

Attorney General Raoul Announces \$35 Million Bipartisan Multistate Settlement With Leasing Company Tempoe LLC

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CHICAGO - Attorney General Kwame Raoul today, along with 41 attorneys general, announced a \$35 million bipartisan settlement with leasing company Tempoe LLC

(Tempoe). The settlement resolves a multistate investigation Raoul and the coalition conducted into Tempoe's advertising and leasing to consumers through retailers across the nation.

The investigation revealed that Tempoe's marketing and sales practices often misled consumers to believe they signed up for an installment plan or credit sale. However, in reality, consumers entered into a lease agreement. The complicated structure of the lease agreements, as well as the lack of required disclosures, caused confusion and often resulted in consumers paying two to three times the purchase price of the product or service.

"Tempoe's lease agreements confused Illinois consumers and made it difficult to understand important terms, including how much a consumer would have to potentially pay for the duration of the lease," Raoul said. "I am pleased this bipartisan settlement holds the leasing company accountable, and I will continue to advocate for honest and fair business practices."

As part of Raoul and the bipartisan coalition's settlement, Tempoe has agreed to not engage in future consumer leasing activities. All existing leases will be canceled, and consumers may retain the leased merchandise in their possession without any further financial obligation to Tempoe. This results in approximately \$33 million of in-kind financial relief to consumers nationwide. Additionally, Tempoe shall not provide negative information regarding lessees to any consumer reporting agency.

Finally, as part of this settlement, Raoul said Tempoe will pay \$1 million to states and jurisdictions participating in this settlement and \$1 million to the Consumer Financial Protection Bureau, which has agreed to a parallel settlement resolving the same alleged misconduct.

Consumers with existing leases do not need to take any action, as Tempoe has automatically canceled their account(s) as a result of this settlement.

Attorney General Raoul's office negotiated Tempoe's settlement with attorneys general from Alaska, Arizona, Arkansas, Colorado, Connecticut, Delaware, the District of Columbia, Georgia, Idaho, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Nebraska, Nevada, New Hampshire, New Jersey, New York, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, Tennessee, Texas, Utah, Vermont, Virginia, Washington, West Virginia and Wisconsin.