

**UNITED STATES OF AMERICA
BEFORE THE FEDERAL TRADE COMMISSION**

**COMMISSIONERS: Edith Ramirez, Chairwoman
Julie Brill
Maureen K. Ohlhausen
Joshua D. Wright**

_____)
In the Matter of)
) **DOCKET NO. C-4442**
AARON'S, INC., a corporation.)
)
_____)

DECISION AND ORDER

The Federal Trade Commission (“Commission”) having initiated an investigation of certain acts and practices of the respondent named in the caption hereof, and the respondent having been furnished thereafter with a copy of a draft complaint that the Bureau of Consumer Protection proposed to present to the Commission for its consideration and which, if issued by the Commission, would charge the respondent with violation of the Federal Trade Commission Act, 15 U.S.C § 45 et seq.; and

The respondent, its attorney, and counsel for the Commission having thereafter executed an Agreement Containing Consent Order (“Consent Agreement”), which includes: a statement by respondent that it neither admits nor denies any of the allegations in the draft complaint, except as specifically stated in the Consent Agreement, and, only for purposes of this action, admits the facts necessary to establish jurisdiction; and waivers and other provisions as required by the Commission’s Rules; and

The Commission having thereafter considered the matter and having determined that it has reason to believe that the respondent has violated the Federal Trade Commission Act, and that a complaint should issue stating its charges in that respect, and having thereupon accepted the executed consent agreement and placed such consent agreement on the public record for a period of thirty (30) days, and having duly considered the comments filed thereafter by interested persons pursuant to Commission Rule 2.34, 16 C.F.R. § 2.34, now in further conformity with the procedure prescribed in Commission Rule 2.34, the Commission hereby issues its complaint, makes the following jurisdictional findings and enters the following order:

1. Respondent Aaron, Inc. (“Aaron’s”), is a Georgia corporation with its principal office or place of business at 309 E. Paces Ferry Road, N.E., Atlanta, Georgia 30305.

2. The Commission has jurisdiction of the subject matter of this proceeding and of respondent, and the proceeding is in the public interest.

ORDER

DEFINITIONS

For purposes of this Order, the following definitions shall apply:

1. Unless otherwise specified, “respondent” shall mean Aaron’s and its successors and assigns.

2. “Commerce” shall be defined as it is defined in Section 4 of the Federal Trade Commission Act, 15 U.S.C. § 44.

3. “Computer” shall mean any desktop or laptop computer, handheld device, tablet, smartphone, or other electronic product or device that has a platform on which to download, install, or run any software program, code, script, or other content.

4. “Clear(ly) and prominent(ly)” shall mean:

a. In textual communications (e.g., printed publications or words displayed on the screen of a computer or mobile device), the required disclosures are of a type, size, and location sufficiently noticeable for an ordinary consumer to read and comprehend them, in print that contrasts highly with the background on which they appear;

b. In communications disseminated orally or through audible means (e.g., radio or streaming audio), the required disclosures are delivered in a volume and cadence sufficient for an ordinary consumer to hear and comprehend them;

c. In communications disseminated through video means (e.g., television or streaming video), the required disclosures are in writing in a form consistent with subpart (a) of this definition and shall appear on the screen for a duration sufficient for an ordinary consumer to read and comprehend them, and in the same language as the predominant language that is used in the communication;

d. In communications made through interactive media, such as the Internet, online services, and software, the required disclosures are unavoidable and presented in a form consistent with subpart (a) of this definition, in addition to any audio or video presentation of them; and

e. In all instances, the required disclosures are presented in an understandable language and syntax; in the same language as the predominant language that is used in the communication; and include nothing contrary to, inconsistent with, or in mitigation of any statement contained within the disclosure or within any document linked to or referenced therein.

5. “Consumer product” shall mean any item that is primarily for personal, family, or household use.

6. “Covered rent-to-own transaction” shall mean any transaction where a consumer enters into an agreement for the purchase or rental of any consumer product where the consumer’s contract or rental agreement provides for payments over time with options to purchase the product.

7. “Franchisee” shall mean an independently owned business that operates under a franchise agreement with respondent.

8. “Geophysical location tracking technology” shall mean any hardware, software, or application that collects and reports data or information that identifies the precise geophysical location of an item. Geophysical location tracking technologies include, but are not limited to, technologies that report the GPS coordinates of a computer or other item; the WiFi signals available to or actually used by a computer to access the Internet; the telecommunication towers or connections available to or actually used by a computer; the processing of any such reported data or information through geolocation lookup services; or any information derived from any combination of the foregoing.

9. “Monitoring technology” shall mean any hardware, software, or application utilized in conjunction with a computer that can cause the computer to (1) capture, monitor, or record, and (2) report information about user activities by:

- a. Recording keystrokes, clicks, or other user-generated actions;
- b. Capturing screenshots of the information displayed on a computer monitor or screen; or
- c. Activating the camera or microphone function of a computer to take photographs or record audio or visual content through the computer’s webcam or microphone.

INJUNCTION

I. MONITORING TECHNOLOGY PROHIBITED

IT IS HEREBY ORDERED that respondent, directly or through any corporation, partnership, subsidiary, division, trade name, or other device, and its officers, agents, servants, employees, and all persons or entities in active concert or participation with them who receive actual notice of this order, by personal service or otherwise, in connection with any covered rent-to-own transaction, are hereby permanently restrained and enjoined from:

A. Using any monitoring technology to gather data or information from or about a consumer from any computer rented to a consumer; or

B. Receiving, storing, or communicating any data or information from or about a consumer that was gathered from a computer rented to a consumer using any monitoring technology.

Provided that this Part does not apply to respondent's use of any monitoring technology to gather data or information from or about a consumer from any computer rented to a consumer, with notice to and consent from the consumer, in connection with a request for technical assistance initiated by the consumer, where respondent only uses the information to provide, or attempt to provide, the requested technical assistance and for no other purpose.

II. USE OF TRACKING TECHNOLOGY LIMITED

IT IS FURTHER ORDERED that respondent, directly or through any corporation, partnership, subsidiary, division, trade name, or other device, and its officers, agents, servants, employees, and all persons or entities in active concert or participation with them who receive actual notice of this Order, by personal service or otherwise, in connection with any covered rent-to-own transaction, are hereby permanently restrained and enjoined from:

A. Gathering any data or information from any consumer product via any geophysical location tracking technology without providing clear and prominent notice to the consumer who rented the product at the time it is rented and also obtaining affirmative express consent from the consumer at the time the consumer product is rented;

B. Failing to provide clear and prominent notice to consumers and obtaining affirmative express consent from consumers at the time any consumer product is rented, to the extent that such notice and consent are required by subpart A, above, by the following means:

1. Clear and Prominent Notice: respondent shall provide a clear and prominent notice to the user, separate and apart from any “privacy policy,” “data use policy,” “terms of service,” “end-user license agreement,” “lease agreement,” or other similar document, that discloses (1) that geophysical location tracking technology is installed and/or currently running on the rented consumer product; (2) the types of user activity or conduct that is being captured by such technology; (3) the identities or specific categories of entities with whom any data or information that is collected will be shared or otherwise provided; (4) the purpose(s) for the collection, use, or sharing of such data or information; and (5) where and how the consumer can contact someone for additional information; and

2. Affirmative Express Consent: respondent shall obtain affirmative express consent by giving the renter an equally clear and prominent choice to either agree or not agree to any geophysical location tracking technology, and neither option may be highlighted or preselected as a default setting. Activation of any geophysical location tracking technology must not proceed until the renter provides affirmative express consent. Notwithstanding the foregoing, nothing in this Section shall require respondent to rent an item to a consumer who declines to consent to installation or activation of any geophysical tracking technology; and

C. In connection with the rental of computers, installing or activating on rented computers geophysical location tracking technology where that technology does not provide clear and prominent notice to the computer user immediately prior to each use of the geophysical location tracking technology, as clear and prominent is defined above, and by the installation of a clear and prominent icon on the computer on which the technology is installed, such as on the desktop and in the desktop system tray of the computer. Clicking on the icon must clearly and prominently disclose: (1) that geophysical location tracking technology is installed and currently running on the computer; (2) the types of user activity or conduct that is being captured by such technology; (3) the identities or specific categories of entities with whom any data or information that is collected will be shared or otherwise provided; (4) the purpose(s) for the collection, use, or sharing of such data or information; and (5) where and how the user can contact someone for additional information.

Provided that respondent may suspend the notice requirements of this Part and activate geophysical location tracking technology if a) the consumer reports that a rented consumer product has been stolen or respondent otherwise has a reasonable basis to believe that a rented consumer product has been stolen, and b) either the consumer or respondent has filed a police report stating that the consumer product has been stolen. Provided further that respondent shall retain documents establishing (a) and (b). For purposes of this Order, “filing of a police report” means the filing of the consumer’s or respondent’s complaint with the police department in any form recognized in the jurisdiction.

Provided further that this Part does not apply to respondent's use of geophysical location tracking technology, with notice to and consent from a consumer to the extent that such notice and consent are required by subpart A, to gather data or information in connection with a request for technical assistance initiated by a consumer, where respondent only uses the information to provide, or attempt to provide, the requested technical assistance and for no other purpose.

**III.
NO DECEPTIVE GATHERING OF CONSUMER INFORMATION**

IT IS FURTHER ORDERED that respondent, directly or through any corporation, partnership, subsidiary, division, trade name, or other device, and its officers, agents, servants, employees, and all persons or entities in active concert or participation with them who receive actual notice of this Order, by personal service or otherwise, in connection with any covered rent-to-own transaction, are hereby permanently restrained and enjoined from making or causing to be made, or assisting others in making or causing to be made, any false representation or depiction in any notice, prompt screen, or other software application appearing on the screen of any computer that results in gathering data or information from or about a consumer.

**IV.
NO USE OF IMPROPERLY OBTAINED INFORMATION IN COLLECTIONS**

IT IS FURTHER ORDERED that respondent, directly or through any corporation, partnership, subsidiary, division, trade name, or other device, and its officers, agents, servants, employees, and all persons or entities in active concert or participation with them who receive actual notice of this Order, by personal service or otherwise, are hereby permanently restrained and enjoined from using, in connection with collecting or attempting to collect a debt, money, or property pursuant to a covered rent-to-own transaction, any data or information from or about a consumer obtained in a manner that does not comply with Parts I, II, and III of this Order.

**V.
PROTECTION OF DATA**

IT IS FURTHER ORDERED that respondent, directly or through any corporation, partnership, subsidiary, division, trade name, or other device, and its officers, agents, servants, employees, and all persons or entities in active concert or participation with them who receive actual notice of this Order, by personal service or otherwise, shall:

A. Delete or destroy data or information from or about a consumer previously gathered or stored using any monitoring or geophysical location tracking technology that does not comply with Parts I, II, and III of this Order, unless such action is otherwise prohibited by court order or other legal obligation and after the expiration of any such court order or other legal obligation the information is deleted or destroyed; and

B. Only transfer any data or information from or about a consumer that was gathered by any monitoring or geophysical location tracking technology from the computer upon which the technology is installed to respondent's server(s), and from the respondent's server(s) to any other computers or servers, if the information collected is rendered unreadable, unusable, or indecipherable during transmission.

**VI.
NO MISREPRESENTATIONS ABOUT PRIVACY**

IT IS FURTHER ORDERED that respondent, directly or through any corporation, partnership, subsidiary, division, trade name, or other device, and its officers, agents, servants, employees, and all persons or entities in active concert or participation with it who receive actual notice of this Order, by personal service or otherwise, in connection with any covered rent-to-own transaction shall not misrepresent, in any manner, expressly or by implication, the extent to which respondent maintains and protects the security, privacy, or confidentiality of any data or information from or about a consumer.

**VII.
OVERSIGHT AND MONITORING OF FRANCHISEES**

IT IS FURTHER ORDERED that respondent shall:

A. Require its franchisees to delete or destroy data or information from or about a consumer previously gathered or stored using any monitoring or geophysical location tracking technology that does not comply with Parts I, II, and III of this Order, unless such action is otherwise prohibited by court order or other legal obligation, in which case, after the expiration of any such court order or other legal obligation, respondent shall require its franchisees to delete or destroy the data or information;

B. Within thirty (30) days after the date of service of this Order, prohibit each of its franchisees from, in connection with a covered rent-to-own transaction:

1. Using any monitoring technology to gather data or information from or about a consumer from any computer rented to a consumer;
2. Receiving, storing, or communicating any data or information from or about a consumer that was gathered from a computer rented to a consumer using any monitoring technology;

3. Gathering any data or information from any consumer product via any geophysical location tracking technology in a manner that:

a. does not comply with Part II of this Order; and

b. that respondent has not approved in advance of the franchisee's use of such technology;

4. Using, in connection with collecting or attempting to collect a debt, money, or property pursuant to a covered rent-to-own transaction, any data or information from or about a consumer obtained in a manner that does not comply with Parts I, II, and III of this Order; and

5. Making, or causing to be made, any false representation or depiction in any notice, prompt screen, or other software application appearing on the screen of any computer that results in gathering data or information from or about a consumer;

C. Monitor compliance by each franchisee with the requirements of Parts VII.A and VII.B, including but not limited to by annually reviewing each franchisee's compliance with Parts VII.A. and VII.B.; and

D. When respondent knows, or has reason to know, whether as a result of monitoring required by Part VII.C. or otherwise, that a franchisee has violated any requirement imposed on that franchisee by respondent in compliance with Parts VII.A. or VII.B.:

1. Immediately take action to ensure that the franchisee corrects its practices; and

2. Terminate any such franchisee that fails to make such correction.

VIII. DISTRIBUTION OF ORDER

IT IS FURTHER ORDERED that respondent must deliver a copy of this Order to all current and future principals, officers, directors, and managers who have responsibilities related to the subject matter of this Order and to all franchisee principals. Delivery must occur within thirty (30) days after the date of service of the Order for current personnel and franchisee principals. For new personnel and franchisee principals, delivery must occur before they assume their responsibilities. From each individual to whom respondent delivers a copy of this Order, respondent must obtain a signed and dated acknowledgment of receipt of this Order, with any electronic signatures complying with the requirements of the E-Sign Act, 15 U.S.C. § 7001 et seq.

IX.
COMPLIANCE REPORTING

IT IS FURTHER ORDERED that:

A. Respondent, and its successors and assigns, shall, within sixty (60) days after the date of service of this Order, and at such other times as the Commission may require, file with the Commission a true and accurate report, in writing, setting forth in detail the manner and form in which they have complied with this Order. Within ten (10) days of receipt of written notice from a representative of the Commission, respondent shall submit additional true and accurate written reports;

B. Respondent, and its successors and assigns, shall notify the Commission at least thirty (30) days prior to any change in the corporation that may affect compliance obligations arising under this Order, including, but not limited to, dissolution, assignment, sale, merger, or other action that would result in the emergence of a successor corporation; the creation or dissolution of a subsidiary, parent, or related entity that engages in any acts or practices subject to this Order; the proposed filing of a bankruptcy petition; or a change in the corporate name or address. Provided, however, that, with respect to any proposed change in the corporation about which respondent learns less than thirty (30) days prior to the date such action is to take place, the respondent shall notify the Commission as soon as is practicable after obtaining such knowledge; and

C. Unless otherwise directed by a representative of the Commission, all notices required by this Part shall be sent by overnight courier (not the U.S. Postal Service) to the Associate Director for Enforcement, Bureau of Consumer Protection, Federal Trade Commission, 600 Pennsylvania Avenue NW, Washington, DC 20580, with the subject line *In re Aaron's, Inc.*, File No. 1223264. *Provided, however*, that, in lieu of overnight courier, notices may be sent by first class mail, but only if an electronic version of each such notice is contemporaneously sent to the Commission at DEbrief@ftc.gov.

X.
RECORDKEEPING

IT IS FURTHER ORDERED that respondent shall, for five (5) years after the last date of any act or practice covered by Parts I – VII of this Order, maintain and upon reasonable notice make available to the Federal Trade Commission for inspection and copying, any documents, whether prepared by or on behalf of respondent, that:

A. Comprise or relate to complaints or inquiries, whether received directly, indirectly, or through any third party, concerning consumer privacy, specifically including complaints or inquiries related to any monitoring or geophysical tracking technologies and any responses to those complaints or inquiries;

B. Are reasonably necessary to demonstrate full compliance with each provision of this Order, including but not limited to, all documents obtained, created, generated, or which in any way relate to the requirements, provisions, or terms of this Order, and all reports submitted to the Commission pursuant to this Order;

C. Contradict, qualify, or call into question respondent's compliance with this Order;
or

D. Acknowledge receipt of this Order obtained pursuant to Part VIII.

XI. TERMINATION OF ORDER

This Order will terminate on March 10, 2034, or twenty (20) years from the most recent date that the United States or the Federal Trade Commission files a complaint (with or without an accompanying consent decree) in federal court alleging any violation of the Order, whichever comes later; provided, however, that the filing of such a complaint will not affect the duration of:

A. Any Part in this Order that terminates in less than twenty (20) years; and

B. This Order if such complaint is filed after the Order has terminated pursuant to this Part.

Provided, further, that, if such complaint is dismissed or a federal court rules that respondent did not violate any provision of the Order, and the dismissal or ruling is either not appealed or upheld on appeal, then the Order will terminate according to this Part as though the complaint had never been filed, except that the Order will not terminate between the date such complaint is filed and the later of the deadline for appealing such dismissal or ruling and the date such dismissal or ruling is upheld on appeal.

By the Commission.

Donald S. Clark
Secretary

SEAL:
ISSUED: March 10, 2014