit	2,184,363	2,153,493	2,137,464	30,870	1.4%	16,029	0.7%
Operating expenses							
Store expenses							
Labor	888,929	881,671	840,377	7,258	0.8%	41,294	4.9%
Other store expenses	839,801	789,212	764,770	50,589	6.4%	24,442	3.2%
General and administrative	162,316	147,621	140,039	14,695	10.0%	7,582	5.4%
Depreciation, amortization and write-down of intangibles	87,399	87,980	79,249	(581)	(0.7)%	8,731	11.0%
Other charges	12,456	—	—	12,456	—%	—	—%
Total operating expenses	1,990,901	1,906,484	1,824,435	84,417	4.4%	82,049	4.5%
Operating profit	193,462	247,009	313,029	(53,547)	(21.7)%	(66,020)	(21.1)%
Finance charges from refinancing	4,213	—	—	4,213	—%	—	—%
Interest, net	46,896	38,813	31,223	8,083	20.8%	7,590	24.3%
Earnings before income taxes	142,353	208,196	281,806	(65,843)	(31.6)%	(73,610)	(26.1)%
Income tax expense	45,931	79,439	101,788	(33,508)	(42.2)%	(22,349)	(22.0)%
Net earnings	\$ 96,422	\$ 128,757	\$ 180,018	\$ (32,335)	(25.1)%	\$ (51,261)	(28.5)%

Comparison of the Years Ended December 31, 2014 and 2013

Store Revenue. Total store revenue increased by \$67.5 million, or 2.2%, to \$3,131.7 million for the year ended December 31, 2014, from \$3,064.3 million for 2013. This was primarily due to increases of approximately \$155.4 million in the Acceptance Now segment and approximately \$25.0 million in the Mexico segment, partially offset by a decrease of approximately \$113.0 million in the Core U.S. segment.

Same store revenue represents revenue earned in 4,150 locations that were operated by us for 13 months or more. Same store revenues increased by \$29.5 million, or 1.2%, to \$2,580.0 million for the year ended December 31, 2014, as compared to \$2,550.5 million in 2013. The increase in same store revenues was attributable to growth in the Acceptance Now and Mexico segments, partially offset by a decrease in the Core U.S. segment.

Cost of Rentals and Fees. Cost of rentals and fees consists of depreciation of rental merchandise. Cost of rentals and fees for the year ended December 31, 2014, increased by \$27.9 million, or 4.1%, to \$704.6 million, as compared to \$676.7 million in 2013. This increase in cost of rentals and fees was primarily attributable to growth in rentals and fees revenue in the Acceptance Now and Mexico segments in 2014 as compared to 2013, partially offset by a decrease in rentals and fees revenue in the Core U.S. segment. The gross margin percent of rentals and fees decreased to 74.3% for the year ended December 31, 2014, as compared to 74.9% in 2013, driven by increased revenue in the Acceptance Now segment, which has higher costs of rental merchandise.

PART II

ITEM 7. Management's Discussion and Analysis of Financial Condition and Results of Operations.

Cost of Merchandise Sold. Cost of merchandise sold represents the net book value of rental merchandise at time of sale. Cost of merchandise sold increased by \$15.3 million, or 7.1%, to \$231.5 million for the year ended December 31, 2014, from \$216.2 million in 2013. The gross margin percent of merchandise sales decreased to 20.4% for the year ended December 31, 2014, from 22.4% in 2013, driven primarily by a 90 day cash option in certain Acceptance Now locations that has lower margins than our rental purchase agreements.

Vendor Settlement Credit. During 2014, we recorded a \$6.8 million credit as a result of a class-action settlement with the manufacturers of LCD screen displays.

Gross Profit. Gross profit increased by \$30.9 million, or 1.4%, to \$2,184.4 million for the year ended December 31, 2014, from \$2,153.5 million in 2013, primarily due to increased store revenue in the Acceptance Now segment and the \$6.8 million vendor settlement credit as discussed above. Gross profit as a percentage of total revenue decreased to 69.2% in 2014 compared to 69.6% in 2013. Without the \$6.8 million vendor settlement credit discussed above, gross margin as a percentage of total revenue would have been 69.0% for the year ended December 31, 2014, a decrease of 0.6% from the prior year, driven by increased revenue in the Acceptance Now segment, which has higher costs of rental merchandise, and a 90 day cash option in certain Acceptance Now locations that has lower margins than our rental purchase agreements.

Store Labor. Store labor includes all salaries and wages paid to store-level employees and district managers' salaries, together with payroll taxes and benefits. Store labor increased by \$7.3 million, or 0.8%, to \$888.9 million for the year ended December 31, 2014, as compared to \$881.7 million in 2013. This increase was primarily attributable to the growth of our Acceptance Now segment, partially offset by a reduction in labor costs due to store closures in the Core U.S. segment and the reduction of labor hours at the store level. Store labor expenses expressed as a percentage of total store revenue decreased to 28.4% for the year ended December 31, 2014, from 28.8% in 2013, driven by better leverage on Acceptance Now sales, the benefit of store closures and the reduction of labor hours at the store level.

Other Store Expenses. Other store expenses include occupancy, charge-offs due to customer stolen merchandise, delivery, advertising, selling, insurance, travel and other store-level operating expenses. Other store expenses increased by \$50.6 million, or 6.4%, to \$839.8 million for the year ended December 31, 2014, as compared to \$789.2 million in 2013. This was primarily attributable to increased expenses associated with the growth of our Acceptance Now segment, an increase in charge-offs due to customer stolen merchandise, and increased professional fees due to the investments we are making under our multi-year transformation program. Other store expenses expressed as a percentage of total store revenue increased to 26.8% for the year ended December 31, 2014, from 25.8% in 2013.

General and Administrative Expenses. General and administrative expenses include all corporate overhead expenses related to our headquarters such as salaries, payroll taxes and benefits, stock-based compensation, occupancy, administrative and other operating expenses, as well as salaries and labor costs for our regional directors, divisional vice presidents and executive vice presidents. General and administrative expenses increased by \$14.7 million, or 10.0%, to \$162.3 million for the year ended December 31, 2014, as compared to \$147.6 million in 2013. General and administrative expenses expressed as a percentage of total revenue increased to 5.1% for the year ended December 31, 2014, from 4.8% in 2013.

Other Charges. As discussed in Note M to the consolidated financial statements, we closed 150 stores in the Core U.S. segment, which resulted in a restructuring charge of \$5.1 million during the year ended December 31, 2014. This charge included approximately \$3.4 million of accelerated depreciation expense for fixed assets, leasehold improvements and write-off of merchandise inventory, \$1.3 million in early lease termination costs and \$0.4 million of other operating costs to decommission the stores. In addition, we eliminated certain departments and functions in our field support center during the year ended December 31, 2014, as a part of our multi-year transformation program. The changes resulted in restructuring charges of approximately \$2.8 million for severance and other payroll-related costs.

During the third quarter of 2014, we recorded a \$4.6 million impairment charge related to internally-developed computer software that was placed into service in the fourth quarter of 2014. We determined that certain components developed for our new store management information system would not be utilized.

Operating Profit. Operating profit decreased by \$53.5 million, or 21.7%, to \$193.5 million for the year ended December 31, 2014, as compared to \$247.0 million in 2013. Operating profit as a percentage of total revenue decreased to 6.1% for the year ended December 31, 2014, from 8.0% for 2013, primarily due to the decrease in revenue and resulting decrease in gross profit in the Core U.S. segment, increased expenses associated with the growth of our Acceptance Now segment, an increase in charge-offs due to customer stolen merchandise and increased professional fees due to the investments we are making under our multi-year transformation program.

Finance Charges from Refinancing. As discussed in Note I, we refinanced our senior credit facility during March 2014, and recognized a \$4.2 million charge to write off approximately \$2.3 million of new origination fees and \$1.9 million of unamortized financing costs from our previous credit agreement.

Net Interest. Net interest expense increased \$8.1 million, or 20.8%, to \$46.9 million for the year ended December 31, 2014 as compared to \$38.8 million in 2013 due to increased interest on our senior credit facility due to the refinance discussed in Note I, and the full-year impact in 2014 of the issuance of \$250 million of senior notes in May of 2013.

Income Tax Expense. Our effective income tax rate was 32.3% and 38.2% for 2014 and 2013, respectively. The 2014 rate for income taxes is lower than 2013 due primarily to a greater amount of wage credits recognized in 2014 than in 2013, as well as adjustments to deferred tax balances.

Net Earnings and Earnings per Share. Net earnings decreased by \$32.3 million, or 25.1%, to \$96.4 million for the year ended December 31, 2014 as compared to \$128.8 million in 2013. This decrease was primarily attributable to a decline in operating profit in the Core U.S. segment and an increase in refinancing costs and interest expense, partially offset by increased operating profit in the Acceptance Now segment and a decrease in the effective income tax rate in 2014 as compared to 2013. Diluted earnings per share in 2014 were \$1.81 compared to \$2.33 in 2013, due to the decrease in net earnings discussed above.

Comparison of the Years Ended December 31, 2013 and 2012

Store Revenue. Total store revenue increased by \$26.8 million, or 2.2%, to \$3,064.3 million for the year ended December 31, 2013, from \$3,037.5 million for 2012. This was primarily due to increases of approximately \$156.3 million in the Acceptance Now segment and approximately \$24.7 million in the Mexico segment, partially offset by a decrease of approximately \$154.2 million in the Core U.S. segment.

Same store revenue represents revenue earned in 3,815 locations that were operated by us for 13 months or more. Same store revenues decreased by \$55.1 million, or 2.0%, to \$2,664.5 million for the year ended December 31, 2013, as compared to \$2,719.6 million in 2012. The decrease in same store revenues was primarily attributable to a 6.3% decline in the Core U.S. segment, partially offset by growth in the Acceptance Now and Mexico segments.

Cost of Rentals and Fees. Cost of rentals and fees consists of depreciation of rental merchandise. Cost of rentals and fees for the year ended December 31, 2013, increased by \$34.3 million, or 5.3%, to \$676.7 million, as compared to \$642.4 million in 2012. This increase in cost of rentals and fees was primarily attributable to growth in rentals and fees revenue in the Acceptance Now and Mexico segments in 2013 as compared to 2012, partially offset by a decrease in rentals and fees revenue in the Core U.S. segment. The gross margin percent of rentals and fees decreased to 74.9% for the year ended December 31, 2013, as compared to 75.8% in 2012, driven by increased revenue in the Acceptance Now segment, which has higher costs of rental merchandise, and selective price or term decreases in the Core U.S. segment.

Cost of Merchandise Sold. Cost of merchandise sold decreased by \$25.0 million, or 10.4%, to \$216.2 million for the year ended December 31, 2013, from \$241.2 million in 2012. The gross margin percent of merchandise sales increased to 22.4% for the year ended December 31, 2013, from 19.6% in 2012. These changes were driven by changes in early purchase option pricing.

Gross Profit. Gross profit increased by \$16.0 million, or 0.7%, to \$2,153.5 million for the year ended December 31, 2013, from \$2,137.5 million in 2012, primarily due to growth in the Acceptance Now and Mexico segments, partially offset by a decrease in the Core U.S. segment. Gross profit as a percentage of total revenue increased to 69.6% in 2013 compared to 69.5% in 2012.

Store Labor. Store labor increased by \$41.3 million, or 4.9%, to \$881.7 million for the year ended December 31, 2013, as compared to \$840.4 million in 2012. This increase was primarily attributable to the growth of our Acceptance Now and Mexico segments, while store labor

was mostly flat in the Core U.S. segment. Store labor expenses expressed as a percentage of total store revenue increased to 28.8% for the year ended December 31, 2013, from 27.7% in 2012, primarily due to the growth of our Acceptance Now and Mexico segments.

Other Store Expenses. Other store expenses increased by \$24.4 million, or 3.2%, to \$789.2 million for the year ended December 31, 2013, as compared to \$764.8 million in 2012. This was primarily attributable to increased expenses associated with the growth of our Acceptance Now and Mexico segments. Other store expenses expressed as a percentage of total store revenue increased to 25.8% for the year ended December 31, 2013, from 25.2% in 2012.

General and Administrative Expenses. General and administrative expenses increased by \$7.6 million, or 5.4%, to \$147.6 million for the year ended December 31, 2013, as compared to \$140.0 million in 2012. General and administrative expenses expressed as a percentage of total revenue increased to 4.8% for the year ended December 31, 2013, from 4.6% in 2012.

Operating Profit. Operating profit decreased by \$66.0 million, or 21.1%, to \$247.0 million for the year ended December 31, 2013, as compared to \$313.0 million in 2012. Operating profit as a percentage of total revenue decreased to 8.0% for the year ended December 31, 2013, from 10.2% for 2012, primarily due to the decrease in revenue and resulting decrease in gross profit in the Core U.S. segment, partially offset by the increase in revenue and resulting increase in gross profit in our Acceptance Now segment.

Net Interest. Net interest expense increased \$7.6 million, or 24.2%, to \$38.8 million for the year ended December 31, 2013 as compared to \$31.2 million in 2012 due primarily to the issuance of \$250 million of senior notes in May of 2013.

Income Tax Expense. Our effective income tax rate was 38.2% and 36.1% for 2013 and 2012, respectively. The 2013 rate for income taxes was greater than that of 2012 due primarily to the non-deductible write-down of goodwill related to stores sold to franchisees.

Net Earnings and Earnings per Share. Net earnings decreased by \$51.3 million, or 28.5%, to \$128.8 million for the year ended December 31, 2013 as compared to \$180.0 million in 2012. This decrease was primarily attributable to a decline in the Core U.S. segment operating profit, an increase in interest expense and an increase in the effective income tax rate in 2013 as compared to 2012, partially offset by growth in the Acceptance Now and Mexico segments. Diluted earnings per share in 2013 were \$2.33 compared to \$3.03 in 2012, due to the decrease in net income discussed above.

Segment Performance

Core U.S. segment.

(Dollar amounts in thousands)	Year Ended December 31,			2014-2013 Change		2013-2012 Change	
	2014	2013	2012	\$	%	\$	%
Revenues	\$ 2,414,659	\$ 2,527,660	\$ 2,681,844	\$ (113,001)	(4.5)%	\$ (154,184)	(5.7)%
Gross profit	1,753,269	1,822,243	1,919,230	(68,974)	(3.8)%	(96,987)	(5.1)%
Operating profit	264,967	311,301	415,744	(46,334)	(14.9)%	(104,443)	(25.1)%
Change in same store revenue					(4.0)%		(6.3)%
Stores in same store revenue calculation					2,838		2,862

PART II

ITEM 7. Management's Discussion and Analysis of Financial Condition and Results of Operations.

Revenues. Rentals and fees revenue and merchandise sales decreased in 2014 compared to 2013. The portfolio of recurring revenue is down year over year due to softer demand and the closure of 150 stores in the second quarter of 2014, partially offset by the rollout of smartphones in the third quarter of 2014.

Gross Profit. Gross profit decreased in 2014 from 2013 primarily due to decreased store revenue as discussed above. Gross profit as a percentage of total segment revenue increased to 72.6% in 2014 from 72.1% in 2013. Without the \$6.8 million vendor settlement credit discussed above, gross profit as a percentage of total revenue would have been 72.3% in 2014.

Operating Profit. Operating profit as a percentage of total segment revenue decreased to 11.0% in 2014 from 12.3% for 2013. Operating

profit in 2014 was impacted by decreased gross profit as discussed above, increased charge-offs due to customer stolen merchandise and store closure costs related to the closure of 150 stores in the second quarter, partially offset by decreases in store labor costs as a result of the store closures. Advertising expense as a percentage of Core U.S. store revenues for the years ended December 31, 2014 and 2013 was 3.9% and 3.7%, respectively. Charge-offs in our Core U.S. rent-to-own stores due to customer stolen merchandise, expressed as a percentage of revenues, were approximately 3.1% in 2014, as compared to 2.7% in 2013. Operating expenses expressed as a percentage of total segment revenue increased to 61.6% in 2014 from 59.8% in 2013 primarily due to the decrease in revenue.

Acceptance Now segment.

(Dollar amounts in thousands)	Year Ended December 31,			2014-2013 Change		2013-2012 Change	
	2014	2013	2012	\$	%	\$	%
Revenues	\$ 644,853	\$ 489,425	\$ 333,118	\$ 155,428	31.8%	\$ 156,307	46.9%
Gross profit	372,012	290,647	196,050	81,365	28.0%	94,597	48.3%
Operating profit	112,918	89,075	41,344	23,843	26.8%	47,731	115.4%
Change in same store revenue					25.5%		30.1%
Stores in same store revenue calculation				1,171		868	

Revenues. The increase in revenues in 2014 was driven by the 25.5% growth in same store revenue and the net addition of 81 locations during the period. This segment contributed approximately 20.4% of consolidated revenues in 2014.

Gross profit. Gross profit as a percentage of revenues was 57.7% in 2014 as compared to 59.4% in 2013. This 170 basis point decline was primarily driven by lower margins from the 90 day cash option, which was expanded to approximately 60% of our locations. The higher cost of merchandise results in lower gross margins in this segment.

Operating profit. Operating profit as a percentage of total segment revenue decreased to 17.5% in 2014 from 18.2% for 2013. Operating profit was positively impacted by the growth in revenue and gross profit in this segment, partially offset by increases in charge-offs due to customer stolen merchandise and an increase in store labor expenses due to the growth in this segment. Charge-offs due to customer stolen merchandise, expressed as a percentage of revenues, were approximately 7.8% in 2014 as compared to 5.9% in 2013.

Mexico segment.

(Dollar amounts in thousands)	Year Ended December 31,			2014-2013 Change		2013-2012 Change	
	2014	2013	2012	\$	%	\$	%
Revenues	\$ 72,202	\$ 47,171	\$ 22,502	\$ 25,031	53.1%	\$ 24,669	109.6%
Gross profit	51,070	33,945	15,291	17,125	50.4%	18,654	122.0%
Operating loss	(21,961)	(22,828)	(23,337)	867	(3.8)%	509	2.2%
Change in same store revenue					19.7%		47.1%
Stores in same store revenue calculation				141		85	

Revenues. The increase in total revenues in 2014 was driven by the 19.7% growth in same store revenue and the net addition of 26 stores during 2014.

Gross Profit. Gross profit increased in 2014 primarily due to increased revenue as discussed above. Gross profit as a percentage of total revenues decreased to 70.7% in 2014 from 72.0% in 2013.

Operating Loss. Operating loss as a percentage of total segment revenue decreased to 30.4% in 2014 from 48.4% for 2013, improving as more stores mature.

Franchising segment.

(Dollar amounts in thousands)	Year Ended December 31,			2014-2013 Change		2013-2012 Change	
	2014	2013	2012	\$	%	\$	%
Revenues	\$ 26,082	\$ 29,762	\$ 38,207	\$ (3,680)	(12.4)%	\$ (8,445)	(22.1)%
Gross profit	8,012	6,658	6,893	1,354	20.3%	(235)	(3.4)%
Operating profit	3,295	1,853	2,326	1,442	77.8%	(473)	(20.3)%

Revenues. Revenues decreased primarily due to the 2013 rebranding initiative, which reduced overall store count in this segment during 2014 as compared to 2013.

Gross Profit. Gross profit as a percentage of revenues increased to 30.7% in 2014 from 22.4% in 2013, primarily due to increased royalty revenue, as the royalty rate is higher in the rebranded stores.

Operating Profit. Operating profit as a percentage of total segment revenue increased to 12.6% in 2014 from 6.2% for 2013 due to increased gross profit as discussed above, and because 2013 included certain costs related to the rebranding initiative.

Quarterly Results

The following table contains certain unaudited historical financial information for the quarters indicated, adjusted to reflect the immaterial error corrections discussed in Note B to the consolidated financial statements:

	1 st Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter
	<i>(In thousands, except per share data)</i>			
Year Ended December 31, 2014				
Revenues	\$ 828,473	\$ 768,426	\$ 764,363	\$ 796,534
Gross profit	562,550	537,024	539,758	545,031
Operating profit	59,458	40,390	45,920	47,694
Net earnings	27,266	17,681	25,925	25,550
Basic earnings per common share	\$ 0.52	\$ 0.33	\$ 0.49	\$ 0.48
Diluted earnings per common share	\$ 0.51	\$ 0.33	\$ 0.49	\$ 0.48
Cash dividends declared per common share	\$ 0.23	\$ 0.23	\$ 0.23	\$ 0.24

	1 st Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter
	<i>(In thousands, except per share data)</i>			
Year Ended December 31, 2013				
Revenues	\$ 815,661	\$ 759,424	\$ 752,758	\$ 766,175
Gross profit	550,077	532,949	530,514	539,953
Operating profit	77,019	78,922	56,399	34,669
Net earnings	44,987	42,975	27,558	13,237
Basic earnings per common share	\$ 0.78	\$ 0.78	\$ 0.52	\$ 0.25
Diluted earnings per common share	\$ 0.77	\$ 0.78	\$ 0.51	\$ 0.25
Cash dividends declared per common share	\$ 0.21	\$ 0.21	\$ 0.21	\$ 0.23

	1 st Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter
	<i>(As a percentage of revenues)</i>			
Year Ended December 31, 2014				
Revenues	100.0%	100.0%	100.0%	100.0%
Gross profit	67.9	69.9	70.6	68.4
Operating profit	7.2	5.3	6.0	6.0
Net earnings	3.3	2.3	3.4	3.2

	1 st Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter
	<i>(As a percentage of revenues)</i>			
Year Ended December 31, 2013				
Revenues	100.0%	100.0%	100.0%	100.0%
Gross profit	67.4	70.2	70.5	70.5
Operating profit	9.4	10.4	7.5	4.5
Net earnings	5.5	5.7	3.7	1.7

Liquidity and Capital Resources

Overview. We refinanced our senior credit facility in the first quarter of 2014, increasing our borrowing capacity by \$150 million and extending our maturity dates. For the year ended December 31, 2014, we generated \$19.1 million in operating cash flow. In addition to funding operating expenses, we used \$83.8 million in cash for capital expenditures, \$48.7 million to pay cash dividends and \$27.4 million to acquire stores. We ended the year with \$46.1 million in cash and cash equivalents.

Analysis of Cash Flow. Net cash provided by operating activities decreased by \$115.2 million to \$19.1 million in 2014 from \$134.3 million in 2013. This decrease was primarily attributable to the payment in 2014 of \$146.3 million in estimated income tax payments, of which approximately \$112 million are now refundable due to the passage in the fourth quarter of favorable federal tax laws, including the extension of bonus depreciation.

Net cash used in investing activities decreased by \$33.0 million to \$96.7 million in 2014 from \$129.6 million in 2013. This decrease was primarily attributable to a decrease in both capital expenditures and acquisitions of businesses.

Net cash provided by financing activities was \$82.9 million in 2014 compared to net cash used in financing activities of \$23.1 million in 2013, a favorable change of \$106.0 million. This was driven primarily by zero share repurchases in 2014, compared to \$217.4 million in 2013, partially offset by a \$102.2 million decrease in cash borrowings net of payments.

Liquidity Requirements. Our primary liquidity requirements are for rental merchandise purchases, implementation of our growth strategies, capital expenditures and debt service. Our primary sources of liquidity have been cash provided by operations and borrowings. In the future, to provide any additional funds necessary for the continued operations and expansion of our business, we may incur from time to time additional short-term or long-term bank indebtedness and may issue, in public or private transactions, equity and debt securities. The availability and attractiveness of any outside sources of financing will depend on a number of factors, some of which relate to our financial condition and performance, and some of which are beyond our control, such as prevailing interest rates and general financing and economic conditions. There can be no assurance that additional financing will be available, or if available, that it will be on terms we find acceptable.

We believe the cash flow generated from operations, together with amounts available under our Credit Agreement, will be sufficient to fund

Merchandise Inventory. A reconciliation of merchandise inventory, which includes purchases, follows:

	Year Ended December 31,		
	2014	2013	2012
	<i>(In thousands)</i>		
Beginning merchandise value	\$ 1,128,236	\$ 1,010,160	\$ 946,623
Inventory additions through acquisitions	9,731	11,843	4,380
Purchases	1,255,270	1,150,647	1,066,365
Depreciation of rental merchandise	(685,115)	(652,161)	(620,917)
Cost of goods sold	(257,604)	(240,747)	(264,506)
Customer stolen merchandise	(137,107)	(105,225)	(84,532)
Other inventory deletions ⁽¹⁾	(70,700)	(46,281)	(37,253)
Ending merchandise value	\$ 1,242,711	\$ 1,128,236	\$ 1,010,160

(1) Other inventory deletions include loss/damage waiver claims and unrepairable and missing merchandise, as well as acquisition write-offs.

our liquidity requirements as discussed above during the next 12 months. Our revolving credit facilities, including our \$20.0 million line of credit at INTRUST Bank, provide us with revolving loans in an aggregate principal amount not exceeding \$695.0 million, of which \$430.6 million was available at February 23, 2015, at which date we had \$97.5 million in cash. To the extent we have available cash that is not necessary to fund the items listed above, we may declare and pay dividends on our common stock, make additional payments to reduce our existing debt or repurchase additional shares of our common stock. While our operating cash flow has been strong and we expect this strength to continue, our liquidity could be negatively impacted if we do not remain as profitable as we expect.

A change in control would result in an event of default under our senior credit facilities which would allow our lenders to accelerate the indebtedness owed to them. In addition, if a change in control occurs, we may be required to offer to repurchase all of our outstanding senior unsecured notes at 101% of their principal amount, plus accrued interest to the date of repurchase. Our senior credit facilities restrict our ability to repurchase the senior unsecured notes, including in the event of a change in control. In the event a change in control occurs, we cannot be sure we would have enough funds to immediately pay our accelerated senior credit facilities and senior note obligations or that we would be able to obtain financing to do so on favorable terms, if at all.

Deferred Taxes. Certain federal tax legislation enacted during the period 2009 to 2013 permitted bonus first-year depreciation deductions ranging from 50-100% of the adjusted basis of qualified property placed in service during such years. The depreciation benefits associated with these tax acts are now reversing and had a negative effect of \$127 million on our 2014 cash flow. On December 18, 2014, President Obama signed into law the Tax Increase Prevention Act of 2014 ("TIPA"), which extended the bonus depreciation through December 2014. Most, if not all, of the estimated 2014 tax liability had been paid by December 15, 2014, so a refund of approximately \$112 million was requested from the IRS and received in early 2015. We estimate that the remaining tax deferral associated with these acts approximates \$170 million at December 31, 2014, of which approximately 75%, or \$125 million will reverse in 2015, and the remainder will reverse between 2016 and 2017.

The TIPA also extended various credits expected to result in a benefit of \$3.7 million, which was included in the refund discussed above.

Capital Expenditures. We make capital expenditures in order to maintain our existing operations as well as for new capital assets in new and acquired stores, and investment in information technology. We spent \$83.8 million, \$108.4 million and \$102.5 million on capital expenditures in the years 2014, 2013 and 2012, respectively, and expect to spend between \$70 million and \$80 million in 2015.

Acquisitions and New Location Openings. During 2014, we used approximately \$27.4 million in cash acquiring locations and accounts in 25 separate transactions, and the acquisition of a distribution company.

The table below summarizes the location activity for the years ended December 31, 2014, 2013 and 2012.

	Year Ended December 31, 2014				
	Core U.S.	Acceptance Now	Mexico	Franchising	Total
Locations at beginning of period	3,010	1,325	151	179	4,665
New location openings	10	209	31	30	280
Acquired locations remaining open	6	—	—	—	6
Closed locations					
Merged with existing locations	163	127	5	—	295
Sold or closed with no surviving location	39	1	—	22	62
Locations at end of period	2,824	1,406	177	187	4,594
Acquired locations closed and accounts merged with existing locations	13	—	—	—	13
Total approximate purchase price (in millions)	\$ 21.2	\$ —	\$ —	\$ —	\$ 21.2

	Year Ended December 31, 2013				
	Core U.S.	Acceptance Now	Mexico	Franchising	Total
Locations at beginning of period	3,008	966	90	224	4,288
New location openings	37	411	63	40	551
Acquired locations remaining open	47	—	—	—	47
Closed locations					
Merged with existing locations	46	44	2	—	92
Sold or closed with no surviving location	36	8	—	85	129
Locations at end of period	3,010	1,325	151	179	4,665
Acquired locations closed and accounts merged with existing locations	38	—	—	—	38
Total approximate purchase price (in millions)	\$ 41.2	\$ —	\$ —	\$ —	\$ 41.2

	Year Ended December 31, 2012				
	Core U.S.	Acceptance Now	Mexico	Franchising	Total
Locations at beginning of period	3,027	750	47	216	4,040
New location openings	35	325	45	18	423
Acquired locations remaining open	6	—	—	—	6
Closed locations					
Merged with existing locations	40	95	1	—	136
Sold or closed with no surviving location	20	14	1	10	45
Locations at end of period	3,008	966	90	224	4,288
Acquired locations closed and accounts merged with existing locations	31	—	—	—	31
Total approximate purchase price (in millions)	\$ 13.3	\$ —	\$ —	\$ —	\$ 13.3

Senior Debt. As discussed in Note I to the consolidated financial statements, we refinanced our prior credit agreement on March 19, 2014. The following discussion refers to the new credit agreement, its term loans and its revolving facility described therein. The new \$900.0 million Credit Agreement consists of \$225.0 million, seven-year Term Loans, and a \$675.0 million, five-year Revolving Facility.

The full amount of the Revolving Facility may be used for the issuance of letters of credit, of which \$104.4 million had been so utilized as of February 23, 2015, at which date \$160.0 million was outstanding and \$410.6 million was available. The Term Loans are scheduled to mature on March 19, 2021 and the Revolving Facility has a scheduled maturity

of March 19, 2019. The weighted average Eurodollar rate on our outstanding debt was 0.50% at February 23, 2015.

Senior Notes. See descriptions of the senior notes in Note J to the consolidated financial statements.

Store Leases. We lease space for substantially all of our Core U.S. and Mexico stores and certain support facilities under operating leases expiring at various times through 2023. Most of our store leases are five year leases and contain renewal options for additional periods ranging from three to five years at rental rates adjusted according to agreed-upon formulas.

PART II

ITEM 7. Management's Discussion and Analysis of Financial Condition and Results of Operations.

Franchising Guarantees. Our subsidiary, ColorTyme Finance, Inc., is a party to an agreement with Citibank, N.A., pursuant to which Citibank provides up to \$27.0 million in aggregate financing to qualifying franchisees of Franchising. Under the Citibank agreement, upon an event of default by the franchisee under agreements governing this financing and upon the occurrence of certain other events, Citibank can assign the loans and the collateral securing such loans to ColorTyme Finance, with ColorTyme Finance paying or causing to be paid the outstanding debt to Citibank and then succeeding to the rights of Citibank under the debt agreements, including the right to foreclose on

the collateral. Rent-A-Center and ColorTyme Finance guarantee the obligations of the franchise borrowers under the Citibank facility. An additional \$20.0 million of financing is provided by Texas Capital Bank, National Association under an agreement similar to the Citibank financing, which is guaranteed by Rent-A-Center East, Inc., a subsidiary of Rent-A-Center. The maximum guarantee obligations under these agreements, excluding the effects of any amounts that could be recovered under collateralization provisions, is \$47.0 million, of which \$16.4 million was outstanding as of December 31, 2014.

Contractual Cash Commitments. The table below summarizes debt, lease and other minimum cash obligations outstanding as of December 31, 2014:

Contractual Cash Obligations (In thousands)	Payments Due by Period				
	Total	2015	2016-2017	2018-2019	Thereafter
Senior Term Debt	\$ 223,313 ⁽¹⁾	\$ 2,250	\$ 4,500	\$ 4,500	\$ 212,063
Revolving Credit Facility	255,000 ⁽²⁾	—	—	255,000	—
INTRUST Line of Credit	14,500	14,500	—	—	—
6.625% Senior Notes ⁽³⁾	419,250	19,875	39,750	39,750	319,875
4.75% Senior Notes ⁽⁴⁾	327,188	11,875	23,750	23,750	267,813
Operating Leases	528,542	182,590	250,652	91,405	3,895
Total⁽⁵⁾	\$ 1,767,793	\$ 231,090	\$ 318,652	\$ 414,405	\$ 803,646

(1) Amount referenced does not include interest payments. Our senior term debt bears interest at varying rates equal to the Eurodollar rate (not less than 0.75%) plus 3.00% or the prime rate plus 2.00% at our election. The Eurodollar rate on our senior term debt at December 31, 2014 was 0.75%.

(2) Amount referenced does not include interest payments. Our revolving credit facility bears interest at varying rates equal to the Eurodollar rate plus 1.50% to 2.75% or the prime rate plus 0.50% to 1.75% at our election. The weighted average Eurodollar rate on our revolving credit facility at December 31, 2014 was 0.15%.

(3) Includes interest payments of \$9.9 million on each of May 15 and November 15 of each year.

(4) Includes interest payments of \$5.9 million on each May 1 and November 1 of each year.

(5) As of December 31, 2014, we have \$13.4 million in uncertain tax positions. Because of the uncertainty of the amounts to be ultimately paid as well as the timing of such payments, uncertain tax positions are not reflected in the contractual obligations table.

Seasonality. Our revenue mix is moderately seasonal, with the first quarter of each fiscal year generally providing higher merchandise sales than any other quarter during a fiscal year, primarily related to federal income tax refunds. Generally, our customers will more frequently exercise the early purchase option on their existing rental purchase

agreements or purchase pre-leased merchandise off the showroom floor during the first quarter of each fiscal year. Furthermore, we tend to experience slower growth in the number of rental purchase agreements in the third quarter of each fiscal year when compared to other quarters throughout the year. We expect these trends to continue in the future.

Critical Accounting Estimates, Uncertainties or Assessments in Our Financial Statements

The preparation of our consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent losses and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. In applying accounting principles, we must often make individual estimates and assumptions regarding expected outcomes or uncertainties. Our estimates, judgments and assumptions are continually evaluated based on available information and experience. Because of the use of estimates inherent in the financial reporting process, actual results could differ from those estimates. We believe the following are areas where the degree of judgment and complexity in determining amounts recorded in our consolidated financial statements make the accounting policies critical.

If we make changes to our reserves in accordance with the policies described below, our earnings would be impacted. Increases to our reserves would reduce earnings and, similarly, reductions to our reserves would increase our earnings. A pre-tax change of approximately \$0.8 million in our estimates would result in a corresponding \$0.01 change in our diluted earnings per common share.

Self-Insurance Liabilities. We have self-insured retentions with respect to losses under our workers' compensation, general liability and vehicle liability insurance programs. We establish reserves for our liabilities associated with these losses by obtaining forecasts for the ultimate expected losses and estimating amounts needed to pay losses within our self-insured retentions.

We continually institute procedures to manage our loss exposure and increases in health care costs associated with our insurance claims through our risk management function, including a transitional duty program for injured workers, ongoing safety and accident prevention training, and various other programs designed to minimize losses and improve our loss experience in our store locations. We make assumptions on our liabilities within our self-insured retentions using actuarial loss forecasts, company-specific development factors, general industry loss development factors, and third-party claim administrator loss estimates which are based on known facts surrounding individual claims. These assumptions incorporate expected increases in health care costs. Periodically, we reevaluate our estimate of liability within our self-insured retentions. At that time, we evaluate the adequacy of our reserves by comparing amounts reserved on our balance sheet for anticipated losses to our updated actuarial loss forecasts and third-party

claim administrator loss estimates, and make adjustments to our reserves as needed.

As of December 31, 2014, the amount reserved for losses within our self-insured retentions with respect to workers' compensation, general liability and vehicle liability insurance was \$117.5 million, as compared to \$116.6 million at December 31, 2013. However, if any of the factors that contribute to the overall cost of insurance claims were to change, the actual amount incurred for our self-insurance liabilities could be more or less than the amounts currently reserved.

Income Taxes. Our annual tax rate is affected by many factors, including the mix of our earnings, legislation and acquisitions, and is based on our income, statutory tax rates and tax planning opportunities available to us in the jurisdictions in which we operate. Tax laws are complex and subject to differing interpretations between the taxpayer and the taxing authorities. Significant judgment is required in determining our tax expense, evaluating our tax positions and evaluating uncertainties. Deferred income tax assets represent amounts available to reduce income taxes payable in future years. Such assets arise because of temporary differences between the financial reporting and tax bases of assets and liabilities, as well as from net operating loss and tax credit carryforwards. We evaluate the recoverability of these future tax deductions and credits by assessing the future expected taxable income from all sources, including reversal of taxable temporary differences, forecasted operating earnings and available tax planning strategies. These sources of income rely heavily on estimates. We use our historical experience and our short- and long-range business forecasts to provide insight and assist us in determining recoverability. We recognize the financial statement benefit of a tax position only after determining that the relevant tax authority would more likely than not sustain the position following an audit. For tax positions meeting the more-likely-than not threshold, the amount recognized in the financial statements is the largest benefit that has a greater than 50 percent likelihood of being realized upon the ultimate settlement with the relevant tax authority. A number of years may elapse before a particular matter, for which we have recorded a liability, is audited and effectively settled. We review our tax positions quarterly and adjust our liability for unrecognized tax benefits in the period in which we determine the issue is effectively settled with the tax authorities, the statute of limitations expires for the relevant taxing authority to examine the tax position, or when more information becomes available.

Valuation of Goodwill. We perform an assessment of goodwill for impairment at the reporting unit level annually, or when events or circumstances indicate that impairment may have occurred. Factors which could necessitate an interim impairment assessment include a sustained decline in our stock price, prolonged negative industry or economic trends and significant underperformance relative to historical or projected future operating results. During the three months ended September 30, 2014, the Company changed its annual impairment testing date from December 31 to October 1. The Company believes this new date is preferable because it allows for more timely completion of the annual goodwill impairment test prior to the end of our annual

financial reporting period. This change in accounting principle does not delay, accelerate or avoid an impairment charge. The Company has determined that it will be impracticable to objectively determine projected cash flow and related valuation estimates that would have been used as of each October 1 of prior reporting periods without the use of hindsight. As such, the Company applied the change in annual impairment testing date prospectively beginning October 1, 2014.

Our reporting units are generally our reportable operating segments identified in Note S to the consolidated financial statements. The fair value of a reporting unit is estimated using methodologies which include the present value of estimated future cash flows and comparisons of multiples of enterprise values to earnings before interest, taxes, depreciation and amortization. The analysis is based upon available information regarding expected future cash flows and discount rates. Discount rates are based upon our cost of capital. Determining the fair value of a reporting unit is judgmental in nature and involves the use of significant estimates and assumptions that we believe are reasonable but inherently uncertain, and actual results may differ from those estimates. These estimates and assumptions include, but are not limited to, revenue growth rates, operating margins and future economic and market conditions. If the carrying value of the reporting unit exceeds fair value, we perform a second analysis to measure the fair value of all assets and liabilities within the reporting unit, and if the carrying value exceeds fair value, goodwill is considered impaired. The amount of the impairment is the difference between the carrying value of goodwill and the estimated fair value, which is calculated as if the reporting unit had just been acquired and accounted for as a business combination. At December 31, 2014, the amount of goodwill allocated to the Core U.S. and Acceptance Now segments was \$1,310.1 million and \$54.4 million, respectively. The fair value of the Core U.S. segment exceeded its carrying value by over 6%. The fair value of the Acceptance Now segment exceeded its carrying value by over 10%. If we fail to achieve the expected growth rates, control costs or control operating margins, the carrying value of a reporting unit could decrease below its fair value, resulting in an impairment of goodwill that could have a material impact on our financial statements. During 2013 and 2012, we recorded goodwill impairment charges of \$1.1 million and \$1.0 million, respectively, in our Core U.S. segment as a result of the sustained underperformance of certain stores located in Canada. Based on the results of the annual assessment, we concluded that no further impairment of goodwill existed at December 31, 2014.

Based on an assessment of our accounting policies and the underlying judgments and uncertainties affecting the application of those policies, we believe our consolidated financial statements fairly present in all material respects the financial condition, results of operations and cash flows of our company as of, and for, the periods presented in this Annual Report on Form 10-K. However, we do not suggest that other general risk factors, such as those discussed elsewhere in this report as well as changes in our growth objectives or performance of new or acquired locations, could not adversely impact our consolidated financial position, results of operations and cash flows in future periods.

Significant Accounting Policies

Our significant accounting policies are summarized below and in Note A to the consolidated financial statements included elsewhere in this Annual Report on Form 10-K.

Revenues. Merchandise is rented to customers pursuant to rental purchase agreements which provide for weekly, semi-monthly or monthly rental terms with non-refundable rental payments. Generally, the customer has the right to acquire title either through a purchase option or through payment of all required rentals. Rental revenue and

fees are recognized over the rental term and merchandise sales revenue is recognized when the customer exercises the purchase option and pays the cash price due. Cash received prior to the period in which it should be recognized is deferred and recognized according to the rental term. Revenue is accrued for uncollected amounts due based on historical collection experience. However, the total amount of the rental purchase agreement is not accrued because the customer can terminate the rental agreement at any time and we cannot enforce collection for non-payment of future rents.

PART II

ITEM 7. Management's Discussion and Analysis of Financial Condition and Results of Operations.

Revenues from the sale of merchandise in our retail installment stores are recognized when the installment note is signed, the customer has taken possession of the merchandise and collectability is reasonably assured.

Franchise Revenue. Revenues from the sale of rental merchandise are recognized upon shipment of the merchandise to the franchisee. Franchise royalty income and fee revenue is recognized upon completion of substantially all services and satisfaction of all material conditions required under the terms of the franchise agreement. Some franchisees purchase directly from a supplier but request reimbursement through ColorTyme Finance, Inc. and we recognize revenue for the commission we earn on these transactions.

Depreciation of Rental Merchandise. Depreciation of rental merchandise is included in the cost of rentals and fees on our statement of earnings. Generally, we depreciate our rental merchandise using the income forecasting method. Under the income forecasting method, merchandise held for rent is not depreciated and merchandise on rent is depreciated in the proportion of rents received to total rents provided in the rental contract, which is an activity-based method similar to the units of production method. Effective January 1, 2013, we depreciate merchandise (including computers, tablets and smartphones) that is held for rent for at least 180 consecutive days using the straight-line method over a period generally not to exceed 18 months. Prior to January 1, 2013, merchandise held for rent (except for computers and tablets) that was at least 270 days old and held for rent for at least 180 consecutive days was depreciated using the straight-line method for a period generally not to exceed 20 months. Prior to January 1, 2013, the straight-line method was used for computers and tablets that were 24 months old or older and which have become idle over a period of at

least six months, generally not to exceed an aggregate depreciation period of 30 months. This change has not had a significant impact on cost of revenues, gross profit, net earnings or earnings per share.

Stock-Based Compensation Expense. We recognize share-based payment awards to our employees and directors at the estimated fair value on the grant date. Determining the fair value of any share-based award requires information about several variables that could include, but are not limited to, expected stock volatility over the term of the award, expected dividend yields and the predicted employee exercise behavior. We base expected life on historical exercise and post-vesting employment-termination experience, and expected volatility on historical realized volatility trends. In addition, all stock-based compensation expense is recorded net of an estimated forfeiture rate. The forfeiture rate is based upon historical activity and is analyzed as actual forfeitures occur. Stock options granted during the year ended December 31, 2014, were valued using a Black-Scholes pricing model with the following assumptions for employee options: an expected volatility of 25.29% to 41.41%, a risk-free interest rate of 0.51% to 2.37%, an expected dividend yield of 2.76% to 3.68%, and an expected life of 2.33 to 8.33 years. Restricted stock units are valued using the closing price reported by the Nasdaq Global Select Market on the trading day immediately preceding the day of the grant.

Income taxes. We have not provided for deferred income taxes on undistributed earnings of non-U.S. subsidiaries because of our intention to indefinitely reinvest these earnings outside the U.S. The determination of the amount of the unrecognized deferred income tax liability related to the undistributed earnings is not practicable; however, unrecognized foreign income tax credits would be available to reduce a portion of this liability.

Effect of New Accounting Pronouncements

In April 2014, the FASB issued ASU 2014-08, Presentation of Financial Statements (Topic 205) and Property Plant, and Equipment (Topic 360): Reporting Discontinued Operations and Disclosures of Disposals of Components of an Entity, which changes the criteria for identifying a discontinued operation. Under ASU 2014-08, the definition of a discontinued operation is limited to the disposal of a component or group of components that is disposed of or is classified as held for sale and represents a strategic shift that has, or will have, a major effect on an entity's operations and financial results. Rent-A-Center will be required to apply ASU 2014-08 to disposals (or classifications as held for sale) of components of an entity that occur on or after January 1, 2015, and early adoption is permitted only for disposals (or classifications as held for sale) that have not been reported in previously issued financial statements. We plan to adopt this ASU on January 1, 2015, and do not expect this standard to have a significant impact on our financial position, results of operations or cash flows.

In May 2014, the FASB issued ASU 2014-09, Revenue from Contracts with Customers (Topic 606), which clarifies existing accounting literature

relating to how and when a company recognizes revenue. Under ASU 2014-09, a company will recognize revenue when it transfers promised goods or services to customers in an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods and services. ASU 2014-09 will be effective for Rent-A-Center beginning January 1, 2017, and early adoption is not permitted. The ASU allows adoption with either retrospective application to each prior period presented, or retrospective application with the cumulative effect recognized as of the date of initial application. We are currently in the process of determining what impact, if any, the adoption of this ASU will have on our financial position, results of operations and cash flows, and we are evaluating the transition alternatives.

From time to time, new accounting pronouncements are issued by the FASB or other standards setting bodies that we adopt as of the specified effective date. Unless otherwise discussed, we believe the impact of any other recently issued standards that are not yet effective are either not applicable to us at this time or will not have a material impact on our consolidated financial statements upon adoption.

ITEM 7A. Quantitative and Qualitative Disclosures About Market Risk.

Interest Rate Sensitivity

As of December 31, 2014, we had \$300.0 million in senior notes outstanding at a fixed interest rate of 6.625% and \$250.0 million in senior notes outstanding at a fixed rate of 4.75%. We also had \$223.3 million outstanding in term loans, \$255.0 million outstanding on our revolving credit facility and \$14.5 million outstanding on our INTRUST line of credit, each at interest rates indexed to the Eurodollar rate or the prime rate. The fair value of the 6.625% senior notes, based on the closing price at December 31, 2014, was \$284.3 million. The fair value of the 4.75% senior notes, based on the closing price at December 31, 2014, was \$214.4 million. Carrying value approximates fair value for all other indebtedness.

Market Risk

Market risk is the potential change in an instrument's value caused by fluctuations in interest rates. Our primary market risk exposure is fluctuations in interest rates. Monitoring and managing this risk is a continual process carried out by our senior management. We manage our market risk based on an ongoing assessment of trends in interest rates and economic developments, giving consideration to possible effects on both total return and reported earnings. As a result of such assessment, we may enter into swap contracts or other interest rate protection agreements from time to time to mitigate this risk.

Interest Rate Risk

We have outstanding debt with variable interest rates indexed to prime or Eurodollar rates that exposes us to the risk of increased interest costs if interest rates rise. As of December 31, 2014, we have not entered into any interest rate swap agreements. Based on our overall interest rate exposure at December 31, 2014, a hypothetical 1.0% increase or decrease in interest rates would have the effect of causing a \$3.5 million additional pre-tax charge or credit to our statement of earnings.

Foreign Currency Translation

We are exposed to market risk from foreign exchange rate fluctuations of the Mexican peso and Canadian dollar to the U.S. dollar as the financial position and operating results of our stores in those countries are translated into U.S. dollars for consolidation. Resulting translation adjustments are recorded as a separate component of stockholders' equity.

ITEM 8. Financial Statements and Supplementary Data.

Index to Financial Statements

	<u>Page</u>
Rent-A-Center, Inc. and Subsidiaries	
Reports of Independent Registered Public Accounting Firms.....	31
Management’s Annual Report on Internal Control over Financial Reporting.....	34
Consolidated Financial Statements	
Statements of Earnings.....	35
Statements of Comprehensive Income.....	36
Balance Sheets.....	36
Statement of Stockholders’ Equity.....	37
Statements of Cash Flows.....	38
Notes to Consolidated Financial Statements.....	39

Report of Independent Registered Public Accounting Firm

Board of Directors and Shareholders

Rent-A-Center, Inc.:

We have audited the accompanying consolidated balance sheets of Rent-A-Center, Inc. and subsidiaries (the Company) as of December 31, 2014 and 2013, and the related consolidated statements of earnings, comprehensive income, stockholders' equity, and cash flows for the years then ended. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Rent-A-Center, Inc. and subsidiaries as of December 31, 2014 and 2013, and the results of their operations and their cash flows for the years then ended, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the Company's internal control over financial reporting as of December 31, 2014, based on criteria established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO), and our report dated March 2, 2015 expressed an unqualified opinion on the effectiveness of the Company's internal control over financial reporting.

/s/ KPMG LLP
Dallas, Texas
March 2, 2015

Report of Independent Registered Public Accounting Firm

Board of Directors and Shareholders

Rent-A-Center, Inc.

We have audited the accompanying statements of earnings, comprehensive income, stockholders' equity, and cash flows of Rent-A-Center, Inc. (a Delaware corporation) and subsidiaries (the "Company") for the year ended December 31, 2012. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An

audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above of Rent-A-Center, Inc. and subsidiaries present fairly, in all material respects, the results of their operations and their cash flows for the year ended December 31, 2012 in conformity with accounting principles generally accepted in the United States of America.

/s/ Grant Thornton LLP
Dallas, Texas

February 25, 2013 (except for the effects of the immaterial error correction disclosed in Note B and except as it relates to segment information disclosed in Note S, as to which the date is March 2, 2015)

Report of Independent Registered Public Accounting Firm

Board of Directors and Shareholders

Rent-A-Center, Inc.:

We have audited Rent-A-Center, Inc.'s internal control over financial reporting as of December 31, 2014, based on criteria established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Annual Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and

dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, Rent-A-Center, Inc. maintained, in all material respects, effective internal control over financial reporting as of December 31, 2014, based on criteria established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of Rent-A-Center, Inc. as of December 31, 2014 and 2013, and the related consolidated statements of earnings, comprehensive income, stockholders' equity, and cash flows for the years then ended, and our report dated March 2, 2015, expressed an unqualified opinion on those consolidated financial statements.

/s/ KPMG LLP
Dallas, Texas
March 2, 2015

Management's Annual Report on Internal Control over Financial Reporting

Management of the Company, including the Chief Executive Officer and Chief Financial Officer, is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rule 13a-15(f) under the Securities Exchange Act of 1934, as amended. The Company's internal control system was designed to provide reasonable assurance to management and the Company's Board of Directors regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

All internal control systems, no matter how well designed, have inherent limitations. A system of internal control may become inadequate over time because of changes in conditions, or deterioration in the degree of compliance with the policies or procedures. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation.

Management assessed the effectiveness of the Company's internal control over financial reporting as of December 31, 2014, using the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission in *Internal Control - Integrated Framework (2013)*. Based on this assessment, management has concluded that, as of December 31, 2014, the Company's internal control over financial reporting was effective to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles based on such criteria.

KPMG LLP, the Company's independent registered public accounting firm, has issued an audit report on the effectiveness of the Company's internal control over financial reporting, which is included elsewhere in this Annual Report on Form 10-K.

Consolidated Statements of Earnings

	Year Ended December 31,		
	2014	2013	2012
<i>(In thousands, except per share data)</i>			
Revenues			
Store			
Rentals and fees	\$ 2,745,828	\$ 2,695,895	\$ 2,653,925
Merchandise sales	290,048	278,753	300,077
Installment sales	75,889	71,475	67,071
Other	19,949	18,133	16,391
Total store revenues	3,131,714	3,064,256	3,037,464
Franchise			
Merchandise sales	19,236	24,556	32,893
Royalty income and fees	6,846	5,206	5,314
Total revenues	3,157,796	3,094,018	3,075,671
Cost of revenues			
Store			
Cost of rentals and fees	704,595	676,674	642,387
Cost of merchandise sold	231,520	216,206	241,219
Cost of installment sales	26,084	24,541	23,287
Total cost of store revenues	962,199	917,421	906,893
Vendor settlement credit	(6,836)	—	—
Franchise cost of merchandise sold	18,070	23,104	31,314
Total cost of revenues	973,433	940,525	938,207
Gross profit	2,184,363	2,153,493	2,137,464
Operating expenses			
Store expenses			
Labor	888,929	881,671	840,377
Other store expenses	839,801	789,212	764,770
General and administrative expenses	162,316	147,621	140,039
Depreciation, amortization and write-down of intangibles	87,399	87,980	79,249
Other charges	12,456	—	—
Total operating expenses	1,990,901	1,906,484	1,824,435
Operating profit	193,462	247,009	313,029
Finance charges from refinancing	4,213	—	—
Interest expense	47,843	39,628	32,065
Interest income	(947)	(815)	(842)
Earnings before income taxes	142,353	208,196	281,806
Income tax expense	45,931	79,439	101,788
NET EARNINGS	\$ 96,422	\$ 128,757	\$ 180,018
Basic earnings per common share	\$ 1.82	\$ 2.35	\$ 3.06
Diluted earnings per common share	\$ 1.81	\$ 2.33	\$ 3.03
Cash dividends declared per common share	\$ 0.93	\$ 0.86	\$ 0.69

See accompanying notes to consolidated financial statements.

Statements of Comprehensive Income

	Year Ended December 31,		
	2014	2013	2012
	<i>(In thousands)</i>		
Net earnings	\$ 96,422	\$ 128,757	\$ 180,018
Other comprehensive income (loss):			
Foreign currency translation adjustments	(4,656)	(2,017)	2,775
Total other comprehensive income (loss)	(4,656)	(2,017)	2,775
COMPREHENSIVE INCOME	\$ 91,766	\$ 126,740	\$ 182,793

See accompanying notes to consolidated financial statements.

Consolidated Balance Sheets

	December 31,	
	2014	2013
	<i>(In thousands, except share and par value data)</i>	
ASSETS		
Cash and cash equivalents	\$ 46,126	\$ 42,274
Receivables, net of allowance for doubtful accounts of \$4,023 and \$3,700 in 2014 and 2013, respectively	65,492	59,178
Prepaid expenses and other assets	206,150	78,471
Rental merchandise, net		
On rent	960,414	913,476
Held for rent	277,442	210,722
Merchandise held for installment sale	4,855	4,038
Property assets, net of accumulated depreciation of \$440,586 and \$433,935 in 2014 and 2013, respectively	332,726	336,498
Goodwill, net	1,370,459	1,364,549
Other intangible assets, net	7,533	8,969
	\$ 3,271,197	\$ 3,018,175
LIABILITIES		
Accounts payable — trade	\$ 141,878	\$ 120,438
Accrued liabilities	351,812	327,090
Deferred income taxes	345,299	318,503
Senior debt	492,813	366,275
Senior notes	550,000	550,000
	1,881,802	1,682,306
COMMITMENTS AND CONTINGENCIES		
STOCKHOLDERS' EQUITY		
Common stock, \$.01 par value; 250,000,000 shares authorized; 109,353,001 and 109,108,218 shares issued in 2014 and 2013, respectively	1,094	1,091
Additional paid-in capital	813,178	802,124
Retained earnings	1,927,445	1,880,320
Treasury stock at cost, 56,369,752 shares in 2014 and 2013	(1,347,677)	(1,347,677)
Accumulated other comprehensive income (loss)	(4,645)	11
	1,389,395	1,335,869
	\$ 3,271,197	\$ 3,018,175

See accompanying notes to consolidated financial statements.

Consolidated Statement of Stockholders' Equity

For the Three Years Ended December 31, 2014 *(In thousands)*

	Common Stock		Additional Paid-In Capital	Retained Earnings	Treasury Stock	Accumulated Other Comprehensive Income (Loss)	Total
	Shares	Amount					
Balance at January 1, 2012	107,800	\$ 1,077	\$ 757,933	\$ 1,658,857	\$(1,068,443)	\$ (747)	\$ 1,348,677
Net earnings	—	—	—	180,018	—	—	180,018
Other comprehensive income	—	—	—	—	—	2,775	2,775
Purchase of treasury stock (1,798 shares)	—	—	(35)	—	(61,825)	—	(61,860)
Exercise of stock options	604	7	14,113	—	—	—	14,120
Vesting of restricted share units	127	1	—	—	—	—	1
Tax effect of stock awards vested and options exercised	—	—	4,348	—	—	—	4,348
Stock-based compensation	—	—	8,366	—	—	—	8,366
Dividends declared	—	—	—	(40,588)	—	—	(40,588)
Balance at December 31, 2012	108,531	1,085	784,725	1,798,287	(1,130,268)	2,028	1,455,857
Net earnings	—	—	—	128,757	—	—	128,757
Other comprehensive loss	—	—	—	—	—	(2,017)	(2,017)
Purchase of treasury stock (5,874 shares)	—	—	(12)	—	(217,409)	—	(217,421)
Exercise of stock options	479	5	11,927	—	—	—	11,932
Vesting of restricted share units	98	1	—	—	—	—	1
Tax effect of stock awards vested and options exercised	—	—	(972)	—	—	—	(972)
Stock-based compensation	—	—	6,456	—	—	—	6,456
Dividends declared	—	—	—	(46,724)	—	—	(46,724)
Balance at December 31, 2013	109,108	1,091	802,124	1,880,320	(1,347,677)	11	1,335,869
Net earnings	—	—	—	96,422	—	—	96,422
Other comprehensive loss	—	—	—	—	—	(4,656)	(4,656)
Exercise of stock options	212	2	4,645	—	—	—	4,647
Vesting of restricted share units	33	1	—	—	—	—	1
Tax effect of stock awards vested and options exercised	—	—	(150)	—	—	—	(150)
Stock-based compensation	—	—	6,559	—	—	—	6,559
Dividends declared	—	—	—	(49,297)	—	—	(49,297)
Balance at December 31, 2014	109,353	\$ 1,094	\$ 813,178	\$ 1,927,445	\$(1,347,677)	\$ (4,645)	\$ 1,389,395

See accompanying notes to consolidated financial statements.

Consolidated Statements of Cash Flows

	Year Ended December 31,		
	2014	2013	2012
	<i>(In thousands)</i>		
Cash flows from operating activities			
Net earnings	\$ 96,422	\$ 128,757	\$ 180,018
Adjustments to reconcile net earnings to net cash provided by operating activities			
Depreciation of rental merchandise	685,115	652,161	620,917
Bad debt expense	15,509	14,589	12,953
Stock-based compensation expense	6,559	6,456	8,366
Depreciation of property assets	78,747	76,451	73,361
Loss on sale or disposal of property assets	10,363	1,499	465
Amortization of intangibles	2,955	3,559	4,668
Amortization of financing fees	3,218	3,191	2,765
Deferred income taxes	26,796	24,020	3,429
Excess tax benefit related to stock awards	(331)	(406)	(4,348)
Changes in operating assets and liabilities, net of effects of acquisitions			
Rental merchandise	(796,672)	(767,680)	(683,803)
Receivables	(21,823)	(19,248)	(13,390)
Prepaid expenses and other assets	(130,690)	(9,798)	1,772
Accounts payable — trade	21,440	19,373	(3,999)
Accrued liabilities	21,505	1,418	14,724
Net cash provided by operating activities	19,113	134,342	217,898
Cash flows from investing activities			
Purchase of property assets	(83,785)	(108,367)	(102,453)
Proceeds from sale of property assets	14,474	19,973	4,984
Acquisitions of businesses	(27,354)	(41,236)	(13,258)
Net cash used in investing activities	(96,665)	(129,630)	(110,727)
Cash flows from financing activities			
Purchase of treasury stock	—	(217,421)	(61,860)
Exercise of stock options	4,647	11,932	14,121
Excess tax benefit related to stock awards	331	406	4,348
Payments on capital leases	—	—	(27)
Proceeds from debt	772,860	908,145	606,570
Repayments of debt	(646,323)	(679,370)	(659,745)
Dividends paid	(48,663)	(46,809)	(37,866)
Net cash provided by (used in) financing activities	82,852	(23,117)	(134,459)
Effect of exchange rate changes on cash	(1,448)	(408)	310
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	3,852	(18,813)	(26,978)
Cash and cash equivalents at beginning of year	42,274	61,087	88,065
Cash and cash equivalents at end of year	\$ 46,126	\$ 42,274	\$ 61,087
Supplemental cash flow information			
Cash paid during the year for:			
Interest	\$ 48,064	\$ 36,897	\$ 31,574
Income taxes (excludes \$3,372, \$2,426 and \$4,169 of income taxes refunded in 2014, 2013 and 2012, respectively)	\$ 146,250	\$ 52,255	\$ 88,873

Noncash Financing Activities:

During March 2014, we incurred \$225.0 million of term loans and \$100.0 million of revolving debt when we refinanced \$187.5 million of existing term loans and \$140.0 million of existing revolving debt as discussed further in Note I. The difference of \$2.5 million was repaid in cash and is included in repayments of debt in the statement above.

See accompanying notes to consolidated financial statements.

Notes to Consolidated Financial Statements

NOTE A Nature of Operations and Summary of Accounting Policies

A summary of the significant accounting policies consistently applied in the preparation of the accompanying consolidated financial statements follows:

Principles of Consolidation and Nature of Operations

These financial statements include the accounts of Rent-A-Center, Inc., and its direct and indirect subsidiaries. All intercompany accounts and transactions have been eliminated. Unless the context indicates otherwise, references to "Rent-A-Center" refer only to Rent-A-Center, Inc., the parent, and references to "we," "us" and "our" refer to the consolidated business operations of Rent-A-Center and any or all of its direct and indirect subsidiaries. We report four operating segments: Core U.S., Acceptance Now, Mexico (formerly reported as International, see Note S to the consolidated financial statements) and Franchising.

Our Core U.S. segment consists of company-owned rent-to-own stores in the United States, Canada and Puerto Rico that lease household durable goods to customers on a rent-to-own basis. Our stores in Canada operate under the name "Rent-A-Centre." We also offer merchandise on an installment sales basis in certain of our stores under the names "Get It Now" and "Home Choice." At December 31, 2014, we operated 2,824 company-owned stores nationwide and in Canada and Puerto Rico, including 45 retail installment sales stores.

Our Acceptance Now segment generally offers the rent-to-own transaction to consumers who do not qualify for financing from the traditional retailer through kiosks located within such retailer's locations. At December 31, 2014, we operated 1,406 Acceptance Now locations.

Our Mexico segment consists of our company-owned rent-to-own stores in Mexico that lease household durable goods to customers on a rent-to-own basis. At December 31, 2014, we operated 177 stores in Mexico.

Rent-A-Center Franchising International, Inc., an indirect wholly-owned subsidiary of Rent-A-Center, is a franchisor of rent-to-own stores. At December 31, 2014, Franchising had 187 franchised stores operating in 30 states. Our Franchising segment's primary source of revenue is the sale of rental merchandise to its franchisees, who in turn offer the merchandise to the general public for rent or purchase under a rent-to-own transaction. The balance of our Franchising segment's revenue is generated primarily from royalties based on franchisees' monthly gross revenues.

Rental Merchandise

Rental merchandise is carried at cost, net of accumulated depreciation. Depreciation for merchandise is generally provided using the income forecasting method, which is intended to match as closely as practicable the recognition of depreciation expense with the consumption of the rental merchandise, and assumes no salvage value. The consumption of rental merchandise occurs during periods of rental and directly coincides with the receipt of rental revenue over the rental purchase agreement period. Under the income forecasting method, merchandise held for rent is not depreciated and merchandise on rent is depreciated in the proportion of rents received to total rents provided in the rental contract, which is an activity-based method similar to the units of production method. Effective January 1, 2013, we depreciate merchandise (including computers, tablets and smartphones) that is

held for rent for at least 180 consecutive days using the straight-line method over a period generally not to exceed 18 months. Prior to January 1, 2013, merchandise held for rent (except for computers and tablets) that was at least 270 days old and held for rent for at least 180 consecutive days, was depreciated using the straight-line method over a period generally not to exceed 20 months. Prior to January 1, 2013, the straight-line method was used for computers and tablets that were 24 months old or older and which had become idle over a period of at least six months, generally not to exceed an aggregate depreciation period of 30 months. This change has not had a significant impact on cost of revenues, gross profit, net earnings or earnings per share.

Rental merchandise which is damaged and inoperable is expensed when such impairment occurs. If a customer does not return the merchandise or make payment, the remaining book value of the rental merchandise associated with delinquent accounts is generally charged off on the 90th day following the time the account became past due in the Core U.S. and Mexico segments, and on the 150th day in the Acceptance Now segment. We maintain a reserve for these expected expenses. In addition, any minor repairs made to rental merchandise are expensed at the time of the repair.

Cash Equivalents

Cash equivalents include all highly liquid investments with an original maturity of three months or less. We maintain cash and cash equivalents at several financial institutions, which at times may not be federally insured or may exceed federally insured limits. We have not experienced any losses in such accounts and believe we are not exposed to any significant credit risks on such accounts.

Revenues

Merchandise is rented to customers pursuant to rental purchase agreements which provide for weekly, semi-monthly or monthly rental terms with non-refundable rental payments. Generally, the customer has the right to acquire title either through a purchase option or through payment of all required rentals. Rental revenue and fees are recognized over the rental term and merchandise sales revenue is recognized when the customer exercises the purchase option and pays the cash price due. Cash received prior to the period in which it should be recognized is deferred and recognized according to the rental term. Revenue is accrued for uncollected amounts due based on historical collection experience. However, the total amount of the rental purchase agreement is not accrued because the customer can terminate the rental agreement at any time and we cannot enforce collection for non-payment of future rents.

Revenues from the sale of merchandise in our retail installment stores are recognized when the installment note is signed, the customer has taken possession of the merchandise and collectability is reasonably assured.

Revenues from the sale of rental merchandise are recognized upon shipment of the merchandise to the franchisee. Franchise royalty

income and fee revenue is recognized upon completion of substantially all services and satisfaction of all material conditions required under the terms of the franchise agreement. Some franchisees purchase directly from a supplier but request reimbursement through ColorTyme Finance, Inc. and we recognize revenue for the commission we earn on these transactions.

Receivables and Allowance for Doubtful Accounts

The installment notes receivable associated with the sale of merchandise at our Get It Now and Home Choice stores generally consists of the sales price of the merchandise purchased and any additional fees for services the customer has chosen, less the customer's down payment. No interest is accrued and interest income is recognized each time a customer makes a payment, generally on a monthly basis.

We have established an allowance for doubtful accounts for our installment notes receivable. Our policy for determining the allowance is based on historical loss experience, as well as the results of management's review and analysis of the payment and collection of the installment notes receivable within the previous year. We believe our allowance is adequate to absorb any known or probable losses. Our policy is to charge off installment notes receivable that are 120 days or more past due. Charge-offs are applied as a reduction to the allowance for doubtful accounts and any recoveries of previously charged off balances are applied as an increase to the allowance for doubtful accounts.

The majority of Franchising's trade and notes receivable relate to amounts due from franchisees. Credit is extended based on an evaluation of a franchisee's financial condition and collateral is generally not required. Trade receivables are due within 30 days and are stated at amounts due from franchisees net of an allowance for doubtful accounts. Accounts that are outstanding longer than the contractual payment terms are considered past due. Franchising determines its allowance by considering a number of factors, including the length of time receivables are past due, Franchising's previous loss history, the franchisee's current ability to pay its obligation to Franchising, and the condition of the general economy and the industry as a whole. Franchising writes off trade receivables that are 120 days or more past due and payments subsequently received on such receivables are credited to the allowance for doubtful accounts.

Property Assets and Related Depreciation

Furniture, equipment and vehicles are stated at cost less accumulated depreciation. Depreciation is provided over the estimated useful lives of the respective assets (generally five years) by the straight-line method. Our building is depreciated over 40 years. Leasehold improvements are amortized over the useful life of the asset or the initial term of the applicable leases by the straight-line method, whichever is shorter.

We have incurred costs to develop computer software for internal use. We capitalize the costs incurred during the application development stage, which includes designing the software configuration and interfaces, coding, installation, and testing. Costs incurred during the preliminary stages along with post-implementation stages of internally developed software are expensed as incurred. Internally developed software costs, once placed in service, are amortized over various periods up to ten years.

We incur repair and maintenance expenses on our vehicles and equipment. These amounts are recognized when incurred, unless such repairs significantly extend the life of the asset, in which case we

amortize the cost of the repairs for the remaining life of the asset utilizing the straight-line method.

Goodwill and Other Intangible Assets

We record goodwill when the consideration paid for an acquisition exceeds the fair value of the identifiable net tangible and identifiable intangible assets acquired. Goodwill is not subject to amortization but must be periodically evaluated for impairment. Impairment occurs when the carrying value of goodwill is not recoverable from future cash flows. We perform an assessment of goodwill for impairment at the reporting unit level annually, or when events or circumstances indicate that impairment may have occurred. Our reporting units are generally our reportable operating segments. Factors which could necessitate an interim impairment assessment include a sustained decline in our stock price, prolonged negative industry or economic trends and significant underperformance relative to expected historical or projected future operating results.

During the three months ended September 30, 2014, the Company changed its annual impairment testing date from December 31 to October 1. The Company believes this new date is preferable because it allows for more timely completion of the annual goodwill impairment test prior to the end of our annual financial reporting period. This change in accounting principle does not delay, accelerate or avoid an impairment charge. The Company has determined that it will be impracticable to objectively determine projected cash flow and related valuation estimates that would have been used as of each October 1 of prior reporting periods without the use of hindsight. As such, the Company applied the change in annual impairment testing date prospectively beginning October 1, 2014.

We assess recoverability using methodologies which include the present value of estimated future cash flows and comparisons of multiples of enterprise values to earnings before interest, taxes, depreciation and amortization. The analysis is based upon available information regarding expected future cash flows and discount rates. Discount rates are based upon our cost of capital. If the carrying value of a reporting unit exceeds the fair value, a second analysis is performed to measure the fair value of all assets and liabilities within the reporting unit. If, based on the second analysis, it is determined that the fair value of the assets and liabilities is less than the carrying value, we would recognize impairment charges in an amount equal to the excess of the carrying value over fair value. During the years ended December 31, 2013 and 2012, we recorded goodwill impairment charges of \$1.1 million and \$1.0 million, respectively, in our Core U.S. segment as a result of the sustained underperformance of certain stores located in Canada. These charges are included in amortization and write-down of intangibles in the consolidated statements of earnings.

Acquired customer relationships are amortized utilizing the straight-line method over a 21 month period, non-compete agreements are amortized using the straight-line method over the contractual life of the agreements, vendor relationships are amortized using the straight-line method over a 7 or 15 year period, other intangible assets are amortized using the straight-line method over the life of the asset and goodwill associated with acquisitions is not amortized.

Accounting for Impairment of Long-Lived Assets

We evaluate all long-lived assets, including intangible assets, excluding goodwill, for impairment whenever events or changes in circumstances indicate that the carrying amounts may not be recoverable. Impairment is recognized when the carrying amounts of such assets cannot be recovered by the undiscounted net cash flows they will generate.

Self-Insurance Liabilities

We have self-insured retentions with respect to losses under our workers' compensation, general liability, vehicle liability and health insurance programs. We establish reserves for our liabilities associated with these losses by obtaining forecasts for the ultimate expected losses and estimating amounts needed to pay losses within our self-insured retentions. We make assumptions on our liabilities within our self-insured retentions using actuarial loss forecasts, company-specific development factors, general industry loss development factors, and third-party claim administrator loss estimates which are based on known facts surrounding individual claims. These assumptions incorporate expected increases in health care costs. Periodically, we reevaluate our estimate of liability within our self-insured retentions. At that time, we evaluate the adequacy of our reserves by comparing amounts reserved on our balance sheet for anticipated losses to our updated actuarial loss forecasts and third-party claim administrator loss estimates, and make adjustments to our reserves as needed.

Foreign Currency Translation

The functional currency of our foreign operations is the applicable local currency. Assets and liabilities denominated in a foreign currency are translated into U.S. dollars at the current rate of exchange on the last day of the reporting period. Revenues and expenses are generally translated at a daily exchange rate and equity transactions are translated using the actual rate on the day of the transaction.

Other Comprehensive Income

Other comprehensive income is comprised exclusively of our foreign currency translation adjustment.

Income Taxes

We record deferred taxes for temporary differences between the tax and financial reporting bases of assets and liabilities at the enacted tax rate expected to be in effect when taxes become payable. Income tax accounting requires management to make estimates and apply judgments to events that will be recognized in one period under rules that apply to financial reporting in a different period in our tax returns. In particular, judgment is required when estimating the value of future tax deductions, tax credits and net operating loss carryforwards (NOLs), as represented by deferred tax assets. We evaluate the recoverability of these future tax deductions and credits by assessing the future expected taxable income from all sources, including reversal of taxable temporary differences, forecasted operating earnings and available tax planning strategies. These sources of income rely heavily on estimates. We use our historical experience and our short- and long-range business forecasts to provide insight and assist us in determining recoverability. When it is determined the recovery of all or a portion of a deferred tax asset is not likely, a valuation allowance is established. We include NOLs in the calculation of deferred tax assets. NOLs are utilized to the extent allowable due to the provisions of the Internal Revenue Code of 1986, as amended, and relevant state statutes.

We recognize the financial statement benefit of a tax position only after determining that the relevant tax authority would more likely than not sustain the position following an audit. For tax positions meeting the more likely-than-not threshold, the amount recognized in the financial statements is the largest benefit that has a greater than 50 percent likelihood of being realized upon the ultimate settlement with the relevant tax authority. A number of years may elapse before a particular matter, for which we have recorded a liability, is audited and effectively settled. We review our tax positions quarterly and adjust our liability for unrecognized tax benefits in the period in which we determine the issue

is effectively settled with the tax authorities, the statute of limitations expires for the relevant taxing authority to examine the tax position, or when more information becomes available. We classify interest accrued related to unrecognized tax benefits as interest expense.

We intend to reinvest substantially all of the unremitted earnings of our non-U.S. subsidiaries and postpone their remittance indefinitely. Accordingly, no provision for U.S. income taxes for these non-U.S. subsidiaries was recorded in the accompanying Consolidated Statements of Earnings.

Sales Taxes

We apply the net basis for sales taxes imposed on our goods and services in our consolidated statements of earnings. We are required by the applicable governmental authorities to collect and remit sales taxes. Accordingly, such amounts are charged to the customer, collected and remitted directly to the appropriate jurisdictional entity.

Earnings Per Common Share

Basic earnings per common share are based upon the weighted average number of common shares outstanding during each period presented. Diluted earnings per common share are based upon the weighted average number of common shares outstanding during the period, plus, if dilutive, the assumed exercise of stock options at the beginning of the year, or for the period outstanding during the year for current year issuances.

Advertising Costs

Costs incurred for producing and communicating advertising are expensed when incurred. Advertising expense was \$94.8 million, \$92.6 million and \$97.3 million, for the years ended December 31, 2014, 2013 and 2012, respectively.

Stock-Based Compensation

We maintain long-term incentive plans for the benefit of certain employees and directors, which are described more fully in Note N. We recognize share-based payment awards to our employees and directors at the estimated fair value on the grant date. Determining the fair value of any share-based award requires information about several variables that include, but are not limited to, expected stock volatility over the terms of the award, expected dividend yields and the predicted employee exercise behavior. We base expected life on historical exercise and post-vesting employment-termination experience, and expected volatility on historical realized volatility trends. In addition, all stock-based compensation expense is recorded net of an estimated forfeiture rate. The forfeiture rate is based upon historical activity and is analyzed at least annually as actual forfeitures occur. Compensation costs are recognized net of estimated forfeitures over the requisite service period on a straight-line basis. We issue new shares to settle stock awards. Stock options are valued using a Black-Scholes pricing model. Restricted stock units are valued using the last trade before the day of the grant, adjusted for any provisions affecting fair value, such as the lack of dividends or dividend equivalents during the vesting period.

Stock-based compensation expense is reported within general and administrative expenses in the consolidated statements of earnings.

Reclassifications

Certain reclassifications have been made to the reported amounts for the prior periods to conform to the current period presentation. These

reclassifications had no impact on net earnings or earnings per share in any period.

Use of Estimates

In preparing financial statements in conformity with accounting principles generally accepted in the United States of America, we are required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent losses and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. In applying accounting principles, we must often make individual estimates and assumptions regarding expected outcomes or uncertainties. Our estimates, judgments and assumptions are continually evaluated based on available information and experience. Because of the use of estimates inherent in the financial reporting process, actual results could differ from those estimates.

New Accounting Pronouncements

In May 2014, the FASB issued ASU 2014-09, Revenue from Contracts with Customers (Topic 606), which clarifies existing accounting literature

relating to how and when a company recognizes revenue. Under ASU 2014-09, a company will recognize revenue when it transfers promised goods or services to customers in an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods and services. ASU 2014-09 will be effective for Rent-A-Center beginning January 1, 2017, and early adoption is not permitted. The ASU allows adoption with either retrospective application to each prior period presented, or retrospective application with the cumulative effect recognized as of the date of initial application. We are currently in the process of determining what impact, if any, the adoption of this ASU will have on our financial position, results of operations and cash flows, and we are evaluating the transition alternatives.

From time to time, new accounting pronouncements are issued by the FASB or other standards setting bodies that we adopt as of the specified effective date. Unless otherwise discussed, we believe the impact of any other recently issued standards that are not yet effective are either not applicable to us at this time or will not have a material impact on our consolidated financial statements upon adoption.

NOTE B Correction of Immaterial Errors

During the fourth quarter of 2014, we identified errors in accounting for revenues, cost of revenues and other store expenses resulting in an immaterial correction of errors in our previously issued consolidated financial statements. Each of these errors affected periods beginning prior to 2012 through December 31, 2014. In accordance with Staff Accounting Bulletin (SAB) No. 99, *Materiality*, and SAB No. 108, *Considering the Effects of Prior Year Misstatements when Quantifying Misstatements in Current Year Financial Statements*, management evaluated the materiality of the errors from qualitative and quantitative perspectives, and concluded that while the errors did not, individually or in the aggregate, result in a material misstatement of our previously

issued consolidated financial statements, correcting these errors in the fourth quarter would have been material to the fourth quarter ended December 31, 2014.

Due to the immaterial nature of the error corrections, we have recorded the cumulative effect of these adjustments of \$6.5 million for periods prior to 2012 as a decrease in the previously reported January 1, 2012, retained earnings of \$1,665.4 million, resulting in a revised January 1, 2012, retained earnings of \$1,658.9 million. These adjustments also cumulatively impacted the following balance sheet line items as of December 31, 2013:

	December 31, 2013		
	Previously Reported	Adjustment	As Revised
	<i>(In thousands)</i>		
Receivables	\$ 58,686	\$ 492	\$ 59,178
On rent rental merchandise	914,618	(1,142)	913,476
Held for rent rental merchandise	210,450	272	210,722
Total assets	3,018,553	(378)	3,018,175
Accounts payable — trade	120,166	272	120,438
Accrued liabilities	315,235	11,855	327,090
Deferred income taxes	323,326	(4,823)	318,503
Total liabilities	1,675,002	7,304	1,682,306
Retained earnings	1,888,002	(7,682)	1,880,320
Total equity	1,343,551	(7,682)	1,335,869

The errors discussed above, adjusted for the related income tax expense impact, resulted in an understatement of net earnings of \$0.5 million for the year ended December 31, 2013, and an overstatement of net earnings of \$1.7 million for the year ended December 31, 2012, respectively, an

overstatement of net earnings of \$1.6 million for three-month period ended March 31, 2014, an understatement of net earnings of \$0.1 million for three-month period ended June 30, 2014, and an understatement of net earnings of \$0.6 million for the three-month period ended September 30, 2014, respectively, as detailed in the tables below. We will revise the quarters within 2014 when they are published in future filings.

	Year Ended December 31, 2013			Year Ended December 31, 2012		
	Previously Reported	Adjustment	As Revised	Previously Reported	Adjustment	As Revised
	<i>(In thousands, except per share data)</i>					
Rentals and fees	\$ 2,698,395	\$ (2,500)	\$ 2,695,895	\$ 2,654,081	\$ (156)	\$ 2,653,925
Installment sales	72,705	(1,230)	71,475	68,356	(1,285)	67,071
Franchise merchandise sales	30,991	(6,435)	24,556	38,427	(5,534)	32,893
Total revenues	3,104,183	(10,165)	3,094,018	3,082,646	(6,975)	3,075,671
Cost of rentals and fees	683,221	(6,547)	676,674	646,090	(3,703)	642,387
Cost of installment sales	25,771	(1,230)	24,541	24,572	(1,285)	23,287
Franchise cost of merchandise sold	29,539	(6,435)	23,104	36,848	(5,534)	31,314
Total cost of revenues	954,737	(14,212)	940,525	948,729	(10,522)	938,207
Gross profit	2,149,446	4,047	2,153,493	2,133,917	3,547	2,137,464
Store labor	880,437	1,234	881,671	838,131	2,246	840,377
Other store expenses	787,239	1,973	789,212	760,827	3,943	764,770
Operating profit	246,169	840	247,009	315,671	(2,642)	313,029
Earnings before income taxes	207,356	840	208,196	284,448	(2,642)	281,806
Income tax expense	79,118	321	79,439	102,745	(957)	101,788
Net earnings	128,238	519	128,757	181,703	(1,685)	180,018
Basic earnings per common share	\$ 2.34	\$ 0.01	\$ 2.35	\$ 3.08	\$ (0.02)	\$ 3.06
Diluted earnings per common share	\$ 2.32	\$ 0.01	\$ 2.33	\$ 3.06	\$ (0.03)	\$ 3.03

	Three Months Ended March 31, 2014		
	Previously Reported	Adjustment	As Revised
	<i>(In thousands, except per share data)</i>		
Rentals and fees	\$ 694,168	\$ (2,981)	\$ 691,187
Installment sales	18,356	(296)	18,060
Franchise merchandise sales	7,324	(1,996)	5,328
Total revenues	833,746	(5,273)	828,473
Cost of rentals and fees	177,870	(2,654)	175,216
Cost of installment sales	6,382	(296)	6,086
Franchise cost of merchandise sold	7,000	(1,996)	5,004
Total cost of revenues	270,869	(4,946)	265,923
Gross profit	562,877	(327)	562,550
Store labor	225,678	260	225,938
Other store expenses	215,440	(282)	215,158
Operating profit	59,763	(305)	59,458
Finance charges from refinancing	1,946	2,267	4,213
Earnings before income taxes	46,652	(2,572)	44,080
Income tax expense	17,795	(981)	16,814
Net earnings	28,857	(1,591)	27,266
Basic earnings per common share	\$ 0.55	\$ (0.03)	\$ 0.52
Diluted earnings per common share	\$ 0.54	\$ (0.03)	\$ 0.51

	Three Months Ended June 30, 2014			Six Months Ended June 30, 2014		
	Previously Reported	Adjustment	As Revised	Previously Reported	Adjustment	As Revised
	<i>(In thousands, except per share data)</i>					
Rentals and fees	\$ 684,134	\$ (2,385)	\$ 681,749	\$ 1,378,302	\$ (5,366)	\$ 1,372,936
Installment sales	18,054	(283)	17,771	36,410	(579)	35,831
Franchise merchandise sales	5,963	(2,123)	3,840	13,287	(4,119)	9,168
Total revenues	773,217	(4,791)	768,426	1,606,963	(10,064)	1,596,899
Cost of rentals and fees	177,512	(2,912)	174,600	355,382	(5,566)	349,816
Cost of installment sales	6,358	(283)	6,075	12,740	(579)	12,161
Franchise cost of merchandise sold	5,737	(2,123)	3,614	12,737	(4,119)	8,618
Total cost of revenues	236,720	(5,318)	231,402	507,589	(10,264)	497,325
Gross profit	536,497	527	537,024	1,099,374	200	1,099,574
Store labor	222,083	186	222,269	447,761	446	448,207
Other store expenses	205,658	110	205,768	421,098	(172)	420,926
Operating profit	40,159	231	40,390	99,922	(74)	99,848

	Three Months Ended June 30, 2014			Six Months Ended June 30, 2014		
	Previously Reported	Adjustment	As Revised	Previously Reported	Adjustment	As Revised
	<i>(In thousands, except per share data)</i>					
Finance charges from refinancing	\$ —	\$ —	\$ —	\$ 1,946	\$ 2,267	\$ 4,213
Earnings before income taxes	28,608	231	28,839	75,260	(2,341)	72,919
Income tax expense	11,075	83	11,158	28,870	(898)	27,972
Net earnings	17,533	148	17,681	46,390	(1,443)	44,947
Basic earnings per common share	\$ 0.33	\$ —	\$ 0.33	\$ 0.88	\$ (0.03)	\$ 0.85
Diluted earnings per common share	\$ 0.33	\$ —	\$ 0.33	\$ 0.87	\$ (0.03)	\$ 0.84

	Three Months Ended September 30, 2014			Nine Months Ended September 30, 2014		
	Previously Reported	Adjustment	As Revised	Previously Reported	Adjustment	As Revised
	<i>(In thousands, except per share data)</i>					
Rentals and fees	\$ 678,190	\$ (2,848)	\$ 675,342	\$ 2,056,492	\$ (8,214)	\$ 2,048,278
Installment sales	18,089	(267)	17,822	54,499	(846)	53,653
Franchise merchandise sales	6,524	(2,047)	4,477	19,811	(6,166)	13,645
Total revenues	769,525	(5,162)	764,363	2,376,488	(15,226)	2,361,262
Cost of rentals and fees	177,208	(3,167)	174,041	532,590	(8,733)	523,857
Cost of installment sales	6,134	(267)	5,867	18,874	(846)	18,028
Franchise cost of merchandise sold	6,247	(2,047)	4,200	18,984	(6,166)	12,818
Total cost of revenues	230,086	(5,481)	224,605	737,675	(15,745)	721,930
Gross profit	539,439	319	539,758	1,638,813	519	1,639,332
Store labor	218,523	100	218,623	666,284	546	666,830
Other store expenses	209,302	(878)	208,424	630,400	(1,050)	629,350
Operating profit	44,823	1,097	45,920	144,745	1,023	145,768
Finance charges from refinancing	—	—	—	1,946	2,267	4,213
Earnings before income taxes	33,042	1,097	34,139	108,302	(1,244)	107,058
Income tax expense	7,736	478	8,214	36,606	(420)	36,186
Net earnings	25,306	619	25,925	71,696	(824)	70,872
Basic earnings per common share	\$ 0.48	\$ 0.01	\$ 0.49	\$ 1.36	\$ (0.02)	\$ 1.34
Diluted earnings per common share	\$ 0.48	\$ 0.01	\$ 0.49	\$ 1.35	\$ (0.02)	\$ 1.33

The errors discussed above also resulted in changes to previously reported amounts in our consolidated statements of cash flows. The previously reported changes in operating assets and liabilities in the reconciliation of net income to cash provided by operating activities have been revised as detailed in the tables below. These errors had no impact on net cash provided by operating activities. We will revise the quarters within 2014 when they are published in future filings.

	Year Ended December 31, 2013			Year Ended December 31, 2012		
	Previously Reported	Adjustment	As Revised	Previously Reported	Adjustment	As Revised
	<i>(In thousands, except per share data)</i>					
Net earnings	\$ 128,238	\$ 519	\$ 128,757	\$ 181,703	\$ (1,685)	\$ 180,018
Depreciation of rental merchandise	655,591	(3,430)	652,161	622,261	(1,344)	620,917
Deferred income taxes	23,699	321	24,020	4,386	(957)	3,429
Rental merchandise	(770,879)	3,199	(767,680)	(686,247)	2,444	(683,803)
Receivables	(19,124)	(124)	(19,248)	(13,370)	(20)	(13,390)
Prepaid expenses and other assets	(9,798)	—	(9,798)	1,772	—	1,772
Accounts payable — trade	20,600	(1,227)	19,373	(5,498)	1,499	(3,999)
Accrued liabilities	676	742	1,418	14,661	63	14,724
Net cash provided by operating activities	134,342	—	134,342	217,898	—	217,898

	Three Months Ended March 31, 2014		
	Previously Reported	Adjustment	As Revised
	<i>(In thousands, except per share data)</i>		
Net earnings	\$ 28,857	\$(1,591)	\$ 27,266
Depreciation of rental merchandise	169,843	(354)	169,489
Finance charges from refinancing	1,946	(1,946)	—
Deferred income taxes	(24,370)	(980)	(25,350)
Rental merchandise	(135,407)	(792)	(136,199)
Receivables	(2,849)	114	(2,735)
Prepaid expenses and other assets	(4,609)	4,212	(397)
Accounts payable — trade	2,368	1,009	3,377
Accrued liabilities	56,922	328	57,250
Net cash provided by operating activities	120,060	—	120,060

	Six Months Ended June 30, 2014			Nine Months Ended September 30, 2014		
	Previously Reported	Adjustment	As Revised	Previously Reported	Adjustment	As Revised
	<i>(In thousands, except per share data)</i>					
Net earnings	\$ 46,390	\$ (1,443)	\$ 44,947	\$ 71,696	\$ (824)	\$ 70,872
Depreciation of rental merchandise	339,773	(736)	339,037	509,596	(1,418)	508,178
Finance charges from refinancing	1,946	(1,946)	—	1,946	(1,946)	—
Deferred income taxes	(51,204)	(897)	(52,101)	(64,912)	(418)	(65,330)
Rental merchandise	(313,324)	11,603	(301,721)	(515,166)	(24,184)	(539,350)
Receivables	(7,039)	(8)	(7,047)	(20,307)	(38)	(20,345)
Prepaid expenses and other assets	270	(6,790)	(6,520)	(11,017)	4,212	(6,805)
Accounts payable—trade	(663)	(272)	(935)	(3,407)	26,634	23,227
Accrued liabilities	(2,943)	489	(2,454)	7,502	(2,018)	5,484
Net cash provided by operating activities	68,961	—	68,961	63,263	—	63,263

NOTE C Receivables and Allowance for Doubtful Accounts

Receivables consist of the following:

	December 31,	
	2014	2013
	<i>(In thousands)</i>	
Installment sales receivable	\$ 56,516	\$ 51,335
Trade and notes receivables	12,999	11,543
Total	69,515	62,878
Less allowance for doubtful accounts	(4,023)	(3,700)
Net receivables	\$ 65,492	\$ 59,178

The allowance for doubtful accounts related to installment sales receivable was \$3.5 million and \$2.9 million, and the allowance for doubtful accounts related to trade and notes receivable was \$0.5 million and \$0.8 million at December 31, 2014 and 2013, respectively.

Changes in our allowance for doubtful accounts are as follows:

	Year Ended December 31,		
	2014	2013	2012
	<i>(In thousands)</i>		
Beginning balance	\$ 3,700	\$ 2,920	\$ 3,919
Bad debt expense	15,509	14,589	12,953
Accounts written off	(15,718)	(14,271)	(14,337)
Recoveries	532	462	385
Ending balance	\$ 4,023	\$ 3,700	\$ 2,920

NOTE D Rental Merchandise

	December 31,	
	2014	2013
	<i>(In thousands)</i>	
On rent		
Cost	\$ 1,565,421	\$ 1,462,494
Less accumulated depreciation	(605,007)	(549,018)
Net book value, on rent	\$ 960,414	\$ 913,476
Held for rent		
Cost	\$ 343,747	\$ 271,465
Less accumulated depreciation	(66,305)	(60,743)
Net book value, held for rent	\$ 277,442	\$ 210,722

NOTE E Property Assets

	December 31,	
	2014	2013
	<i>(In thousands)</i>	
Furniture and equipment	\$ 359,982	\$ 332,607
Transportation equipment	11,451	11,957
Building and leasehold improvements	314,343	325,597
Land and land improvements	6,853	6,853
Construction in progress	80,683	93,419
	773,312	770,433
Less accumulated depreciation	(440,586)	(433,935)
	\$ 332,726	\$ 336,498

We had \$73.4 million and \$86.3 million of capitalized software costs included in construction in progress at December 31, 2014, and 2013 respectively. For the years ended December 31, 2014, 2013 and 2012, we placed in service internally developed software of approximately \$51.6 million, \$4.6 million and \$8.4 million, respectively.

NOTE F Intangible Assets and Acquisitions

Intangible Assets

Amortizable intangible assets consist of the following (in thousands):

	Avg. Life (years)	December 31, 2014		December 31, 2013	
		Gross Carrying Amount	Accumulated Amortization	Gross Carrying Amount	Accumulated Amortization
Non-compete agreements	3	\$ 5,585	\$ 5,435	\$ 6,337	\$ 6,102
Customer relationships	2	76,299	74,182	74,799	71,899
Vendor relationships	11	7,538	2,272	7,538	1,704
Total		\$ 89,422	\$ 81,889	\$ 88,674	\$ 79,705

Aggregate amortization expense (in thousands):

Year Ended December 31, 2014	\$ 2,955
Year Ended December 31, 2013	\$ 3,559
Year Ended December 31, 2012	\$ 4,668

Estimated amortization expense, assuming current intangible balances and no new acquisitions, for each of the years ending December 31, is as follows (in thousands):

	Estimated Amortization Expense
2015	\$ 2,365
2016	1,038
2017	568
2018	445
2019	445
Thereafter	2,672
	\$ 7,533

At December 31, 2014, the amount of goodwill allocated to the Core U.S. and Acceptance Now segments was approximately \$1,316.1 million and \$54.4 million, respectively. At December 31, 2013, the amount of goodwill allocated to the Core U.S. and Acceptance Now segments was approximately \$1,310.1 million and \$54.4 million, respectively.

During the years ended December 31, 2013 and 2012, we recorded goodwill impairment charges of \$1.1 million and \$1.0 million, respectively, in our Core U.S. segment as a result of the sustained underperformance of certain stores located in Canada. These charges are included in depreciation, amortization and write-down of intangibles in the consolidated statements of earnings.

A summary of the changes in recorded goodwill follows (in thousands):

	Year Ended December 31,	
	2014	2013
Balance as of January 1,	\$ 1,364,549	\$ 1,344,665
Additions from acquisitions	14,562	28,282
Goodwill impairments and write-offs related to stores sold or closed	(8,458)	(9,038)
Post purchase price allocation adjustments	(194)	640
Balance as of the end of the period	\$ 1,370,459	\$ 1,364,549

Acquisitions

The following table provides information concerning the acquisitions made during the years ended December 31, 2014, 2013 and 2012.

	Year Ended December 31,		
	2014	2013	2012
	<i>(Dollar amounts in thousands)</i>		
Number of stores acquired remaining open	6	47	6
Number of stores acquired that were merged with existing stores	13	38	31
Number of transactions	26	47	19
Total purchase price	\$ 26,653	\$ 41,236	\$ 13,258
Amounts allocated to:			
Goodwill	\$ 14,562	\$ 28,282	\$ 6,874
Non-compete agreements	—	235	—
Customer relationships	1,525	2,959	1,160
Rental merchandise	9,731	11,843	4,380
Property and other assets	835	910	845

Purchase prices are determined by evaluating the average monthly rental income of the acquired stores and applying a multiple to the total for rent-to-own store acquisitions. All acquisitions have been accounted for as asset purchases, and the operating results of the acquired stores and accounts have been included in the financial statements since their date of acquisition.

The weighted average amortization period was approximately 21 months for intangible assets added during the year ended December 31, 2014. Additions to goodwill due to acquisitions in 2014 were tax deductible.

NOTE G Accrued Liabilities

	December 31,	
	2014	2013
	<i>(In thousands)</i>	
Accrued insurance costs	\$ 125,067	\$ 123,447
Accrued compensation	55,354	54,104
Deferred revenue	58,880	54,307
Taxes other than income	20,632	24,742
Accrued dividends	12,737	12,103
Deferred rent	9,585	10,424
Deferred compensation	9,653	8,339
Accrued interest payable	5,766	5,609
Accrued other	54,138	34,015
	\$ 351,812	\$ 327,090

NOTE H Income Taxes

A reconciliation of the federal statutory rate of 35% to actual follows:

	Year Ended December 31,		
	2014	2013	2012
Tax at statutory rate	35.0%	35.0%	35.0%
State income taxes, net of federal benefit	1.8%	2.6%	1.5%
Effect of foreign operations, net of foreign tax credits	0.3%	0.4%	(0.2)%
Effect of prior year credits	(2.0)%	—%	—%
Adjustments to deferred taxes	(2.4)%	—%	—%
Other, net	(0.4)%	0.2%	(0.2)%
Total	32.3%	38.2%	36.1%

The components of income tax expense are as follows:

	Year Ended December 31,		
	2014	2013	2012
	<i>(In thousands)</i>		
Current expense			
Federal	\$ 14,943	\$ 45,784	\$ 86,839
State	4,032	5,888	10,428
Foreign	1,673	5,659	3,100
Total current	20,648	57,331	100,367
Deferred expense			
Federal	24,556	20,721	5,663
State	(90)	2,521	(4,100)
Foreign	817	(1,134)	(142)
Total deferred	25,283	22,108	1,421
Total	\$ 45,931	\$ 79,439	\$ 101,788

Deferred tax assets (liabilities) consist of the following:

	December 31,	
	2014	2013
	<i>(In thousands)</i>	
Deferred tax assets		
Federal net operating loss carryforwards	\$ —	\$ 1,798
State net operating loss carryforwards	16,937	15,072
Foreign net operating loss carryforwards	18,182	11,789
Accrued liabilities	72,058	59,718
Other assets including credits	6,993	2,619
Foreign tax credit carryforwards	12,306	10,584
	126,476	101,580
Valuation allowance	(24,709)	(14,116)
Deferred tax liabilities		
Rental merchandise	(285,371)	(255,541)
Property assets	(2,222)	(41,740)
Intangible assets	(157,527)	(108,686)
	(445,120)	(405,967)
Net deferred taxes	\$ (343,353)	\$ (318,503)

During the year ended December 31, 2014, we utilized all of our approximately \$5.1 million of federal net operating loss (“NOL”) carryforwards to offset taxable income. There are approximately \$348.1 million of state NOL carryforwards expiring between 2015 and 2032. Of the total remaining state NOL carryforwards, approximately 18.0% represent acquired NOLs. Utilization of these NOLs is subject to applicable annual limitations for U.S. state tax purposes. At December 31, 2014, the foreign NOL carryforwards were approximately

\$60.6 million, which expire between 2020 and 2024, and are offset with a full valuation allowance. In addition, at December 31, 2014, we also had approximately \$12.3 million in foreign tax credit (“FTC”) carryforwards expiring between 2020 and 2024. We establish a valuation allowance to the extent we consider it more likely than not that the deferred tax assets attributable to our NOLs, FTCs or other deferred tax assets will not be recovered.

We have not provided for deferred income taxes on undistributed earnings of non-U.S. subsidiaries because of our intention to indefinitely reinvest these earnings outside the U.S. The determination of the amount of the unrecognized deferred income tax liability related to the undistributed earnings is not practicable; however, unrecognized foreign income tax credits would be available to reduce a portion of this liability.

We are subject to federal, state, local and foreign income taxes. Along with our U.S. subsidiaries, we file a U.S. federal consolidated income tax

return. With few exceptions, we are no longer subject to U.S. federal, state, foreign and local income tax examinations by tax authorities for years before 2011. We are currently under examination in various states. We do not anticipate that adjustments as a result of these audits, if any, will result in a material change to our consolidated statement of earnings, financial condition, statement of cash flows or earnings per share.

A reconciliation of the beginning and ending amount of unrecognized tax benefits follows:

	\$10,167
Balance at January 1, 2013	\$10,167
Additions based on tax positions related to current year	50
Additions for tax positions of prior years	3,742
Reductions for tax positions of prior years	(786)
Balance at January 1, 2014	13,173
Additions based on tax positions related to current year	425
Additions for tax positions of prior years	2,400
Reductions for tax positions of prior years	(2,225)
Settlements	(397)
Balance at December 31, 2014	\$13,376

Included in the balance of unrecognized tax benefits at December 31, 2014, is \$10.7 million, net of federal benefit, which, if ultimately recognized, will affect our annual effective tax rate.

As of December 31, 2014, we have accrued approximately \$2.0 million for the payment of interest and recorded interest expense of approximately \$209,000 for the year then ended, which are excluded from the reconciliation of unrecognized tax benefits presented above.

NOTE I Senior Debt

On March 19, 2014, we entered into a Credit Agreement (the "Credit Agreement") among the Company, the several lenders from time to time parties to the Credit Agreement, Bank of America, N.A., BBVA Compass Bank, Wells Fargo Bank, National Association and SunTrust Bank, as syndication agents, and JPMorgan Chase Bank, N.A., as administrative agent. The Credit Agreement represents a refinancing of our senior secured debt outstanding under our prior credit agreement, the Fourth Amended and Restated Credit Agreement, dated as of May 28, 2003, as amended and restated as of July 14, 2011, and as amended by the First Amendment dated as of April 13, 2012, among the Company, the several banks and other financial institutions or entities from time to time parties thereto, and JPMorgan Chase Bank, N.A., as administrative

agent (as amended, the "Prior Credit Agreement"). The Credit Agreement provides for a new \$900.0 million senior credit facility consisting of \$225 million in term loans (the "Term Loans") and a \$675 million revolving credit facility (the "Revolving Facility").

Also, on March 19, 2014, we borrowed \$225.0 million in Term Loans and \$100.0 million under the Revolving Facility and utilized the proceeds to repay our prior senior secured debt outstanding under the Prior Credit Agreement. The Term Loans are payable in consecutive quarterly installments each in an aggregate principal amount of \$562,500, with a final installment equal to the remaining principal balance of the Term Loans due on March 19, 2021.

The debt facilities as of December 31, 2014 and 2013 are as follows:

	Facility Maturity	December 31, 2014			December 31, 2013		
		Maximum Facility	Amount Outstanding	Amount Available	Maximum Facility	Amount Outstanding	Amount Available
<i>(In thousands)</i>							
Senior Debt:							
Term Loan	March 19, 2021	\$ 225,000	\$ 223,313	\$ —	\$ 250,000	\$ 187,500	\$ —
Revolving Facility	March 19, 2019	675,000	255,000	315,600	500,000	160,500	234,830
		900,000	478,313	315,600	750,000	348,000	234,830
Other Indebtedness:							
Line of credit	August 21, 2015	20,000	14,500	5,500	20,000	18,275	1,725
Total		\$ 920,000	\$ 492,813	\$ 321,100	\$ 770,000	\$ 366,275	\$ 236,555

The full amount of the revolving credit facility may be used for the issuance of letters of credit. At December 31, 2014 and 2013, the amounts available under the revolving credit facility were reduced by approximately \$104.4 million and \$104.7 million, respectively, for our outstanding letters of credit.

Borrowings under the Revolving Facility bear interest at varying rates equal to either the Eurodollar rate plus 1.50% to 2.75%, or the prime rate plus 0.50% to 1.75% (ABR), at our election. The margins on the Eurodollar loans and on the ABR loans for borrowings under the Revolving Facility, which were 2.50% and 1.50%, respectively, at December 31, 2014, may fluctuate based upon an increase or decrease in our consolidated total leverage ratio as defined by a pricing grid included in the Credit Agreement. The margins on the Eurodollar loans and on the ABR loans for Term Loans are 3.00% and 2.00%, respectively, but may also fluctuate in the event the all-in pricing for any subsequent incremental Term Loan exceeds the all-in pricing for prior Term Loans by more than 0.50% per annum. A commitment fee equal to 0.30% to 0.50% of the unused portion of the Revolving Facility is payable quarterly, and fluctuates dependent upon an increase or decrease in our consolidated total leverage ratio. The commitment fee at December 31, 2014, is equal to 0.50% of the unused portion of the Revolving Facility.

Our borrowings under the Credit Agreement are, subject to certain exceptions, secured by a security interest in substantially all of our tangible and intangible assets, including intellectual property, and are also secured by a pledge of the capital stock of our U.S. subsidiaries.

The Credit Agreement requires us to comply with several financial covenants, including: (i) a consolidated total leverage ratio of no greater than 4.50:1 from the quarter ended March 31, 2014, to the quarter ended September 30, 2015, 4.25:1 from the quarter ended December 31, 2015, to the quarter ended September 30, 2016, and 4.00:1 thereafter; (ii) a consolidated senior secured leverage ratio of no greater than 2.75:1; and (iii) a consolidated fixed charge coverage ratio of no less than 1.50:1 from the quarter ended March 31, 2014, to December 31, 2015, and 1.75:1 thereafter. The table below shows the required and actual ratios under the Credit Agreement calculated as of December 31, 2014:

	Required Ratio	Actual Ratio
Consolidated total leverage ratio	No greater than 4.50:1	3.56:1
Consolidated senior secured leverage ratio	No greater than 2.75:1	1.59:1
Consolidated fixed charge coverage ratio	No less than 1.50:1	1.82:1

These financial covenants, as well as the related components of their computation, are defined in the Credit Agreement, which is included as an exhibit to our Current Report on Form 8-K dated as of March 19, 2014. In accordance with the Credit Agreement, the consolidated total leverage ratio was calculated by dividing the consolidated funded debt outstanding at December 31, 2014 (\$1,021.7 million) by consolidated EBITDA for the 12-month period ending December 31, 2014 (\$287.1 million). For purposes of the covenant calculations, (i) "consolidated funded debt" is defined as outstanding indebtedness less cash in excess of \$25.0 million, and (ii) "consolidated EBITDA" is generally defined as consolidated net income (a) plus the sum of income taxes, interest expense, depreciation and amortization expense, extraordinary non-cash expenses or losses, and other non-cash charges, and (b) minus the sum of interest income, extraordinary income or gains, other non-cash income, and cash payments with respect to extraordinary non-cash expenses or losses recorded in prior fiscal quarters. Consolidated EBITDA is a non-GAAP financial measure that is presented not as a measure of operating results, but rather as a measure used to determine covenant compliance under our senior credit facilities.

The consolidated senior secured leverage ratio was calculated pursuant to the Credit Agreement by dividing the consolidated senior secured debt outstanding at December 31, 2014 (\$457.2 million) by consolidated EBITDA for the 12-month period ending December 31, 2014 (\$287.1 million). For purposes of the covenant calculation, "consolidated senior secured debt" is generally defined as the aggregate principal amount of consolidated funded debt that is then secured by liens on property or assets of the Company or its subsidiaries.

The Credit Agreement also permits us to increase the amount of the Term Loans and/or the Revolving Facility from time to time on up to three occasions, in an aggregate amount of no more than \$250.0 million, provided that we are not in default at the time and have obtained the consent of the administrative agent and the lenders providing such increase.

Subject to a number of exceptions, the Credit Agreement contains, without limitation, covenants that generally limits our ability and the ability of our subsidiaries to:

- incur additional debt;
- repurchase capital stock, 6.625% notes and 4.75% notes and/or pay cash dividends (subject to a restricted payments basket under which approximately \$83 million is available);
- incur liens or other encumbrances;
- merge, consolidate or sell substantially all property or business;
- sell, lease or otherwise transfer assets (other than in the ordinary course of business);
- make investments or acquisitions (unless they meet financial tests and other requirements); or
- enter into an unrelated line of business.

The consolidated fixed charge coverage ratio was calculated pursuant to the Credit Agreement by dividing the sum of consolidated EBITDA and consolidated lease expense for the 12-month period ending December 31, 2014 (\$531.4 million), by consolidated fixed charges for the 12-month period ending December 31, 2014 (\$291.2 million). For purposes of the covenant calculation, "consolidated fixed charges" is defined as the sum of consolidated interest expense and consolidated lease expense.

Events of default under our senior credit facilities include customary events, such as a cross-acceleration provision in the event that we default on other debt. In addition, an event of default under the Credit Agreement would occur if a change of control occurs. This is defined to include the case where a third party becomes the beneficial owner of 35% or more of our voting stock or certain changes in Rent-A-Center's Board of Directors occur. An event of default would also occur if one or more judgments were entered against us of \$50.0 million or more and such judgments were not satisfied or bonded pending appeal within 30 days after entry.

We utilize our revolving credit facility for the issuance of letters of credit, as well as to manage normal fluctuations in operational cash flow caused by the timing of cash receipts. In that regard, we may from time to time draw funds under the revolving credit facility for general corporate purposes. Amounts are drawn as needed due to the timing of cash flows and are generally paid down as cash is generated by our operating activities.

In addition to the senior debt discussed above, we maintain a \$20.0 million unsecured, revolving line of credit with INTRUST Bank, N.A. to facilitate cash management.

The table below shows the scheduled maturity dates of our outstanding debt at December 31, 2014.

Year Ending December 31,	Term Loan	Revolving Facility	INTRUST Line of Credit	Total
	<i>(In thousands)</i>			
2015	\$ 2,250	\$ —	\$ 14,500	\$ 16,750
2016	2,250	—	—	2,250
2017	2,250	—	—	2,250
2018	2,250	—	—	2,250
2019	2,250	255,000	—	257,250
Thereafter	212,063	—	—	212,063
	\$ 223,313	\$ 255,000	\$ 14,500	\$ 492,813

NOTE J Subsidiary Guarantors – Senior Notes

On November 2, 2010, we issued \$300.0 million in senior unsecured notes due November 2020, bearing interest at 6.625%, pursuant to an indenture dated November 2, 2010, among Rent-A-Center, Inc., its subsidiary guarantors and The Bank of New York Mellon Trust Company, as trustee. A portion of the proceeds of this offering were used to repay approximately \$200.0 million of outstanding term debt under our senior credit facility. The remaining net proceeds were used to repurchase shares of our common stock.

On May 2, 2013, we issued \$250.0 million in senior unsecured notes due May 2021, bearing interest at 4.750%, pursuant to an indenture dated May 2, 2013, among Rent-A-Center, Inc., its subsidiary guarantors and The Bank of New York Mellon Trust Company, as trustee. A portion of the proceeds of this offering were used to repurchase shares of our common stock under a \$200.0 million accelerated stock buyback program. The remaining net proceeds were used to repay outstanding revolving debt under our senior credit facility.

The indenture governing the 6.625% notes and the 4.75% notes are substantially similar. Each indenture contains covenants that limit our ability to:

- incur additional debt;
- sell assets or our subsidiaries;
- grant liens to third parties;
- pay cash dividends or repurchase stock (subject to a restricted payments basket under which approximately \$83 million is available); and
- engage in a merger or sell substantially all of our assets.

Events of default under each indenture include customary events, such as a cross-acceleration provision in the event that we default in the payment of other debt due at maturity or upon acceleration for default in an amount exceeding \$50.0 million, as well as in the event a judgment is entered against us in excess of \$50.0 million that is not discharged, bonded or insured.

The 6.625% notes may be redeemed on or after November 15, 2015, at our option, in whole or in part, at a premium declining from 103.313%. The 6.625% notes may be redeemed on or after November 15, 2018, at our option, in whole or in part, at par. The 6.625% notes also require that upon the occurrence of a change of control (as defined in the 2010 indenture), the holders of the notes have the right to require us to repurchase the notes at a price equal to 101% of the original aggregate principal amount, together with accrued and unpaid interest, if any, to the date of repurchase.

The 4.75% notes may be redeemed on or after May 1, 2016, at our option, in whole or in part, at a premium declining from 103.563%. The 4.75% notes may be redeemed on or after May 1, 2019, at our option, in whole or in part, at par. The 4.75% notes also require that upon the occurrence of a change of control (as defined in the 2013 indenture), the holders of the notes have the right to require us to repurchase the notes at a price equal to 101% of the original aggregate principal amount, together with accrued and unpaid interest, if any, to the date of repurchase.

Any mandatory repurchase of the 6.625% notes and/or the 4.75% notes would trigger an event of default under our senior credit facilities. We are not required to maintain any financial ratios under either of the indentures.

Rent-A-Center and its subsidiary guarantors have fully, jointly and severally, and unconditionally guaranteed the obligations of Rent-A-Center with respect to the 6.625% notes and the 4.75% notes. Rent-A-Center has no independent assets or operations, and each subsidiary guarantor is 100% owned directly or indirectly by Rent-A-Center. The only direct or indirect subsidiaries of Rent-A-Center that are not guarantors are minor subsidiaries. There are no restrictions on the ability of any of the subsidiary guarantors to transfer funds to Rent-A-Center in the form of loans, advances or dividends, except as provided by applicable law.

NOTE K Commitments and Contingencies

Leases

We lease space for substantially all of our Core U.S. and Mexico stores, certain support facilities and the majority of our delivery vehicles under operating leases expiring at various times through 2023. Certain of the store leases contain escalation clauses for increased taxes and operating expenses. Rental expense was \$244.3 million, \$240.9 million and \$235.6 million for the years ended December 31, 2014, 2013 and 2012, respectively.

Future minimum rental payments under operating leases with remaining lease terms in excess of one year at December 31, 2014 are as follows:

Year Ending December 31,	Operating Leases (In thousands)
2015	\$ 182,590
2016	146,342
2017	104,310
2018	63,762
2019	27,643
Thereafter	3,895
	\$ 528,542

Contingencies

From time to time, we, along with our subsidiaries, are party to various legal proceedings arising in the ordinary course of business. We reserve for loss contingencies that are both probable and reasonably estimable. We regularly monitor developments related to these legal proceedings, and review the adequacy of our legal reserves on a quarterly basis. We do not expect these losses to have a material impact on our consolidated financial statements if and when such losses are incurred.

We are subject to unclaimed property audits by states in the ordinary course of business. A comprehensive multi-state unclaimed property audit is currently in progress. The property subject to review in this audit process includes unclaimed wages, vendor payments and customer refunds. State escheat laws generally require entities to report and remit abandoned and unclaimed property to the state. Failure to timely report and remit the property can result in assessments that could include interest and penalties, in addition to the payment of the escheat liability itself. We routinely remit escheat payments to states in compliance with applicable escheat laws. Management believes it is too early to determine the ultimate outcome of this audit, as our remediation efforts are still in process.

Franchising Guarantees

Our subsidiary, ColorTyme Finance, Inc. ("ColorTyme Finance"), is a party to an agreement with Citibank, N.A., pursuant to which Citibank provides up to \$27.0 million in aggregate financing to qualifying franchisees of Franchising. Under the Citibank agreement, upon an event of default by the franchisee under agreements governing this financing and upon the occurrence of certain other events, Citibank can assign the loans and the collateral securing such loans to ColorTyme Finance, with ColorTyme Finance paying or causing to be paid the outstanding debt to Citibank and then succeeding to the rights of Citibank under the debt agreements, including the right to foreclose on the collateral. Rent-A-Center and ColorTyme Finance guarantee the obligations of the franchise borrowers under the Citibank facility. An additional \$20.0 million of financing is provided by Texas Capital Bank, National Association under an agreement similar to the Citibank financing, which is guaranteed by Rent-A-Center East, Inc., a subsidiary of Rent-A-Center. The maximum guarantee obligations under these agreements, excluding the effects of any amounts that could be recovered under collateralization provisions, is \$47.0 million, of which \$16.4 million was outstanding as of December 31, 2014.

NOTE L Vendor Settlement Credit

We participated in an anti-trust class-action suit as an entity that indirectly purchased liquid-crystal displays from certain manufacturers during the period from 1999 to 2006. We received net proceeds of approximately \$6.8 million pursuant to a negotiated settlement of this

matter based on the number of LCD units purchased during that time period. The settlement proceeds are reported as a reduction to cost of goods sold in the consolidated statements of earnings for the year ended December 31, 2014.

NOTE M Other Charges

Store Consolidation Plan. During the second quarter of 2014, we closed 150 Core U.S. stores and merged those accounts into existing Core U.S. stores as part of a multi-year program designed to transform and modernize our operations company-wide in order to improve profitability in the Core U.S. segment. The decision to close these stores was based on management's analysis and evaluation of the markets in which we operate, including our market share, operating results, competitive positioning and growth potential for the affected stores. The store closures resulted in pre-tax restructuring charges of \$4.9 million for the year ended December 31, 2014. The charges included approximately \$1.3 million in early lease termination costs, \$3.2 million of accelerated depreciation expense for fixed assets, leasehold improvements and write-off of merchandise inventory and \$0.4 million of other operating costs to decommission the stores. We did not record a liability for future lease obligations on these properties as the fair value of the liability at the cease-use date was reduced to zero by estimated sublease rentals that could be obtained for the properties. Accordingly, future lease obligations of approximately \$2.1 million that remain as of December 31, 2014, will either be expensed monthly or recognized in full upon

negotiation of early termination and are scheduled to be paid out through 2016.

Corporate Restructuring. During the third quarter of 2014, we eliminated certain departments and functions in our field support center as a part of our efforts to transform and modernize our operations company-wide. This resulted in restructuring charges of approximately \$2.8 million for severance and other payroll-related costs.

Impairment Charge. During the third quarter of 2014, we recorded a \$4.6 million impairment charge related to internally-developed computer software that was placed into service in the fourth quarter of 2014. We determined that certain components developed for our new store management information system would not be utilized.

Mexico Store Closures. During 2014, management identified 8 stores in Mexico that will be closed in early 2015. Leasehold improvements and certain other assets will be abandoned upon the closure of the stores, and approximately \$0.2 million of the accelerated depreciation related to these assets was recognized in 2014.

NOTE N Stock-Based Compensation

We maintain long-term incentive plans for the benefit of certain employees and directors. Our plans consist of the Rent-A-Center, Inc. Amended and Restated Long-Term Incentive Plan (the "Prior Plan"), the Rent-A-Center, Inc. 2006 Long-Term Incentive Plan (the "2006 Plan"), and the Rent-A-Center, Inc. 2006 Equity Incentive Plan (the "Equity Incentive Plan"), which are collectively known as the "Plans."

The 2006 Plan authorizes the issuance of 7,000,000 shares of Rent-A-Center's common stock that may be issued pursuant to awards granted under the 2006 Plan, of which no more than 3,500,000 shares may be issued in the form of restricted stock, deferred stock or similar forms of stock awards which have value without regard to future appreciation in value of or dividends declared on the underlying shares of common stock. In applying these limitations, the following shares will be deemed not to have been issued: (1) shares covered by the unexercised portion of an option that terminates, expires, or is canceled or settled in cash, and (2) shares that are forfeited or subject to awards that are forfeited, canceled, terminated or settled in cash. At December 31, 2014 and 2013, there were 1,955,950 and 1,729,969 shares, respectively, allocated to equity awards outstanding in the 2006 Plan.

We acquired the Equity Incentive Plan (formerly known as the Rent-Way, Inc. 2006 Equity Incentive Plan) in conjunction with our acquisition of Rent-Way in 2006. There were 2,468,461 shares of our common stock reserved for issuance under the Equity Incentive Plan. There were 1,269,197 and 1,020,361 shares allocated to equity awards outstanding

in the Equity Incentive Plan at December 31, 2014 and 2013, respectively.

Under the Prior Plan, 14,562,865 shares of Rent-A-Center's common stock were reserved for issuance under stock options, stock appreciation rights or restricted stock grants. There were no grants of stock appreciation rights and all equity awards were granted with fixed prices. At December 31, 2014 and 2013, there were 48,349 and 97,499 shares, respectively, allocated to equity awards outstanding under the Prior Plan. The Prior Plan was terminated on May 19, 2006, upon the approval by our stockholders of the 2006 Plan.

Options granted to our employees generally become exercisable over a period of 1 to 4 years from the date of grant and may be exercised up to a maximum of 10 years from the date of grant. Options granted to directors were immediately exercisable.

We grant restricted stock units to certain employees that vest after a three-year service requirement has been met. We recognize expense for these awards using the straight-line method over the requisite service period based on the number of awards expected to vest. We also grant performance-based restricted stock units that vest between 0% and 200% depending on our achievement of performance metrics that are established at the date of grant for the subsequent three-year period. We record expense for these awards over the requisite service period using an estimate of the number of awards that will vest, based on our performance against the established metrics, and net of the expected forfeiture rate, since the employee must maintain employment to vest in the award.

Stock-based compensation expense for the years ended December 31, 2014, 2013 and 2012 is as follows (in thousands):

	Year Ended December 31,		
	2014	2013	2012
Stock options	\$ 5,044	\$ 3,944	\$ 3,915
Restricted share units	1,515	2,512	4,451
Total stock-based compensation expense	6,559	6,456	8,366
Tax benefit recognized in the statements of earnings	2,117	2,464	3,022
Stock-based compensation expense, net of tax	\$ 4,442	\$ 3,992	\$ 5,344

We issue new shares of stock to satisfy option exercises and the vesting of restricted stock units.

The fair value of unvested options that we expect to result in compensation expense was approximately \$8.3 million with a weighted average number of years to vesting of 2.57 at December 31, 2014.

Information with respect to stock option activity related to the Plans follows:

	Equity Awards Outstanding	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life	Aggregate Intrinsic Value (In thousands)
Balance outstanding at January 1, 2014	2,331,157	\$ 31.36		
Granted	1,024,057	28.41		
Exercised	(211,617)	21.86		
Forfeited	(400,884)	32.92		
Expired	(116,749)	33.28		
Balance outstanding at December 31, 2014	2,625,964	\$ 30.63	7.25 years	\$ 16,045
Exercisable at December 31, 2014	1,017,677	\$ 29.12	5.21 years	\$ 7,750

The intrinsic value of options exercised during the years ended December 31, 2014, 2013 and 2012 was \$1.9 million, \$5.8 million and \$7.5 million, respectively, resulting in tax benefits of \$0.3 million, \$0.4 million and \$4.3 million, respectively, which are reflected as an outflow from operating activities and an inflow from financing activities in the consolidated statements of cash flows.

During the year ended December 31, 2014 and 2013, the weighted average fair values of the options granted under the Plans were calculated using the Black-Scholes method. During the year ended December 31, 2012, the weighted average fair values of options granted were calculated using the binomial method. The weighted average grant date fair value and weighted average assumptions used in the option pricing models are as follows:

	Year Ended December 31,		
	2014	2013	2012
Weighted average grant date fair value	\$ 6.49	\$ 9.27	\$ 10.08
Weighted average risk free interest rate	1.54%	0.88%	0.35%
Weighted average expected dividend yield	3.28%	2.34%	1.74%
Weighted average expected volatility	34.77%	37.88%	39.72%
Weighted average expected life (in years)	5.00	4.43	6.25

Information with respect to non-vested restricted stock unit activity follows:

	Restricted Awards Outstanding	Weighted Average Grant Date Fair Value
Balance outstanding at January 1, 2014	516,672	\$ 32.69
Granted	375,834	23.16
Vested	(73,524)	28.95
Forfeited	(183,409)	29.02
Balance outstanding at December 31, 2014	635,573	\$ 28.53

Restricted stock units are valued using the closing price reported by the Nasdaq Global Select Market on the trading day immediately preceding the day of the grant. Unrecognized compensation expense for unvested restricted stock units at December 31, 2014, was approximately \$2.5 million expected to be recognized over a weighted average period of 1.73 years.

NOTE O Deferred Compensation Plan

The Rent-A-Center, Inc. Deferred Compensation Plan (the "Deferred Compensation Plan") is an unfunded, nonqualified deferred compensation plan for a select group of our key management personnel and highly compensated employees who do not participate in the Rent-A-Center, Inc. 401(k) Retirement Savings Plan. The Deferred Compensation Plan first became available to eligible employees in July 2007, with deferral elections taking effect as of August 3, 2007.

The Deferred Compensation Plan allows participants to defer up to 50% of their base compensation and up to 100% of any bonus compensation. Participants may invest the amounts deferred in measurement funds that are the same funds offered as the investment options in the Rent-A-Center, Inc. 401(k) Retirement Savings Plan. We may make discretionary contributions to the Deferred Compensation Plan, which are subject to a three-year graded vesting schedule based

on the participant's years of service with us. We are obligated to pay the deferred compensation amounts in the future in accordance with the terms of the Deferred Compensation Plan. Assets and associated liabilities of the Deferred Compensation Plan are included in prepaid and other assets and accrued liabilities in our consolidated balance sheets. For the years ended December 31, 2014, 2013 and 2012, we made matching cash contributions of \$0.3 million, \$0.4 million and \$0.6 million, respectively, which represents 50% of the employees' contributions to the Deferred Compensation Plan up to an amount not to exceed 4% of each employee's respective compensation. No other discretionary contributions were made for the years ended December 31, 2014, 2013 and 2012. The deferred compensation plan liability was approximately \$9.7 million and \$8.3 million as of December 31, 2014 and 2013, respectively.

NOTE P 401(k) Plan

We sponsor a defined contribution pension plan under Section 401(k) of the Internal Revenue Code for certain employees who have completed at least three months of service. Employees may elect to contribute up to 50% of their eligible compensation on a pre-tax basis, subject to limitations. We may make discretionary contributions to the 401(k) plan. Employer matching contributions are subject to a three-year graded vesting schedule based on the participant's years of service with us. For the years ended December 31, 2014, 2013 and 2012, we made

matching cash contributions of \$6.7 million, \$6.6 million and \$5.3 million, respectively, which represents 50% of the employees' contributions to the 401(k) plan up to an amount not to exceed 4% of each employee's respective compensation. Employees are permitted to elect to purchase our common stock as part of their 401(k) plan. As of December 31, 2014 and 2013, 7.2% and 6.8%, respectively, of the total plan assets consisted of our common stock.

NOTE Q Fair Value

We use a three-tier fair value hierarchy, which classifies the inputs used in measuring fair values, in determining the fair value of our non-financial assets and non-financial liabilities, which consist primarily of goodwill. These tiers include: Level 1, defined as observable inputs such as quoted prices for identical instruments in active markets; Level 2, defined as inputs other than quoted prices in active markets that are either directly or indirectly observable; and Level 3, defined as unobservable inputs in which little or no market data exists, therefore requiring an entity to develop its own assumptions. There were no

changes in the methods and assumptions used in measuring fair value during the period.

At December 31, 2014, our financial instruments include cash and cash equivalents, receivables, payables, senior debt and senior notes. The carrying amount of cash and cash equivalents, receivables and payables approximates fair value at December 31, 2014 and 2013, because of the short maturities of these instruments. Our senior debt is variable rate debt that re-prices frequently and entails no significant change in credit risk and, as a result, fair value approximates carrying value.

The fair value of our senior notes is based on Level 1 inputs and was as follows at December 31, 2014 and 2013 (in thousands):

	December 31, 2014			December 31, 2013		
	Carrying Value	Fair Value	Difference	Carrying Value	Fair Value	Difference
6.625% senior notes	\$ 300,000	\$ 284,250	\$ (15,750)	\$ 300,000	\$ 316,700	\$ 16,700
4.75% senior notes	250,000	214,375	(35,625)	250,000	234,700	(15,300)
Total	\$ 550,000	\$ 498,625	\$ (51,375)	\$ 550,000	\$ 551,400	\$ 1,400

NOTE R Stock Repurchase Plan

Under our current common stock repurchase program, our Board of Directors has authorized the purchase, from time to time, in the open market and privately negotiated transactions, of up to an aggregate of \$1.25 billion of Rent-A-Center common stock. We have repurchased a

total of 36,994,653 shares of Rent-A-Center common stock for an aggregate purchase price of \$994.8 million as of December 31, 2014 and 2013, under this common stock repurchase program. No shares were repurchased during 2014.

NOTE S Segment Information

The operating segments reported below are the segments for which separate financial information is available and for which segment results are evaluated by the chief operating decision makers. Our operating segments are organized based on factors including, but not limited to, type of business transactions, geographic location and store ownership. All operating segments offer merchandise from four basic product categories: consumer electronics, appliances, computers, furniture and accessories.

From January 1, 2012, when we began to provide operating results by segment, through December 31, 2013, management reported four segments including Core U.S., Acceptance Now, International and Franchising. Costs incurred at our corporate headquarters that benefit our Core U.S., Acceptance Now and Mexico segments were allocated to those segments based on segment revenue to determine segment operating profit. Because our Franchising segment maintains a separate, independent corporate office, no additional corporate costs or assets were allocated to that segment.

On January 1, 2014, the Company realigned its reporting structure to include its Canadian stores in the Core U.S. segment, which were previously reported in the International segment. The accompanying prior year amounts and store counts have been revised to reflect this change, and we now refer to the segment formerly reported as "International" as "Mexico" since only that country's results are reported therein.

During the fourth quarter of 2014, management reevaluated its operating segments and segment reporting, and determined that the chief operating decision makers relied more heavily on operating profit before corporate allocations when evaluating segment performance than operating profit after corporate allocations. Therefore, we are no longer allocating corporate costs and assets to the segments. In the following tables, segment operating profit is presented before corporate allocations. Corporate costs, which are primarily costs incurred at our U.S. corporate headquarters, are reported separately to reconcile to operating profit reported in the consolidated statements of operations. The costs incurred at our Mexico field support center is reported in the Mexico segment because our Executive Vice President of Mexico Operations is responsible for Mexico's operations and its field support center. The Franchising segment's corporate costs are reported in the Franchising segment because the President of RAC Franchising International is responsible for that segment's operations and corporate functions. Certain corporate assets used to support our Core U.S., Acceptance Now and Mexico segments, including the land and building in which the corporate headquarters are located and related property assets, cash and prepaid expenses were also allocated historically to these operating segments based on segment revenue. In the following tables, corporate assets are reported separately to reconcile to the consolidated balance sheets. Management believes that these changes provide investors with a more precise view of field operations and corporate costs that accurately aligns with management's view of the business.

Reportable segments and their respective operations are defined as follows:

Our Core U.S. segment primarily operates rent-to-own stores in the United States, Canada and Puerto Rico whose customers enter into weekly, semi-monthly or monthly rental purchase agreements, which renew automatically upon receipt of each payment. We retain the title to the merchandise during the term of the rental purchase agreement and ownership passes to the customer if the customer has continuously renewed the rental purchase agreement through the end of the term or exercises a specified early purchase option. This segment also includes the 45 stores operating in two states that utilize a retail model which generates installment credit sales through a retail sale transaction. Segment assets include cash, receivables, rental merchandise, property assets, goodwill and other intangible assets.

Our Acceptance Now segment operates kiosks within various traditional retailers' locations where we generally offer the rent-to-own transaction to consumers who do not qualify for financing from the traditional

retailer. The transaction offered is generally similar to that of the Core U.S. segment; however, the majority of the customers in this segment enter into monthly rather than weekly agreements. Segment assets include cash, rental merchandise, property assets, goodwill and other intangible assets.

Our Mexico segment currently consists of our company-owned rent-to-own stores in Mexico. The nature of this segment's operations and assets are the same as our Core U.S. segment.

The stores in our Franchising segment use Rent-A-Center's, ColorTyme's or RimTyme's trade names, service marks, trademarks and logos, and operate under distinctive operating procedures and standards. Franchising's primary source of revenue is the sale of rental merchandise to its franchisees who, in turn, offer the merchandise to the general public for rent or purchase under a rent-to-own program. As franchisor, Franchising receives royalties of 2.0% to 6.0% of the franchisees' monthly gross revenue and initial fees for new locations. Segment assets include cash, franchise fee receivables, property assets and intangible assets.

Segment information as of and for the years ended December 31, 2014, 2013 and 2012 is as follows (in thousands):

	Year Ended December 31,		
	2014	2013	2012
Revenues			
Core U.S.	\$ 2,414,659	\$ 2,527,660	\$ 2,681,844
Acceptance Now	644,853	489,425	333,118
Mexico	72,202	47,171	22,502
Franchising	26,082	29,762	38,207
Total revenues	\$ 3,157,796	\$ 3,094,018	\$ 3,075,671

	Year Ended December 31,		
	2014	2013	2012
Gross profit			
Core U.S.	\$ 1,753,269	\$ 1,822,243	\$ 1,919,230
Acceptance Now	372,012	290,647	196,050
Mexico	51,070	33,945	15,291
Franchising	8,012	6,658	6,893
Total gross profit	\$ 2,184,363	\$ 2,153,493	\$ 2,137,464

	Year Ended December 31,		
	2014	2013	2012
Operating profit (loss)			
Core U.S.	\$ 264,967	\$ 311,301	\$ 415,744
Acceptance Now	112,918	89,075	41,344
Mexico	(21,961)	(22,828)	(23,337)
Franchising	3,295	1,853	2,326
Total segment operating profit	359,219	379,401	436,077
Corporate	(165,757)	(132,392)	(123,048)
Total operating profit	\$ 193,462	\$ 247,009	\$ 313,029

	Year Ended December 31,		
	2014	2013	2012
Depreciation, amortization and write-down of intangibles			
Core U.S.	\$ 61,555	\$ 64,042	\$ 55,868
Acceptance Now	2,917	2,287	4,000
Mexico	6,683	5,450	4,164
Franchising	184	79	89
Total segments	71,339	71,858	64,121
Corporate	16,060	16,122	15,128
Total depreciation, amortization and write-down of intangibles	\$ 87,399	\$ 87,980	\$ 79,249

	Year Ended December 31,		
	2014	2013	2012
Capital expenditures			
Core U.S.	\$ 31,228	\$ 44,715	\$ 61,137
Acceptance Now	3,833	3,047	2,044
Mexico	4,164	11,537	10,670
Franchising	—	—	—
Total segments	39,225	59,299	73,851
Corporate	44,560	49,068	28,602
Total capital expenditures	\$ 83,785	\$ 108,367	\$ 102,453

	December 31,		
	2014	2013	2012
On rent rental merchandise, net			
Core U.S.	\$ 593,945	\$ 611,375	\$ 589,811
Acceptance Now	345,703	284,421	204,640
Mexico	20,766	17,680	10,347
Total on rent rental merchandise, net	\$ 960,414	\$ 913,476	\$ 804,798

	December 31,		
	2014	2013	2012
Idle rental merchandise, net			
Core U.S.	\$ 264,211	\$ 195,926	\$ 193,251
Acceptance Now	4,897	3,837	3,007
Mexico	8,334	10,959	5,363
Total idle rental merchandise, net	\$ 277,442	\$ 210,722	\$ 201,621

	December 31,		
	2014	2013	2012
Assets by segment			
Core U.S.	\$ 2,519,770	\$ 2,479,297	\$ 2,428,209
Acceptance Now	420,660	358,305	274,765
Mexico	59,841	69,826	46,038
Franchising	2,604	1,688	2,711
Total segments	3,002,875	2,909,116	2,751,723
Corporate	268,322	109,059	107,362
Total assets	\$ 3,271,197	\$ 3,018,175	\$ 2,859,085

	December 31,		
	2014	2013	2012
Assets by country			
United States	\$ 3,204,283	\$ 2,940,980	\$ 2,794,883
Mexico	59,841	69,826	46,038
Canada	7,073	7,369	18,164
Total assets	\$ 3,271,197	\$ 3,018,175	\$ 2,859,085

Approximately 87% of our total revenues are comprised of rental and fee revenues from the following product groups:

	Year Ended December 31,		
	2014	2013	2012
	<i>(In thousands)</i>		
Furniture and accessories	\$ 938,065	\$ 917,290	\$ 861,939
Consumer electronics	642,226	667,052	699,620
Appliances	422,979	432,937	423,578
Computers	375,340	347,783	358,551
Other products and services	367,218	330,833	310,237
Total rentals and fees	\$ 2,745,828	\$ 2,695,895	\$ 2,653,925

Our revenues originate in the following countries:

	Year Ended December 31,		
	2014	2013	2012
	<i>(In thousands)</i>		
United States	\$ 3,075,387	\$ 3,035,558	\$ 3,035,556
Mexico	72,202	47,171	22,502
Canada	10,207	11,289	17,613
Total revenues	\$ 3,157,796	\$ 3,094,018	\$ 3,075,671

NOTE T Earnings Per Common Share

Summarized basic and diluted earnings per common share were calculated as follows:

	Net Earnings	Weighted Average Shares	Per Share
	<i>(In thousands, except per share data)</i>		
Year Ended December 31, 2014			
Basic earnings per common share	\$ 96,422	52,850	\$1.82
Effect of dilutive stock options	—	276	
Diluted earnings per common share	\$ 96,422	53,126	\$1.81

	Net Earnings	Weighted Average Shares	Per Share
	<i>(In thousands, except per share data)</i>		
Year Ended December 31, 2013			
Basic earnings per common share	\$ 128,757	54,804	\$2.35
Effect of dilutive stock options	—	358	
Diluted earnings per common share	\$ 128,757	55,162	\$2.33

	Net Earnings	Weighted Average Shares	Per Share
	<i>(In thousands, except per share data)</i>		
Year Ended December 31, 2012			
Basic earnings per common share	\$ 180,018	58,913	\$3.06
Effect of dilutive stock options	—	492	
Diluted earnings per common share	\$ 180,018	59,405	\$3.03

For 2014, 2013, and 2012, the number of stock options that were outstanding but not included in the computation of diluted earnings per common share because their exercise price was greater than the average market price of the common stock and, therefore anti-dilutive, were 2,496,147, 1,507,355, and 1,115,245, respectively.

NOTE U Unaudited Quarterly Data

Summarized quarterly financial data for the years ended December 31, 2014, and 2013 is as follows, adjusted to reflect the revisions to prior year balances due to immaterial error corrections discussed in Note B to the consolidated financial statements:

	1 st Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter
	<i>(In thousands, except per share data)</i>			
Year Ended December 31, 2014				
Revenues	\$ 828,473	\$ 768,426	\$ 764,363	\$ 796,534
Gross profit	562,550	537,024	539,758	545,031
Operating profit	59,458	40,390	45,920	47,694
Net earnings	27,266	17,681	25,925	25,550
Basic earnings per common share	\$ 0.52	\$ 0.33	\$ 0.49	\$ 0.48
Diluted earnings per common share	\$ 0.51	\$ 0.33	\$ 0.49	\$ 0.48
Cash dividends declared per common share	\$ 0.23	\$ 0.23	\$ 0.23	\$ 0.24

	1 st Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter
	<i>(In thousands, except per share data)</i>			
Year Ended December 31, 2013				
Revenues	\$ 815,661	\$ 759,424	\$ 752,758	\$ 766,175
Gross profit	550,077	532,949	530,514	539,953
Operating profit	77,019	78,922	56,399	34,669
Net earnings	44,987	42,975	27,558	13,237
Basic earnings per common share	\$ 0.78	\$ 0.78	\$ 0.52	\$ 0.25
Diluted earnings per common share	\$ 0.77	\$ 0.78	\$ 0.51	\$ 0.25
Cash dividends declared per common share	\$ 0.21	\$ 0.21	\$ 0.21	\$ 0.23

ITEM 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure.

None.

ITEM 9A. Controls and Procedures.

Disclosure Controls and Procedures

In accordance with Rule 13a-15(b) under the Securities Exchange Act of 1934, an evaluation was performed under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934) as of the end of the period covered by this Annual Report on Form 10-K. Based on this evaluation, our management, including our Chief Executive Officer and our Chief Financial Officer, concluded that, as of December 31, 2014, our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934) were effective.

Management's Annual Report on Internal Control over Financial Reporting

Please refer to Management's Annual Report on Internal Control over Financial Reporting on page 34 of this Annual Report on Form 10-K.

Auditor's Report Relating to Effectiveness of Internal Control over Financial Reporting

Please refer to the Report of Independent Registered Public Accounting Firm on page 33 of this Annual Report on Form 10-K.

Changes in Internal Control over Financial Reporting

We are in the process of implementing a new store management information technology system. As a part of this effort, during the year ended December 31, 2014, we implemented internally-developed computer software for our Enterprise corporate management system. The Enterprise system manages integrations with key corporate back-office systems such as our financial reporting and inventory management systems as well as collects and consolidates critical business data from all store operations.

The implementation of the Enterprise system resulted in changes to our business processes and related internal controls over financial reporting. Management took steps to update the design and documentation of internal control processes and procedures relating to the system update to supplement and complement existing internal controls. Management will continue to monitor, evaluate and update the related processes and internal controls as necessary to ensure adequate internal control over financial reporting.

Other than as described above, for the year ended December 31, 2014, there have been no changes in our internal control over financial reporting (as defined in Rule 13a-15(f) under the Securities Exchange Act of 1934) that, in the aggregate, have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

ITEM 9B. Other Information.

None.

PART III

ITEM 10. Directors, Executive Officers and Corporate Governance.^(*)

ITEM 11. Executive Compensation.^(*)

ITEM 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.^(*)

ITEM 13. Certain Relationships and Related Transactions, and Director Independence.^(*)

ITEM 14. Principal Accountant Fees and Services.^(*)

** The information required by Items 10, 11, 12, 13 and 14 is or will be set forth in the definitive proxy statement relating to the 2015 Annual Meeting of Stockholders of Rent-A-Center, Inc., which is to be filed with the SEC pursuant to Regulation 14A under the Securities Exchange Act of 1934, as amended. This definitive proxy statement relates to a meeting of stockholders involving the election of directors and the portions therefrom required to be set forth in this Form 10-K by Items 10, 11, 12, 13 and 14 are incorporated herein by reference pursuant to General Instruction G(3) to Form 10-K.*

PART IV

ITEM 15. Exhibits and Financial Statement Schedules.

1. Financial Statements

The financial statements included in this report are listed in the Index to Financial Statements on page 30 of this Annual Report on Form 10-K.

2. Financial Statement Schedules

Schedules for which provision is made in the applicable accounting regulations of the SEC are either not required under the related instructions or inapplicable.

3. Exhibits

The exhibits required to be filed pursuant to Item 15(b) of Form 10-K are listed in the Exhibit Index filed herewith, which Exhibit Index is incorporated herein by reference. Exhibits 10.1, 10.9 through 10.28, and 10.30, listed in the Exhibit Index filed herewith, are management or compensatory plans or arrangements required to be filed as exhibits to this Annual Report on Form 10-K pursuant to Item 15(b) thereof.

Signatures

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

By: **RENT-A-CENTER, INC.**
/S/ ROBERT D. DAVIS
Robert D. Davis
Chief Executive Officer

Date: March 2, 2015

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed by the following persons on behalf of the registrant and in the capacities and on the date indicated.

Signature	Title	Date
/s/ ROBERT D. DAVIS Robert D. Davis	<i>Chief Executive Officer and Director (Principal Executive Officer)</i>	March 2, 2015
/s/ GUY J. CONSTANT Guy J. Constant	<i>Executive Vice President — Finance, Chief Financial Officer and Treasurer (Principal Financial and Accounting Officer)</i>	March 2, 2015
/s/ MARK E. SPEESE Mark E. Speese	<i>Chairman of the Board</i>	March 2, 2015
/s/ MICHAEL J. GADE Michael J. Gade	<i>Director</i>	March 2, 2015
/s/ JEFFERY M. JACKSON Jeffery M. Jackson	<i>Director</i>	March 2, 2015
/s/ J. V. LENTELL J. V. Lentell	<i>Director</i>	March 2, 2015
/s/ STEVEN L. PEPPER Steven L. Pepper	<i>Director</i>	March 2, 2015
/s/ LEONARD H. ROBERTS Leonard H. Roberts	<i>Director</i>	March 2, 2015
/s/ PAULA STERN Paula Stern	<i>Director</i>	March 2, 2015

Index to Exhibits

Exhibit No.	Description
3.1	Certificate of Incorporation of Rent-A-Center, Inc., as amended (Incorporated herein by reference to Exhibit 3.1 to the registrant's Current Report on Form 8-K dated as of December 31, 2002.)
3.2	Certificate of Amendment to the Certificate of Incorporation of Rent-A-Center, Inc., dated May 19, 2004 (Incorporated herein by reference to Exhibit 3.2 to the registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2004.)
3.3	Amended and Restated Bylaws of Rent-A-Center, Inc. (Incorporated herein by reference to Exhibit 3.1 to the registrant's Current Report on Form 8-K dated as of September 28, 2011.)
4.1	Form of Certificate evidencing Common Stock (Incorporated herein by reference to Exhibit 4.1 to the registrant's Registration Statement on Form S-4/A filed on January 13, 1999.)
4.2	Indenture, dated as of November 2, 2010, by and among Rent-A-Center, Inc., as Issuer, the Guarantors named therein, as Guarantors, and The Bank of New York Mellon Trust Company, N.A., as Trustee (Incorporated herein by reference to Exhibit 4.1 to the registrant's Current Report on Form 8-K dated as of November 2, 2010.)
4.3	Registration Rights Agreement relating to the 6.625% Senior Notes due 2020, dated as of November 2, 2010, among Rent-A-Center, Inc., the subsidiary guarantors party thereto and J.P. Morgan Securities LLC, as representative for the initial purchasers named therein (Incorporated herein by reference to Exhibit 4.2 to the registrant's Current Report on Form 8-K dated as of November 2, 2010.)
4.4	Indenture, dated as of May 2, 2013, by and among Rent-A-Center, Inc., as Issuer, the Guarantors named therein, as Guarantors, and The Bank of New York Mellon Trust Company, N.A., as Trustee (Incorporated herein by reference to Exhibit 4.1 to the registrant's Current Report on Form 8-K dated as of May 2, 2013.)
4.5	Registration Rights Agreement relating to the 4.75% Senior Notes due 2021, dated as of May 2, 2013, among Rent-A-Center, Inc., the subsidiary guarantors party thereto and J.P. Morgan Securities LLC, as representative for the initial purchasers named therein (Incorporated herein by reference to Exhibit 4.2 to the registrant's Current Report on Form 8-K dated as of May 2, 2013.)
10.1†	Amended and Restated Rent-A-Center, Inc. Long-Term Incentive Plan (Incorporated herein by reference to Exhibit 10.1 to the registrant's Quarterly Report on Form 10-Q for the quarter ended September 30, 2003.)
10.2	Guarantee and Collateral Agreement, dated March 19, 2014, by and among Rent-A-Center, Inc., its subsidiaries named as guarantors therein and JPMorgan Chase Bank, N.A. as Administrative Agent (Incorporated herein by reference to Exhibit 10.2 to the registrant's Current Report on Form 8-K dated March 19, 2014.)
10.3	Franchisee Financing Agreement, dated April 30, 2002, but effective as of June 28, 2002, by and between Texas Capital Bank, National Association, ColorTyme, Inc. and Rent-A-Center, Inc. (Incorporated herein by reference to Exhibit 10.14 to the registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2002.)
10.4	Supplemental Letter Agreement to Franchisee Financing Agreement, dated May 26, 2003, by and between Texas Capital Bank, National Association, ColorTyme, Inc. and Rent-A-Center, Inc. (Incorporated herein by reference to Exhibit 10.23 to the registrant's Registration Statement on Form S-4 filed July 11, 2003.)
10.5	First Amendment to Franchisee Financing Agreement, dated August 30, 2005, by and among Texas Capital Bank, National Association, ColorTyme, Inc. and Rent-A-Center East, Inc. (Incorporated herein by reference to Exhibit 10.7 to the registrant's Quarterly Report on Form 10-Q for the quarter ended September 30, 2005.)
10.6	Franchise Financing Agreement, dated as of August 2, 2010, between ColorTyme Finance, Inc. and Citibank, N.A. (Incorporated herein by reference to Exhibit 10.1 to the registrant's Current Report on Form 8-K dated as of August 2, 2010.)
10.7	Unconditional Guaranty of Rent-A-Center, Inc., dated as of August 2, 2010, executed by Rent-A-Center, Inc. in favor of Citibank, N.A. (Incorporated herein by reference to Exhibit 10.1 to the registrant's Current Report on Form 8-K dated as of August 2, 2010.)
10.8	Unconditional Guaranty of Rent-A-Center, Inc., dated as of August 2, 2010, executed by ColorTyme Finance, Inc. in favor of Citibank, N.A. (Incorporated herein by reference to Exhibit 10.1 to the registrant's Current Report on Form 8-K dated as of August 2, 2010.)
10.9†	Form of Stock Option Agreement issuable to Directors pursuant to the Amended and Restated Rent-A-Center, Inc. Long-Term Incentive Plan (Incorporated herein by reference to Exhibit 10.20 to the registrant's Annual Report on Form 10-K for the year ended December 31, 2004.)
10.10†	Form of Stock Option Agreement issuable to management pursuant to the Amended and Restated Rent-A-Center, Inc. Long-Term Incentive Plan (Incorporated herein by reference to Exhibit 10.21 to the registrant's Annual Report on Form 10-K for the year ended December 31, 2004.)
10.11†*	Summary of Director Compensation
10.12†	Form of Stock Compensation Agreement issuable to management pursuant to the Amended and Restated Rent-A-Center, Inc. Long-Term Incentive Plan (Incorporated herein by reference to Exhibit 10.15 to the registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 2006.)
10.13†	Form of Long-Term Incentive Cash Award issuable to management pursuant to the Amended and Restated Rent-A-Center, Inc. Long-Term Incentive Plan (Incorporated herein by reference to Exhibit 10.16 to the registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 2006.)

Exhibit No.	Description
10.14†	Form of Loyalty and Confidentiality Agreement entered into with management (Incorporated herein by reference to Exhibit 10.14 to the registrant's Quarterly Report on Form 10-Q for the quarter ended September 30, 2013.)
10.15†	Rent-A-Center, Inc. 2006 Long-Term Incentive Plan (Incorporated herein by reference to Exhibit 10.17 to the registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2006.)
10.16†	Form of Stock Option Agreement issuable to management pursuant to the Rent-A-Center, Inc. 2006 Long-Term Incentive Plan (Incorporated herein by reference to Exhibit 10.18 to the registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2006.)
10.17†	Form of Stock Compensation Agreement issuable to management pursuant to the Rent-A-Center, Inc. 2006 Equity Incentive Plan (Incorporated herein by reference to Exhibit 10.19 to the registrant's Annual Report on Form 10-K for the year ended December 31, 2006.)
10.18†	Form of Long-Term Incentive Cash Award issuable to management pursuant to the Rent-A-Center, Inc. 2006 Long-Term Incentive Plan (Incorporated herein by reference to Exhibit 10.20 to the registrant's Annual Report on Form 10-K for the year ended December 31, 2006.)
10.19†	Rent-A-Center, Inc. 2006 Equity Incentive Plan and Amendment (Incorporated herein by reference to Exhibit 4.5 to the registrant's Registration Statement on Form S-8 filed with the SEC on January 4, 2007.)
10.20†	Form of Stock Option Agreement issuable to management pursuant to the Rent-A-Center, Inc. 2006 Equity Incentive Plan (Incorporated herein by reference to Exhibit 10.22 to the registrant's Annual Report on Form 10-K for the year ended December 31, 2006.)
10.21†	Form of Stock Compensation Agreement issuable to management pursuant to the Rent-A-Center, Inc. 2006 Long-Term Incentive Plan (Incorporated herein by reference to Exhibit 10.23 to the registrant's Annual Report on Form 10-K for the year ended December 31, 2006.)
10.22†	Form of Stock Option Agreement issuable to Directors pursuant to the Rent-A-Center, Inc. 2006 Long-Term Incentive Plan (Incorporated herein by reference to Exhibit 10.24 to the registrant's Annual Report on Form 10-K for the year ended December 31, 2006.)
10.23†	Form of Deferred Stock Unit Award Agreement issuable to Directors pursuant to the Rent-A-Center, Inc. 2006 Long-Term Incentive Plan (Incorporated herein by reference to Exhibit 10.23 to the registrant's Annual Report on Form 10-K for the year ended December 31, 2010.)
10.24†	Form of Executive Transition Agreement entered into with management (Incorporated herein by this reference to Exhibit 10.24 to the registrant's quarterly report on Form 10-Q for the quarter ended September 30, 2013.)
10.25†	Non-Qualified Stock Option Agreement, dated October 2, 2006, between Rent-A-Center, Inc. and Mark E. Speese (Incorporated herein by reference to Exhibit 10.23 to the registrant's Quarterly Report on Form 10-Q for the quarter ended September 30, 2006.)
10.26†	Rent-A-Center, Inc. Non-Qualified Deferred Compensation Plan (Incorporated herein by reference to Exhibit 10.28 to the registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2007.)
10.27†	Rent-A-Center, Inc. 401-K Plan (Incorporated herein by reference to Exhibit 10.30 to the registrant's Annual Report on Form 10-K for the year ended December 31, 2008.)
10.28	Credit Agreement, dated as of March 19, 2014, among Rent-A-Center, Inc., the several lenders from time to time parties thereto, Bank of America, N.A., BBVA Compass Bank, Wells Fargo Bank, N.A. and Suntrust Bank, as syndication agents, and JPMorgan Chase Bank, N.A., as administrative agent (Incorporated herein by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K dated as of March 19, 2014.)
10.29†	Rent-A-Center East, Inc. Retirement Savings Plan for Puerto Rico Employees (Incorporated herein by reference to Exhibit 99.1 to the registrant's Registration Statement on Form S-8 filed January 28, 2011.)
10.30	First Amendment to Franchisee Financing Agreement between ColorTyme Finance, Inc. and Citibank, N.A., dated as of July 25, 2012 (Incorporated herein by reference to Exhibit 10.32 to the registrant's Quarterly Report on Form 10-Q for the quarter ended September 30, 2012.)
10.31	Master Confirmation Agreement, dated as of May 2, 2013, between Rent-A-Center, Inc. and Goldman Sachs & Co. (Incorporated herein by reference to Exhibit 10.1 to the registrant's Current Report on Form 8-K dated as of May 2, 2013.)
10.32	Second Amendment to Franchisee Financing Agreement between ColorTyme Finance, Inc. and Citibank, N.A., dated as of August 30, 2013 (Incorporated herein by reference to Exhibit 10.34 to the registrant's Quarterly Report on Form 10-Q for the quarter ended September 30, 2013.)
10.33	Third Amendment to Franchisee Financing Agreement between ColorTyme Finance, Inc. and Citibank, N.A., dated as of May 1, 2014 (Incorporated herein by reference to Exhibit 10.33 to the registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2014.)
10.34	Waiver and Fourth Amendment to Franchisee Financing Agreement between ColorTyme Finance, Inc. and Citibank, N.A., dated as of September 1, 2014 (Incorporated herein by reference to Exhibit 10.34 to the registrant's Quarterly Report on Form 10-Q for the quarter ended September 30, 2014.)
16.1	Letter from Grant Thornton LLP to the Securities Exchange Commission dated December 19, 2012 (Incorporated herein by reference to Exhibit 16.1 to the registrant's Current Report on Form 8-K dated as of December 13, 2012.)

Exhibit No.	Description
16.2	Letter from Grant Thornton LLP to the Securities Exchange Commission dated February 25, 2013 (Incorporated herein by reference to Exhibit 16.1 to the registrant's Current Report on Form 8-K dated as of February 25, 2013.)
18.1	Preferability letter regarding change in accounting principle (Incorporated herein by reference to Exhibit 18.1 to the registrant's Quarterly Report on Form 10-Q for the quarter ended September 30, 2014.)
21.1*	Subsidiaries of Rent-A-Center, Inc.
23.1*	Consent of KPMG LLP
23.2*	Consent of Grant Thornton LLP
31.1*	Certification pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934 implementing Section 302 of the Sarbanes-Oxley Act of 2002 by Robert D. Davis
31.2*	Certification pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934 implementing Section 302 of the Sarbanes-Oxley Act of 2002 by Guy J. Constant
32.1*	Certification pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 by Robert D. Davis
32.2*	Certification pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 by Guy J. Constant
101.INS*	XBRL Instance Document
101.SCH*	XBRL Taxonomy Extension Schema Document
101.CAL*	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF*	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB*	XBRL Taxonomy Extension Label Linkbase Document
101.PRE*	XBRL Taxonomy Extension Presentation Linkbase Document

† *Management contract or compensatory plan or arrangement.*

* *Filed herewith.*

** *The XBRL-related information in Exhibit No. 101 to this Annual Report on Form 10-K is filed for purposes of Sections 11 and 12 of the Securities Act of 1933 and Section 18 of the Securities Exchange Act of 1934.*

Board of Directors

Mark E. Speese
Chairman of the Board

Robert D. Davis
Chief Executive Officer
Rent-A-Center, Inc.

Michael J. Gade
Founding Partner
Challance Group, L.L.P.

Jeffery M. Jackson
Managing Director
Thayer Ventures

J.V. Lentell
Vice Chairman
Intrust Bank, N.A.

Steven L. Pepper
Former President
Yum Brands Mexico

Leonard H. Roberts
Retired Chairman of the Board and Chief Executive Officer
RadioShack Corporation

Paula Stern, Ph.D.
Chairwoman
Stern Group, Inc.

Corporate Officers

Niels D. Boensch
David G. Ewbank
Ralph W. Hodges
Rob D. Langhoff
James E. York
Chris P. Crocker
Stephen B. McKinley
Al Perez
Mark F. Schmitz
Walter S. Smith
Bobby R. Pope
John F. Butler
Jody L. Diaz

Dwight D. Dumler

Douglas A. Guziec

Herman Nell

Maureen B. Short

Catherine M. Skula
Andrew M. Trusevich
Peter E. Bruni
James L. Chapman
Ian Cohen
Xavier A. Dominicis
Eric A. Erlewein
Daniel G. Glasky
Walter R. Goin
Mathew W. Grynwald
Anurag Gupta
Jana R. Kelly
Teri M. Kelly
G. Michael Landry
Christi M. Liebe

Fred G. Mattox
Daniel B. O'Rourke
Gary W. Peek

Ashley J. Pinto
Ron L. Schoolcraft
Jason B. Wall
Dawn M. Wolverton

Division Vice President – RTO Domestic
Division Vice President – RTO Domestic
Division Vice President – RTO Domestic
Division Vice President – RTO Domestic
Division Vice President – RTO Domestic
Division Vice President – Acceptance Now
Division Vice President – Acceptance Now
Division Vice President – Acceptance Now
Vice President – Home Choice
Division Vice President – Mexico
Division Vice President – Service and Distribution
Senior Vice President – Supply Chain
Senior Vice President – Human Resources
and Chief People Officer
Senior Vice President – Assistant General Counsel
– Regulatory Affairs
Senior Vice President – Strategy and Business
Development and Chief Strategy Officer
Senior Vice President – Information Technology
and Chief Information Officer
Senior Vice President – Finance, Investor Relations,
and Treasury
Senior Vice President – Franchising
Senior Vice President and Assistant General Counsel
Vice President – Total Rewards
Vice President – Training
Vice President – Omnichannel
Vice President – Public and Community Affairs
Vice President – Market Planning
Vice President – Merchandising
Vice President – International Human Resources/FSC
Vice President – Legal
Vice President – Enterprise Project Management Office
Vice President – Inventory Management
Vice President – Tax
Vice President – Franchise Development
Vice President – Information Technology
and Chief Technology Officer
Vice President – Franchise Operations
Vice President – Finance Analytics and Reporting
Vice President – Information Technology Business
Solutions
Vice President – Internal Audit
Vice President – Acceptance Now Business Development
Vice President – Merchandising and Sales Strategy
Vice President – Assistant General Counsel
and Secretary

Executive Officers

Robert D. Davis
Chief Executive Officer

Mitchell E. Fadel
President and Chief Operating Officer

Guy J. Constant
Executive Vice President – Finance, Chief Financial Officer
and Treasurer

Ricardo Cordon
Executive Vice President – Mexico

Mark E. Denman
Executive Vice President – Acceptance Now

Charles J. White
Executive Vice President – RTO Domestic

Fred E. Herman
Executive Vice President – Accounting and Global Controller

Christopher A. Korst
Executive Vice President – General Counsel
and Chief Administrative Officer

Joel M. Mussat
Executive Vice President – Chief Omnichannel Officer

Corporate and Stockholder Information

Corporate Offices
5501 Headquarters Drive
Plano, TX 75024
www.rentacenter.com

Independent Auditors
KPMG LLP
717 North Harwood Street
Suite 3100
Dallas, TX 75201

Stockholders may obtain copies of news releases,
U.S. Securities and Exchange Commission filings,
including Forms 10-K, 10-Q, and 8-K, and other
company information by accessing our Web site at
www.rentacenter.com

Stockholders may also contact:
Investor Relations
Rent-A-Center, Inc.
5501 Headquarters Drive
Plano, TX 75024
Phone: (972) 801-1100
Fax: (866) 260-1424
Email: ir@rentacenter.com

Annual Meeting
June 4, 2015 at 8:00 a.m.
Rent-A-Center, Inc. Field Support Center

Transfer Agent and Registrar
Computershare
P.O. Box 30170
College Station, TX 77842-3170
(877) 264-3797
www.computershare.com

Stock Listing
NASDAQ Global Select Market
Ticker Symbol: RCI

