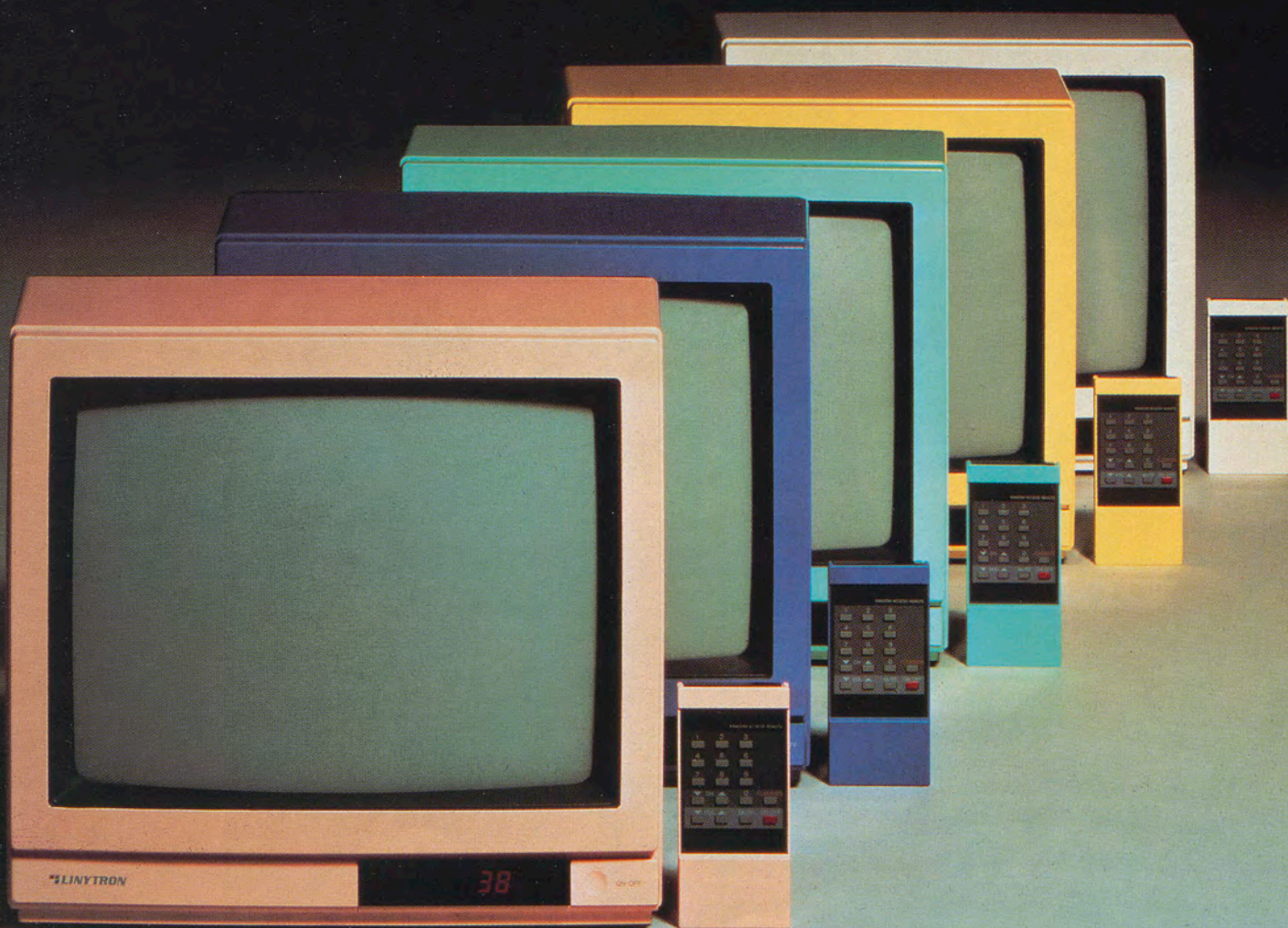


the magazine of the home electronics, appliance, and furniture rental industry

# Progressive Rentals

## Video Rentals

Selling the  
New Technology



# Rent to Own

from  
Soundesign

America's  
Leading  
Manufacturer  
of Promotionally  
Priced  
Audio and  
Audio/Video  
Entertainment  
Systems

## Products and Programs Specially Created for the Rental Industry

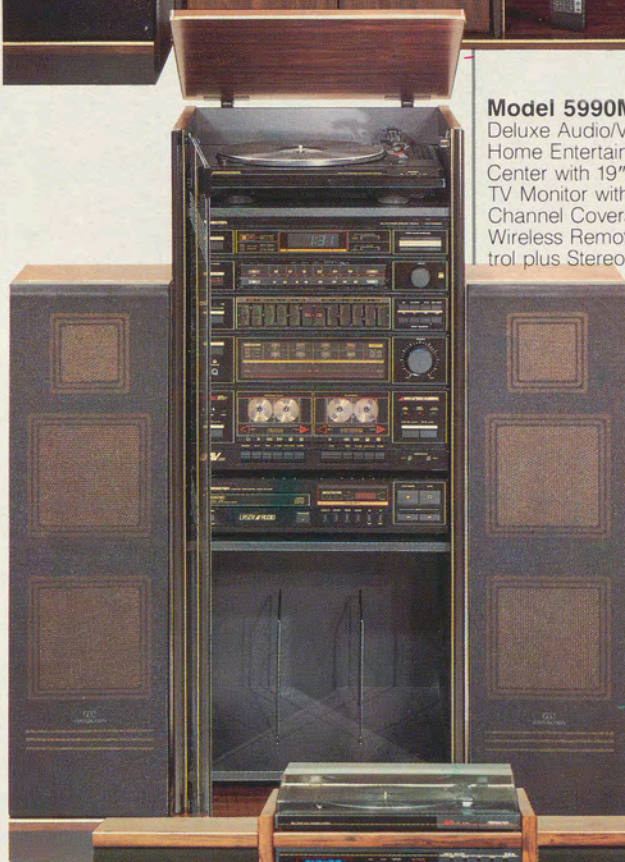
- 2-Year Warranty on All Components
- Pre-paid Freight
- Generous Advertising Support
- Elaborately Designed Furniture Cabinets
- Special Situation Discounts



### Model 5990M4D

Deluxe Audio/Video Home Entertainment Center with 19" Color TV Monitor with 139-Channel Coverage, Wireless Remote Control plus Stereo - FM/

AM Tuner/Amplifier, Clock/Timer, Graphic Equalizer, Dual Cassettes, Compact Disc Player, Record Player, Tower Speakers and Custom Designed Rack with solid wood lift lid and doors, full tempered safety glass door, divided record and tape storage and twin-wheel casters.



### Model 5990CDP

AM/FM/FM-Stereo Tuner/Amplifier with Built-in Programmable Clock/Timer, Graphic Equalizer, Dual Cassette Decks, Compact Disc Player, Record Player, Tower Speakers and Custom Component Rack with full tempered safety glass door, wood lift lid, tape and record storage and twin-wheel caster.



### Model 5966PKG

AM/FM/FM-Stereo Tuner/Amplifier with Programmable Clock/Timer, Dual Cassette Decks, Graphic Equalizer, Record Player, Tower Speakers and Custom Component Rack with tape storage drawer, tempered safety glass door and twin-wheeled casters.



**Model 5979M4D**  
 Deluxe Audio/Video Home Entertainment Center with 19" Color TV Monitor with 139-Channel Coverage, Wireless Remote Control plus Stereo FM/AM Tuner/Amplifier, Clock/Timer, Graphic Equalizer, Dual Cassettes, Compact Disc Player, Record Player, Tower Speakers and Custom Designed Rack with tempered safety glass doors record and tape storage and wooden lift lid.

**Model 5868TM4**  
 Deluxe Audio/Video Home Entertainment Center with 19" Color TV Monitor with 139-Channel Coverage, Wireless Remote Control plus Stereo FM/AM Tuner/Amplifier, Graphic Equalizer, Dual Cassettes, Record Player, Tower Speakers and Custom Designed Rack with tempered safety glass door, record storage and hidden tape storage behind wooden doors and wooden lift lid.



**Model 5979PK2**  
 AM/FM/FM-Stereo Tuner/Amplifier with Built-in Programmable Clock/Timer, Graphic Equalizer, Dual Cassette Decks, Record Player, Tower Speakers and Custom Component Rack with tempered safety glass door, wood lift lid and twin wheel casters.

For further information contact Robert Winer, Executive Vice President

**SOUNDESIGN®**

**Soundesign Corporation**  
 Plaza Two  
 The Harborside Financial Center  
 Jersey City, New Jersey 07302-3948  
 1-800-631-3092

## THE EDITOR'S DESK

Change is imminent in any setting. The implications of change can be energizing, intimidating, almost always thought provoking. Since my resignation from APRO in July, I have occasionally wondered what I would write about in this, my last editorial for PROGRESSIVE RENTALS. It seems only fitting to reflect upon our past accomplishments, many of which have become springboards for future success.

We have suffered many growing pains as a young organization—and we are still young by most association standards. But as we matured and learned from our mistakes, our commitment to our organization grew far stronger. This strength allowed us to continue our surge of growth, bringing with it many rewards. It is difficult to imagine that it is the same organization that was begun in 1981.

As I review my tenure with APRO, two words seem to sum up those five years—lucky and opportunity. I was lucky enough to be in the right place at the right time, and to know a little about publication management and development. It was an opportunity to know and work with several of the industry leaders and innovators. It was an opportunity to use my imagination, test theories, and implement programs. Thanks to the directors and my supporters, it was a rewarding period of my life and a great start on a career.

The beginning was great! My office consisted of a corner of a law firm conference room. At the time, APRO subleased one of a suite of seven offices, which it eventually took over. As a young and energetic team of three, we immediately began to move outward and upward. The first year was one of listening and learning. The initial goals of the association were clear. The image of rent-to-own needed refining—and quickly. Many dealers were writing new chapters in the book of rental merchandising every day. Some chapters needed rewriting and it was APRO's job to do so. Yes, the first year was a tremendous learning experience. Though I did not realize to what extent at that time.

The next year was one of innovation. We brought the newsletter, The Approach, in house and modified it. Although my initial proposal of selling advertising and converting to a slick magazine format was at first met with skepticism, the directors had faith in the enthusiasm of a young woman who at the time was basically the APRO gopher. Much to the later satisfaction of our advertisers and a loyal readership, we are all glad the project was a success. Advertising revenues will exceed \$175,000 this year, up from \$114,000 last year, and there is no sign of slowing down.

Also during that year, APRO launched its educational seminars in a big way. We felt it was important to put more into the industry that made APRO happen. Since we began the seminar program, APRO has received much response from the membership.

In the next few years, some great ideas were introduced and the staff was allowed wide latitude in implementing them. It can be said with a great deal of pride that APRO has succeeded in its goals to a greater extent than first expected. Today, rent-to-own has moved into its rightful spot as an important segment of the retail electronics industry. The insight of the APRO founders six years ago spawned the challenges for this organization for many years to come. I think that all the presidents and leaders of APRO are to be congratulated for fanning the spark which has been built into a roaring success with a lot of help from the APRO staff through the years.

I did not have a job at APRO, I had a career opportunity. The environment set the stage for what I hope will continue to be a successful career in the communications field. I know I leave APRO a better individual, thanks to the opportunity afforded me by my tenure. I feel proud of the accomplishments at APRO and am anxious for the next challenge. APRO began with the volunteer spirit and, through the continued support of its members, it will be that same spirit that will carry APRO forward.

My heartfelt thanks and best wishes for future success to you all.

---

**Publisher/Editor-In-Chief**  
Elizabeth T. Johnston

---

**Executive Editor**  
Edward L. Winn III  
**Managing Editor**  
Frances Knight

---

**Contributors**  
J. Samuel Choate Jr.  
Claudia Filloramo  
Tim Shannon  
Roger Sharp  
James D. Walker Jr.  
Edward L. Winn III

---

**Art Director**  
Elizabeth T. Johnston  
**Production Coordinator**  
Vickie Williamson  
**Mechanical Art**  
Nancy Yohe  
**Illustration**  
Mike Krone

---

**Circulation Manager**  
Kayte Bean  
**Data Processing Manager**  
Marci Smith

---

**Advertising Coordinator**  
Samantha Sipowicz

---

**Editorial Advisory Board**

Lew Allen  
Alan M. Dobzinski  
Barry Gambini  
R.C. "Bud" Holladay  
Lowry Shrader  
Charles D. "Chuck" Sims  
Norman Smith  
Larry Tinney

---

**Editorial and Advertising Offices**  
2028 E. Ben White Blvd. Suite 200  
Austin, Texas 78741  
(512) 447-0333

---

PROGRESSIVE RENTALS (ISSN 8750-6106) is the official publication of the Association of Progressive Rental Organizations (APRO) and is published six times annually at 2028 E. Ben White Blvd. Suite 200, Austin, TX 78741, (512) 447-0333. Copyright © by APRO, 1986. All rights reserved. Cover and contents may not be reproduced in whole or in part without prior written permission.

**Subscriptions:** U.S. and Canada—1 year (6 issues), \$30; 2 years (12 issues), \$50; 3 years (18 issues), \$65. Back issues available at \$3 each. For subscription, change of address, back issues, write PROGRESSIVE RENTALS, 2028 E. Ben White Blvd. Suite 200, Austin, TX 78741. Three weeks required for changes on orders. Allow 6 to 8 weeks for the first subscription copy to be shipped.

**Advertising Sales Office:** 2028 E. Ben White Blvd. Suite 200, Austin, TX 78741, (512) 447-0333.

**POSTMASTER:** Send address changes to PROGRESSIVE RENTALS, 2028 E. Ben White Blvd. Suite 200, Austin, TX 78741. Second class Postage Paid at Austin, TX. Printed in USA. Volume 6, number 6.

---

**Progressive  
Rentals**



—Editor

**HITACHI**  
invites you to

*Step  
into  
Tomorrow*



**Theatre Series  
Complete, Compact With  
Unified Remote**

Square VU 22" TV/Monitor, HiFi VCR, Amplifier, Tuner,  
Dual Cassette Deck, Turntable, and Speakers

Introducing a complete new product  
line up especially for rentals.



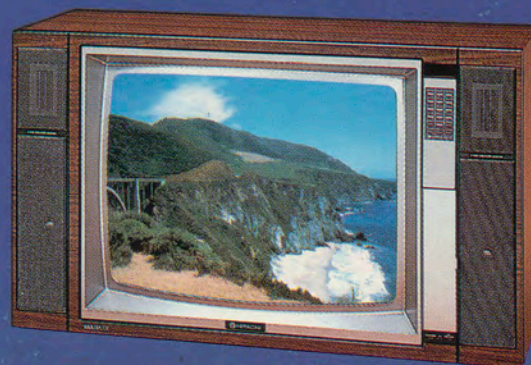
**5+2 Head HiFi VCR**

5 Video Heads, 2 Audio Heads, Cable Ready  
With On Screen Display Through Every Program  
Function



**25" Color TV**

25" Color Console With Multi-TV Sound Built In



**19" Color TV With Random Access  
Electronic Tuning**

Infrared Remote and Dual Speakers

**100 Watt Audio  
Component  
System**

100 Watts Per  
Channel, Stereo  
Amp, Digital  
Tuner, Stereo  
Cassette Deck,  
3-Way Tower  
Speakers



**"The Champ"  
Microwave Oven**

Stainless Steel  
Interior, Exclusive  
Dual Dispersion  
System, Unique  
Temperature  
System



**HITACHI**

A World Leader in Technology

For more information regarding rentals call Eric Kamayatsu (800) 262-1502 inside Calif. (800) 421-1040 outside Calif.



## WELCOMING WORDS

I want to use this space to welcome Charles Stuckey, CAE, to the APRO family and to introduce him to the rest of you. Charles is a Certified Association Executive, a designation bestowed by the American Society of Association Executives (ASAE) on about 1,000 association leaders around the country. For your information, there are more than 30,000 associations in the U. S.

Charles comes to us as the new executive director of APRO. He started work December 1. I imagine that it will take Charles a while to get a handle on exactly how rental dealers do things. I do know it took a while for me. In the meantime, he is attempting to sort out boxes in the new APRO headquarters. Those of you who have moved corporate offices know what a chore that can be.

Charles brings new blood to the association at a time of great change and challenge in the industry as a whole. With a few notable exceptions, most dealers have been wondering, if not worrying, about the business lately. Everyone wants to know what is going to happen to rent-to-own during the next five years. It is not the function of an association to shape the future of an industry, but an association does report on the future as it occurs and can lend some leadership to help keep an industry aimed in the right direction.

One of the things that Charles told me he is most anxious to do is to get out and meet the members. That's the only way he is going to learn about rent-to-own, and the only way he can determine the right direction for this industry. Some of you will be meeting Charles during the next few weeks. Others of you will be talking to him on the phone. I have invited you to call or write me from time

to time in this column about diverse matters. This time I would invite you to call or write Charles with your thoughts about APRO and the rent-to-own industry. Charles is anxious to learn as much as he can about you and this new business as quickly as possible. You can help, and you can certainly have a voice in the direction the association takes in the future.

Occasionally, we in the home office get accused of ignoring the membership. I doubt that is true, but I will acknowledge, personally, that after six years of daily contact with the industry, I have definite opinions about what is good for rent-to-own, and I do not always agree with every dealer I talk to about it. I think the board is much the same way. They are dealers themselves, after all, and do not ever knowingly cause the association to do things that would hurt their businesses.

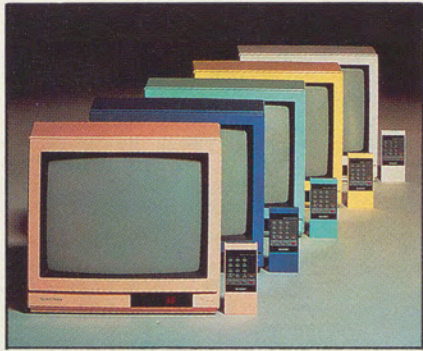
But if APRO is changing at the staff level, it is also changing at the policy level, much to the delight of quite a few dealers. Recent executive resolutions make it unmistakably clear that APRO now exists to serve its members. APRO will still allow anyone in the business who meets the requirements to join, but APRO will not be seen in the marketplace encouraging outsiders to get into the business. With rental rates falling across the country, most dealers would prefer to have fewer quality competitors, rather than hordes of new "johnny-come-lately" dealers. At the same time, APRO only represents about half of the rental dealers in the country—the better half I like to think—and APRO needs to grow.

This is one of the big challenges facing Charles. One plan soon to get under way is a major membership recruiting

effort with prizes to APRO members for new members totalling thousands of dollars. There are some insurance programs, a rent-to-own statistical survey, some high-powered seminars in convenient locales, and a convention this summer in New Orleans, all in various stages of development.

Charles has proven himself in association management. I have every confidence that he can run APRO with a steady and experienced hand. His greatest challenge currently is to learn the business and to meet his new bosses—the APRO members. I invite each of you to welcome Charles aboard and help him get his feet wet in the wonderful world of rental.

EDWARD L. WINN III  
APRO General Counsel



**ON THE COVER:** Video is, without question, the major ingredient in any rental dealer's product mix. That mix can benefit from the wide variety of products available on the market today. Our cover story on page 8 looks into what's happening in video today. The supplier listing on page 42 tells you where to find the products your customers want.

## FEATURES

### 8 VARIETY ADDS SPICE TO VIDEO

Renting television sets has gone far beyond brown or black wooden cabinets with vacuum tubes and monaural sound. New colored cabinetry, new screen sizes, stereo sound, and enhanced pictures are all available now. Our cover story reviews the new technology and ponders what it means to the rental industry

### 28 LOSS OF INCOME CLAIMS

Should a loss of income claim for a rental business be figured on the same basis as retail? One dealer in West Virginia says absolutely not, and proves it with a formula he thinks is better suited to rent-to-own.

### 36 TURNING PREVIOUSLY RENTED FURNITURE INTO PROFIT

There is money to be made in furniture rentals, even furniture that has been returned and is now taking up space in the warehouse. Claudia Filloramo shows how it can be done and what kind of profit can be made.

### 42 VIDEO SUPPLIER WHO'S WHO

The importance of video to the rental industry is obvious, given the fact that more than 50 percent of the average rental store's revenues come from TV sets. Find out which suppliers offer what in our current listing.

## DEPARTMENTS

4 EDITOR'S DESK

6 MESSAGE

14 APRO SPECIAL REPORT

16 GOVERNMENT RELATIONS

18 WASHINGTON REPORT

22 LEGAL

26 PRODUCT FOCUS

33 PERSONNEL

40 CORPORATE MOVES, INDUSTRY NEWS

46 GUEST EDITORIAL

# Variety Adds Spice to Video

New technology means new opportunity for rental industry

Television rental is the foundation block upon which rent-to-own is built. To keep that foundation rock solid and profitable, rental dealers must know not only what's happening now, but what the future possibilities may be.

Video industry statistics reveal that camcorders are selling like the proverbial hotcakes. But how are they being accepted in the rental market?

Pastel colors are the latest word in television cabinetry. How large is the market among rental customers for such a trendy item?

Improved sound has been talked about, and promised, for years. Now it is a reality. As always with new technology, however, the cost is high and rental customers may or may not be willing to pay the price.

In APRO's annual video survey, answers were sought to the above questions. Some answers are fairly clear cut, others less so. There is no question, however, that the television market continues to grow.

More than three million TVs and VCRs were sold in the United States last year, and that number had already been surpassed by late October, according to the Electronic Industries Association.

In this year's APRO survey of rental dealers, PROGRESSIVE RENTALS found that video rental is over 50 percent of the average dealer's balance on rent. Add to that the fact that more than half the TVs and VCRs rented by dealers go to term and are purchased by customers, more so than any of the other products or equipment rented by APRO dealers. Considering these impressive

---

THE NO-FRILLS MAINSTAY MAY BE IN FOR SOME CHANGES AS MORE MANUFACTURERS FIGHT COMPETITION BY INCLUDING SOME OF THE EXTRAS AS STANDARD FEATURES ON THEIR MODELS.

---

numbers, it is evident that the video market is a healthy one.

## Video Screens Changing

In the United States today, the most popular style and size of TV rented is a 19-inch, color, traditional-style portable TV, according to APRO dealers surveyed. The average price for this unit is about \$13 weekly and \$43 monthly. However, this screen size popularity may fade with the introduction by manufacturers of new sizes. The 19-inch size is quickly being overtaken by 20-inch models. The difference between the two is usually more than simply an extra inch on the screen. The new screens are squared off instead of rounded and they have flat screens as opposed to curved. This new dimension creates a broader viewing range.

The high-tech look of the square monitor screens has impacted the market and is gaining popularity. "People want the latest and greatest in the modern look," says Paul Volker, manager of

Universal TV Rents in Champaign, Illinois. Many monitor screens are produced with a 20-inch screen instead of the 19-inch. One might ask, does the addition of one more inch in the screen make *that* much of a difference?

The answer is yes. The extra inch gives the appearance of an even larger screen since there is less cabinetry surrounding the monitor screens compared to the 19-inch traditional models. "People want to look at their TV screen, not the cabinetry," adds Volker. "The monitor TVs have moved really easily for us."

Seventy percent of rental customers rent their homes, many of them are apartment dwellers. Monitor TVs with less cabinetry are space savers in smaller-sized houses, apartments, and condominiums. "You get the big console TV-screen look, but within less actual space," comments Volker. Monitor screen models rent at a bit higher price than the traditional sets, averaging across the country about \$16 weekly and \$60 monthly.

## Video Sound Waves

Just a few years ago, a television was a television and a stereo was a stereo. Two home entertainment mediums, one for sight, one for sound. Consumers never wanted to settle for a first-rate picture with second-rate sound, but they had little choice. Now there is a choice and it is creating an additional product benefit for existing audio and video equipment. And that's great news for rental dealers.

Television is a big part of people's lives in the 1980s. Penetration of TVs in American homes is more than 98 percent, a higher percentage than for homes with indoor plumbing. Manufacturers and broadcasters have done much over the years to improve the quality of the picture. Now they have worked together to enhance the sound projected from TVs in what has been coined MTS (multichannel sound).

Stereo broadcasting for television originated in 1984 and now reaches into people's homes from 330 stations across America. Forty-eight of the top 50 markets across the country now broadcast in stereo and consumers are demanding the equipment they need to pick up the sound.

How does stereo broadcast work? Basically, television sound is piped from the TV either to the separate speakers of a stereo system or to speakers within the television set. What is the actual difference in sound? "It's like comparing a compact disc player to a normal cassette tape," says an eastern rental dealer. "The sound is clearer, more dramatic, and very realistic."

NBC and PBS are two major networks that are presently making stereo sound available to their viewers. "In the future, every network will be forced to bring stereo to its production," says a Fisher spokesperson. "Just as television was driven from black and white to color, so will stereo TV go from monaural broadcast," says Paul Perez, director of marketing at Recoton, a stereo electronics company in New York.

In response to the demand for stereo sound from television, manufacturers already have flooded the market with high-end stereo TVs that hook up to existing stereo systems. Some stereo TVs have speakers installed within them. However, at a usual five watt-per-channel signal, the sound is not nearly as compelling as it would be from a 100 watt-per-channel stereo.

Sony, RCA, Fisher, and a host of other brands already have stereo-adaptable or stereo TVs available for retail and rental dealers. The prices at this point, some upwards of \$2,000, are premium because the technology is still so new. Stereo TVs cost approximately \$150 more than a monaural TV. But, "as with VCRs," Budget Time Rental Manager Doug Frazure says, "the price will drop as demand and competition increase."

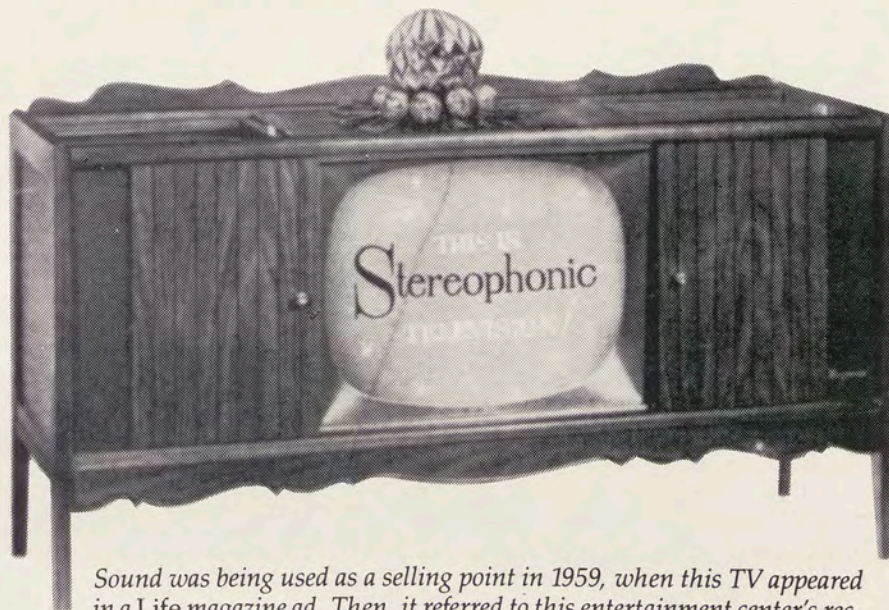
As more networks and stations broadcast programs in stereo, more stereo and stereo adaptable TVs will be in demand. "Very soon the entire country

will be hooked up in stereo," says Quasar spokesperson Tom Lauterbach. Only the high-end systems are equipped with stereo capabilities now. However, more consoles and VCRs are being presented with stereo adaptability as a standard feature. "A VCR that hooks up to the stereo can create a minitheater in the home, especially to those who rent movies in stereo sound," says a Fisher spokesperson.

A possible rental item for dealers is a stereo decoder for the 80 million households that own or rent a TV that does not have stereo capability. Decoders hook up from the TV set and are installed in the auxiliary jack of the

Customers are intrigued with the newer models with the MTS stereo sound, high-resolution digital picture, and remote control features. The sound is clear, the picture breathtaking, and the convenience items are appealing on these high-end systems. However, when it comes down to the nitty-gritty of weekly and monthly prices charged for the extra features, reality kicks in and many customers opt for the traditional, no-frills set. It's not that they don't want the extra goodies included in the high-end systems, but the cost is simply prohibitive.

The no-frills mainstay, however, may be in for some changes as more manu-



*Sound was being used as a selling point in 1959, when this TV appeared in a Life magazine ad. Then, it referred to this entertainment center's record player. Now, stereophonic sound for the television unit itself is a reality.*

stereo. The decoder takes the stereo signal from the TV, decodes it, and amplifies it from the existing stereo speakers. Most brands of VCRs now have stereo decoders already installed in them, so renting them would create an added product benefit of use to the customer.

### **New Technology Causes Quandary**

As video product technology becomes more sophisticated, more and more features are added to existing TVs and VCRs to enhance the picture reproduction and sound quality. That creates a quandary for rental dealers. Should they go with the loaded models with more bells and whistles, or stick with the standard TVs that may not be as fancy but are the mainstay of the rental industry? In the APRO survey, that ambivalence was evident in many of the responses.

facturers fight competition by including some of the extras as standard features on their models. In the future, more TVs will be equipped with remote control, and stereo and digital technology will become standards in much the same way that just about every TV produced now is cable-ready. Thomas and Toshiba already include remote control devices as standard equipment with all their television models, high or low end.

### **Video Cabinets Get Trendy**

Of the dealers surveyed, 75 percent say their customers are price conscious and leery of the increased cost of extra features. But that leaves 25 percent who are willing to pay for extra features regardless of price. For that 25 percent share of customers who are the innovative type, dealers can find a number of

---

JUST A FEW YEARS AGO, A TELEVISION WAS A TELEVISION AND A STEREO WAS A STEREO. TWO HOME ENTERTAINMENT MEDIUMS, ONE FOR SIGHT, ONE FOR SOUND.

---

TVs with unusual features.

Ken Stoll, manager of New Trend Rental Center in Cincinnati, says he gets a lot of requests for colored TVs. Not just a color picture, but a colored cabinet. People are moving away from the traditional wood or plain black sets and are making fashion statements through their entertainment centers. Panasonic and Sharp have pastel colored sets in pink, green, yellow, and blue; a wider variety, including bright colors, is planned for the future. "The colored TVs used to be available only in nine and 13-inch sizes which were not very practical for the rental industry," says Stoll. "But now that they are manufactured in 18- and 20-inch sizes, they are a desirable rental item."

Several manufacturers offer cabinet models with doors that close off the

---

PENETRATION OF TELEVISION IN AMERICAN HOMES IS MORE THAN 98 PERCENT, A HIGHER PERCENTAGE THAN FOR HOMES WITH INDOOR PLUMBING

---

screen when the set is not in use. Zenith has a handsome model with an oriental motif painted on the doors. Some models also have shuttered doors.

### **Portables, Digitals, Camcorders**

Tom Lauterbach of Quasar says that in the not-too-distant future, portable TVs will take on a new meaning. Not only will TVs be movable, they will be small enough and thin enough to sit wherever one wants in the home. "They will even be put up on a wall like a framed picture," predicts Lauterbach.

There are many innovations on the horizon for video rental dealers. Some will be viable rental items, but some will perhaps be too pricey for dealers to rent

*continued on page 43*

## **MANUFACTURERS' VIEWS**

Competition is tough in the video market and manufacturers are scrambling to get the top share of the lucrative rental market. Who will win? Obviously, the ones that can offer the best product at the best price point. But what makes up the best product? Features are the name of the game in the video rental market. Consumers want the latest high-tech video equipment with all the bells and whistles they can get, yet they want them at reasonable prices. What have manufacturers got in store for the coming year? Here's a preview.

Manufacturers see the video rental customer of 1987 as different from the 1986 customer. They predict customers in the coming year will be more innovative, more upscale, and more demanding as they see what new technology is available to them. "The rental customer has acknowledged the pace of technology and wants to be a part of it," says Jeff Mullarkey, national marketing manager at Toshiba. "Instead of buying a piece of hardware that will be obsolete tomorrow, they want to rent state-of-the-art today. And when the newer technology comes out, they can return the old and rent the latest and greatest products on the market," says Mullarkey.

In response to this industry trend, manufacturers are creating product lines exclusively for the rental market with amenities suited to what rental customers are requesting. So, what's hot for 1987? Be looking for more monitor tabletop TVs, TVs equipped with MTS stereo sound and complete audio/video home entertainment centers.

Thomas Stereo is one of the big manufacturers creating a product line exclusively for the rental market. Chairman Rick Umans says, "Our new line will include extras that rental dealers appreciate, like longer warranties and prepaid freight." Thomas's home entertainment center will include a 19-inch monitor-style TV with standard features of on-screen displays, cable-ready hook-up and a remote control device. Thomas also will be introducing a new high-end product line under the Harley/Davidson name.

Mark Stroman, vice-president of Brockwood Electronics, anticipates their most popular item for 1987 will be the upright combo home entertainment center which includes a 25-inch color TV, a turntable, cassette player, equalizer and an optional VCR. "This unit doesn't require any more space than does a 25-inch console TV and it will cost about \$750," says Stroman.

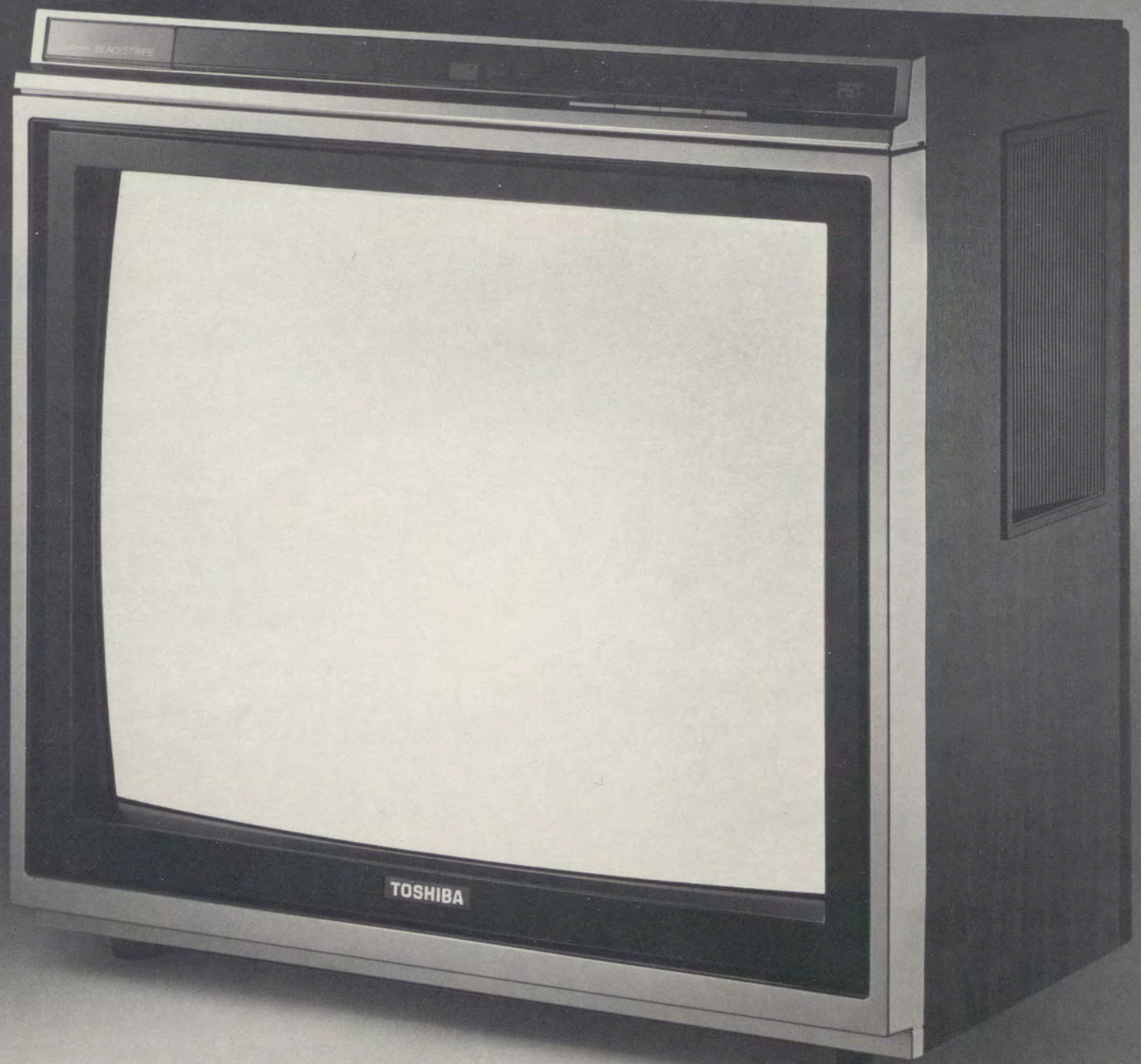
RCA's most popular rental item is the XL100 and Colortrack series which they will continue in 1987, according to Duane Stephen, vice-president of special markets. "Screen sizes will change in 1987 from 19- to 20-inch and 25- to 26-inch," says Stephen. "The larger screen sizes are squared-off with flat screens and will be a higher price than the previous sizes. We'll have to wait and see how the customer perceives the difference," says Stephen.

Tom Burris, manager of special markets at General Electric, sees the cubed, tabletop model market growing rapidly and taking away from consoles. "People recognize the value of a more compact configuration. They want to save space and can do so with more screen and less cabinetry," says Burris.

Eric Kamayatsu, national sales manager at Hitachi, sees much room for growth in the high-end portable and tabletop models for the rental market. "Our 22-inch square-view TVs have been so successful that we're introducing more high-end features to be included in them," says Kamayatsu. "MTS stereo sound used to be only in the console models, now it's in the tabletop."

Researchers are constantly upgrading the quality of the picture we see and the sound we hear in the video equipment available. State of the art is continually proliferating and what's new today may be old hat tomorrow. One innovation already in the works is a picture-in-picture TV where a viewer can watch two, even three programs at one time on a single TV screen. "One can watch two network broadcasts or a movie from a hooked-up VCR or even the monitor from a security camera placed in the home somewhere," says Kamayatsu at Hitachi. The possibilities of future developments are as limitless as the researchers' imaginations.

Here's something  
you've never seen on a  
Toshiba TV before.



Until now if your customers wanted a high-quality TV like Toshiba they had to buy one. That's why our news is so exciting. For the very first time we're offering an entire line of our innovative, full-featured TVs to the rental market.

These are TVs worth watching. They

offer customers advances like a flat screen, stereo sound, cable compatibility and remote control. And they offer you one of the lowest repair rates in the industry. TVs this reliable spend a lot less time in the shop and a lot more time generating income. And you won't have to pay an



arm and a leg for them, because all our TVs are competitively priced.

Toshiba gives you something else you've been waiting for: TVs you don't have to wait for. Our U.S. factory always has a big inventory on hand, so you can count on a fast turn around on any order.

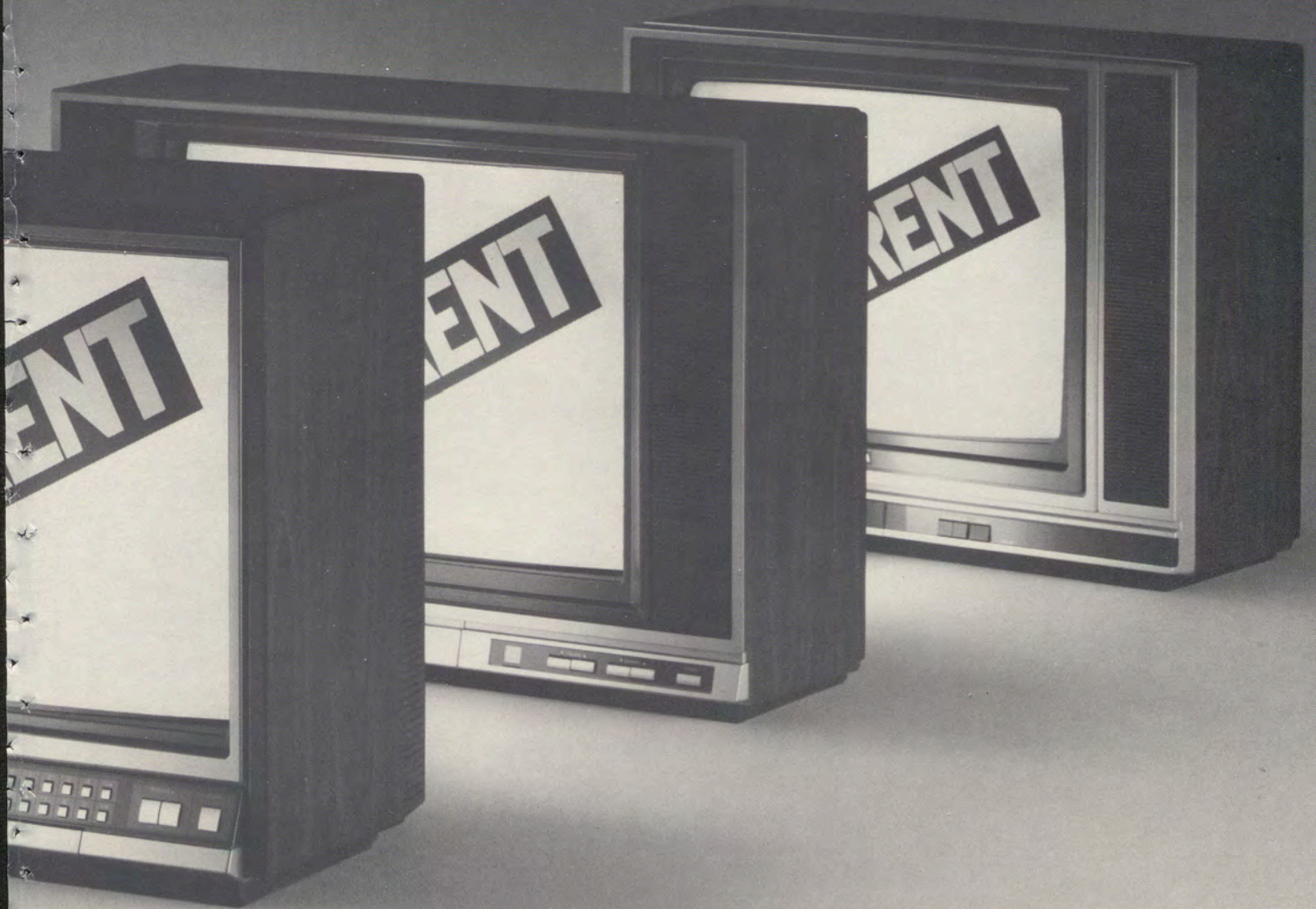
You can also count on the responsiveness of our sales reps.

Everything about Toshiba's rental program is terrific. In fact, it's probably the most interesting thing you've seen on TV in a very long time.

In Touch with Tomorrow

**TOSHIBA**

Toshiba America, Inc., 82 Totowa Road, Wayne, NJ 07470



For more information contact:

Rick Calacci or Al Ripoli  
2900 MacArthur Blvd.  
Northbrook, IL 60062  
(312) 564-1200

Doug Jones or Bill Wright  
3225 East Carpenter Freeway  
Irving, TX 75062  
(214) 438-8223

David Prall  
1885 Beaver Ridge Circle  
Norcross, GA 30071  
(404) 263-0369

## APRO SPECIAL REPORT



Stuckey

Charles V. Stuckey has been named executive director of APRO. In announcing the new director's appointment, APRO President Mac Hennigan said, "I am pleased to welcome Charles Stuckey as the new director of this organization. Charles comes to us from a vast background in association management. He is one of only a thousand people who have earned the coveted title of Certified Association Executive. The other Board members and I are proud to have such a qualified person in this position. We look forward to great things from this new addition to the APRO family."

Stuckey comes to APRO from the Oil Marketers Association in Oklahoma City, where he had been executive director for three years. Prior to that, he was associated with the Oklahoma Society of CPAs as executive director.

Stuckey's move to Texas means a return to his native state. A graduate of Baylor University in Waco, he completed additional studies at St. Mary's in San Antonio. The director has extensive experience in chamber of commerce management, having served as chief executive of several Texas chambers. He served in the Air Force Reserve for 20 years.

Stuckey takes over from Elizabeth Johnston Winn, who tendered her resignation to the Board in July. She had remained on the job until the search for a new director was completed. (See page 4 for her farewell message.)

## APRO Has New Director

The first day on the job for Stuckey, December 1, was also the first day APRO was open in its new headquarters at the Allied Bank Building in Austin.

In accepting his new position, Stuckey made the following statement.

*Being selected as executive director of APRO was an exciting event for me, and I am approaching the new challenges and opportunities with the enthusiasm that comes from being a part of a dynamic, growing industry.*

*Having been on the job only a short period of time, I have not had an opportunity to meet many of the members and I am looking forward to meeting all of the APRO members. One of my first priorities will be to visit as many members as possible in their places of business to talk face-to-face about the status of the rent-to-own business, and to discuss ways the association can improve services to its members. The rent-to-own industry provides an important and much-needed service to a large segment of the general population, and one of the primary goals of a trade association is to provide information and services to the members that will result in better service to the public and financial rewards for the entrepreneur. I believe that working together through your association can make these things happen.*

*I bring with me to APRO more than 15 years experience in association management, all of which has been at the chief staff executive level. All associations have much in common in the way they are organized*

*and in the way they operate. Conventions, trade shows, publications, seminars, government relations, and member services are similar in most associations. There are differences, however, and the differences stem primarily from the unique characteristics of the different industries. Therefore, another top priority will be to learn the rent-to-own business as quickly as possible. I plan to learn more about the business by visiting members, attending APRO seminars and becoming personally involved in the industry's problems.*

*At this time, I am reviewing all of the future APRO plans for seminars, conventions, publications, and all of the member service programs of the Association as the first step in a continuing effort to improve efficiency and to make APRO as responsive to the needs of the members as possible. I will also be looking at the office procedures and staff organization and making changes as necessary to improve the operation of the APRO headquarters office.*

*APRO is a relatively young association that has experienced fast growth. I am glad to be on board and a part of this early stage in the development of what I see as one of the outstanding associations of the future, representing a strong and viable industry. With the assistance and direction I am receiving from the APRO Executive Committee I am confident that we can look forward to a bright future for the Association and the members who are actively participating in the programs and services of APRO.*

*Here's one way we specialize...*

# ***Rental financing.***



No mistake about it. Rental financing demands professionals who really understand how the business works.

We do. We know that responsive financing programs serve a rental dealer's needs best. And we know how to help the rental dealer grow progressively and profitably.

But that's what you expect from the

professionals at BWAC. We've been providing innovative financial services to business for 30 years now — ranging from traditional inventory financing, or floor planning, to commercial leasing, insurance services, floor check programs and much more.

And our network of branch offices in the United States enables us to serve your market on a timely basis.

And we're specialists, too. The BWAC Rental Finance pro who works with you works exclusively

in rental finance. You won't need to teach him — or her — the business.

To put an experienced BWAC rental finance specialist to work for you, give us a call.

**After all, wouldn't you rather see a specialist?**



**Borg-Warner Acceptance Corporation**  
subsidiary of **Borg-Warner Corporation**

call: Joe Eason  
National Sales  
Manager  
214 960-8351

or write: Joe Eason  
Borg-Warner  
Acceptance Corporation  
5151 Beltline Road  
Suite 340  
Prestonwood Tower  
Dallas, Texas 75240



# GOVERNMENT RELATIONS

## Massachusetts Enacts Legislation

BY EDWARD L. WINN III

Massachusetts has become the seventh state to enact legislation regulating short-term rental transactions along with Michigan, New York, Alabama, South Carolina, Georgia, and Texas. Much of the credit for passage of the new Massachusetts statute goes to Carl Barron, a furniture rental dealer in Cambridge, Massachusetts. Barron has considerable political experience and know-how and was able to shepherd through the legislature almost single-handedly a bill written by his attorney and blessed by other rental dealers in the state.

Barron reports that this is the fourth piece of legislation he has been able to get passed. In 1982, he was instrumental in getting a theft of rental property statute passed in his state.

In the past, Barron has also been active in the Connecticut Legislature, a state where he also does business. For the most part, he worked there to defeat rental-purchase legislation introduced by the New Haven Legal Aid office, the effect of which would have been to make rent-to-own transactions illegal there. If the best Barron could do out of state was to defeat bad legislation, on his home turf in Boston, he was able to hand-deliver to the rental industry a well-constructed and reasonable new law.

Barron stated of the bill, "I am positive that this is 'livable' and is fair to both consumers and to members of the industry, if they intend to operate on a reputable basis. It is a far cry from the type of legislation that was originally introduced into the State of Connecticut almost two years ago, and in which I took an active part in defeating." The industry owes Barron its gratitude for a job well done and could learn a lesson from him about effective politics at the state level.

### Different Approach

The approach taken by the Massachusetts Legislature is different from that taken by the other six states which have regulated the rental industry. In each of the other states, consumer advocates, for different reasons, rejected the structure of the federal Consumer Leasing Act as inappropriate

---

IF THE BEST BARRON COULD DO OUT OF STATE WAS TO DEFEAT BAD LEGISLATION, ON HIS HOME TURF IN BOSTON, HE WAS ABLE TO HAND-DELIVER TO THE RENTAL INDUSTRY A WELL-CONSTRUCTED AND REASONABLE NEW LAW.

---

ate for regulating the short-term consumer leasing industry. The federal law was enacted to regulate "long-term" consumer leases, i.e. those with an initial lease period of longer than four months. As a practical matter, the federal act has been used almost exclusively to regulate the automobile leasing industry, although some furniture lessors are also covered by it. Indeed, many of the provisions of the federal act contemplate typical automobile leasing transactions in which, for example, the lessee may be liable for certain amounts at the end of the lease term based upon residual value of the automobile at that time.

The approach in the other six states has been to start virtually from scratch when drafting rental-purchase or lease-purchase legislation. Consumer advocates have attempted to make the statutes look more like the federal Truth-In-Lending Act or, even better from their point of view, state retail installment sales acts. These statutes go far beyond merely requiring contractual or advertising disclosures and regulate the substance of the relationship between the seller and the buyer—interest rates, cure periods, refinancing terms, prepayment, rebates, repossession, and the like.

Rental dealers, on the other hand, have attempted to get legislation that looks like the original Federal Reserve Board (FRB) proposal to regulate the short-term consumer rental industry. This policy bears a remote similarity to the Consumer Leasing Act although there are generally fewer disclosures required—eleven in the Consumer Leasing Act versus six in the FRB rental-purchase proposal. The results of these colliding approaches have been six statutes having little in common with either Truth-In-Lending, the Consumer

Leasing Act, state retail installment sales acts, or, to the dismay of multi-state dealers, each other. No contract valid under the laws of one state would work in any other, with the possible exception that a Georgia contract may work in Alabama.

### Short-Term Excluded

The Massachusetts statute, unlike the other six, bears a close resemblance to the federal Consumer Leasing Act. The approach taken politically was to argue that there was a loophole in the federal law which Congress was unlikely to close anytime soon and that the state legislature could easily do so for businesses in the state. Rather than carve out the consumer electronics and furniture industry as a separate entity in need of its own regulation, it was presented as a small part of the larger leasing industry as a whole, and as a part which was "accidentally" left uncovered by the federal law. In fact, the Massachusetts bill is not very different from a definitional amendment to the Consumer Leasing Act to do away with the four-month minimum aspect of a consumer lease—only it has been enacted at the state level.

---

THE APPROACH TAKEN BY THE MASSACHUSETTS LEGISLATURE IS DIFFERENT FROM THAT TAKEN BY THE OTHER SIX STATES WHICH HAVE REGULATED THE RENTAL INDUSTRY.

---

The reason the four-month rule was put into the federal statute was to exclude from coverage truly short-term consumer leases, hourly and daily rentals of different items such as tools, party goods, and the like. To accommodate this industry, the Massachusetts statute has an exception to the general definition of a consumer lease as follows: "any lease or rental of an item of personal property that is leased or rented for fewer than seven consecutive days, including all renewals and extensions of the lease or rental agreement." Also excluded are credit sales and retail installment transactions as defined under Massachusetts law, which is consistent with other states.

Despite the exclusions, all traditional rent-to-own transactions, in which the consumer rents property by the week or by the month and has some opportunity for eventual ownership, will be covered by the new statute. Rental dealers in Massachusetts will need to have new agreements ready by January 7, 1987, the date the statute becomes effective.

## Disclosures Included

The Massachusetts statute requires up to ten disclosures in written form to be given the consumer before the deal is closed. As elsewhere, the required information can be made a part of the contract or disclosed in a separate document. Of the eleven disclosures required under the federal act, only the disclosures pertaining to the lessee's liability for the fair market value of the property on expiration of the lease has been omitted, presumably because such a term does not appear in typical TV, appliance and furniture rental contracts.

An issue hotly debated in other states has been whether dealers must disclose the cash selling price of the property being rented. Consumer advocates have lobbied for this disclosure despite the fact that few if any cash sales are

---

NO CONTRACT VALID  
UNDER THE LAWS OF ONE  
STATE WOULD WORK IN  
ANY OTHER, WITH THE  
POSSIBLE EXCEPTION THAT  
A GEORGIA CONTRACT  
MAY WORK IN ALABAMA.

---

made in most rental stores. Their theory is that disclosure of a cash price alongside a rent-to-own price disclosure will discourage consumers from renting since the cash price will often be considerably less than the rent-to-own price. What this theory ignores, of course, is that many consumers do not have the luxurious choice of paying cash. The cash price disclosure is not required under the federal act, and rightly so. Congress understood that there are fundamental differences between leasing transactions and sales and refused to make false comparisons. Rental dealers have not always been similarly successful with state legislatures. In any case, the Massachusetts statute does not require a cash price disclosure, in keeping with the philosophy of the federal act.

The Massachusetts statute does add the "new/used" disclosure, which does not appear in the Consumer Leasing Act. Elements in the furniture rental industry have resisted this disclosure over the years claiming they did not always know whether the sofas and chairs they were renting were new or used at the time a contract was signed because the furniture was stored in a warehouse across town. Despite this resistance, all of the state rental statutes require the disclosure in some form, and suggested amendments to the federal act would add it there, also.

The Massachusetts statute also requires that all other charges payable by the lessee in addition to the rental payment be described and disclosed, but does not put any limit on what those charges can be or how much they can be. The statute requires disclosure of any purchase option and if there is an ongoing purchase option, then the dealer must disclose the formula for determining the purchase price at any time. The rest of the disclosures concerning payments, due dates, insurance, and the like will be familiar to dealers. Most dealers are already making them voluntarily.

In Massachusetts, as elsewhere, there are also advertising disclosures that

Our Insurance Program is the Answer for  
Rent-to-Own-Dealers  
Designed Especially for  
and Endorsed by

**PRO**

**MAART**  
THE INSURANCE



Underwritten by  
Nationwide Insurance Co.

800-338-5513 MS

800-233-7075

6045 Ridgewood Road, Jackson, MS 39211

dealers must make if certain triggering terms appear in the ads. The primary triggers under the Massachusetts statute involve pricing. If an ad states the amount of a rental payment or that no initial payment is required (for example, first week's rental free), then the ad must make five disclosures as follows:

1. the transaction advertised is a lease;
2. the total of initial payments required at or before execution of the lease or delivery of the property, whichever is later;
3. a security deposit is required, if applicable;
4. the number, amounts, and timing of scheduled payments;
5. for a lease in which the liability of the lessee at the end of the lease term is based on the anticipated residual value of the property, that an extra charge may be imposed at the end of the lease term.

The statute goes on to require additional disclosures if an ad states the amount of a rental payment *and* the right to acquire ownership of a particular item. This second set of advertising disclosures focuses specifically on rent-to-own advertising. If the disclosures are triggered, then the ad, in addition to the previous five items, must also disclose total rent-to-own cost, the early buy-out pricing formula, and a no-equity statement.

As in other states, compliance with the required disclosures is not particularly difficult in print advertising, but becomes more difficult with TV advertising and virtually impossible in radio advertising. The result in other states has been to discourage dealers from advertising price in these media.

As of this writing, a meeting of Massachusetts rental dealers is being planned to go over new contract terms and compliance with the new statute.

Copies of the Massachusetts statute are available to APRO members upon request from Edward L. Winn, III, Kammerman, Overstreet, and Hurren, 1020 MBank Plaza, Austin, TX 78701 or (512) 474-6436. **PR**

*Edward L. Winn III is the general counsel of APRO and a frequent contributor to PROGRESSIVE RENTALS.*

## Washington Report

BY J. SAMUEL CHOATE, JR.

In the last issue of PROGRESSIVE RENTALS, I discussed the possibility that the majority party in the Senate would change after the November elections. As you are all no doubt aware, that has become a reality and, beginning in January of 1987, the 100th Congress will convene with the Democrats having a majority in both the House of Representatives and the Senate.

Although in the past we have primarily depended upon Republicans, in the Senate, to sponsor our efforts in Congress along with some pro-business Democratic members of the House of Representatives, in particular Congressman Doug Barnard (D-Ga.), the change in the Senate majority should not be a problem for APRO in the upcoming Congress.

The strategy approved by the Government Relations Committee, to negotiate an effective compromise with the Senate Democrats in August and September of this year, has already begun and will continue to pay dividends for the rental industry through 1987.

Since the election, your represen-

tatives in Washington have been meeting with key Senate and House staffers to begin to plan how our bill will be reintroduced in both the Senate and House in January 1987 and what pieces of legislation will be moving that we could become a part of.

On the Senate side, we have discussed with those Democratic staff members with whom we negotiated and met in August and September their

---

THERE HAS DEVELOPED A PATCHWORK APPROACH TO ADVERTISING DISCLOSURES THAT IS BEGINNING TO CREATE AN IMPEDIMENT TO EFFECTIVE ADVERTISING ON A MULTI-STATE LEVEL.

---

continuing support for the compromise bill. We have received their assurance that they continue to support the compromise package and will support its reintroduction and passage.

We have also begun to work in earnest

*continued on page 20*

## CES "SHOW SPECIAL"

### COMPLETE STORE PACKAGE

a) 400 Assorted Used (w/Top 40)	32.50 each	\$13,000.00
b) 100 Assorted NEW Titles	39.95 each	\$ 3,995.00
c) 500 Clear Rental Cases	.79 each	\$ 395.00
d) 500 Styrofoam Inserts	.09 each	\$ 45.00
e) 500 Tamper-Proof Labels	.45 each	\$ 225.00
f) 1 Shrink Wrap Machine		\$ 299.00
g) 1 2,000 Ft. Roll S/Wrap		\$ 59.95

*When Purchased Separately . . . \$18,018.95*

**CES SHOW SPECIAL . . . \$14,999.00\***

**YOU SAVE . . . \$3,019.95**

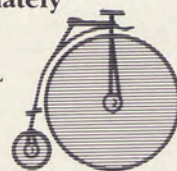
BORG WARNER FINANCE AVAILABLE (Pre-Approved Only)

Shelving By: Danash Design Is Available.

**\*Above Package Averages Out To Approximately  
\$28.00 Per Tape**

CES SHOW • BOOTH 457 • EAST HALL

**VIDEO BY CYCLING**



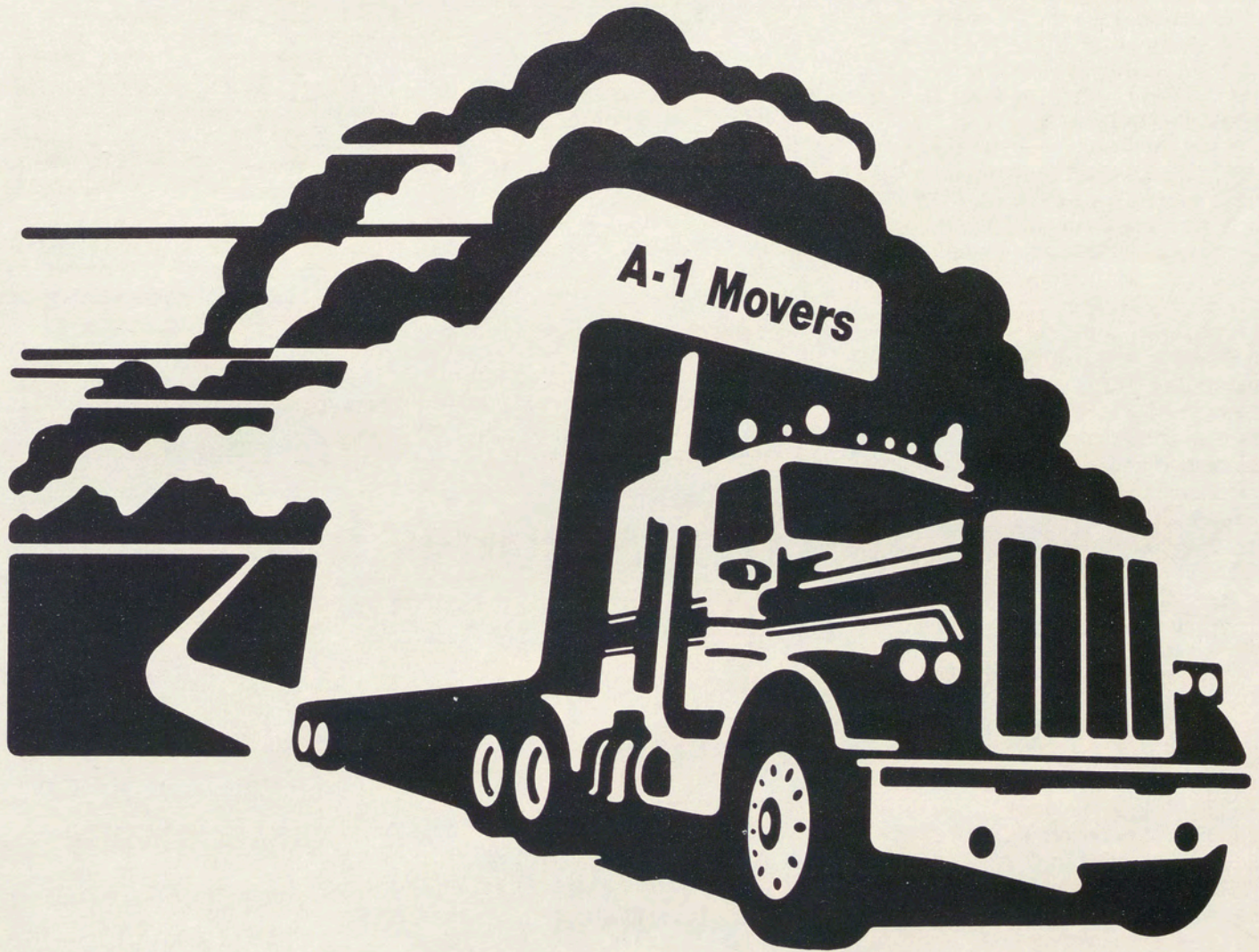
In Texas  
(800) 225-1537  
@Dial 99-0822

**(214) 437-4466**

605 Sherman, Suite 705-G, Richardson, Texas 75081

Outside Texas  
(800) 222-0227  
@Dial 99-0822

# **APRO Is . . . . . . On the MOVE!**



***NEW Headquarters:*** Allied Bank Building

***NEW Mailing Address:*** 2028 E. Ben White Blvd. Suite 200  
Austin, Texas 78741

***NEW Phone Number:*** 512/447-0333

continued from page 18

with the staff of the key members of the House Banking and Consumer Affairs Committees to begin the process of explaining the compromise bill to them in order to obtain their support. While we have no firm commitments at this early date, we are encouraged by the initial response we have received from interested staffers on the House side. This is a slow process and requires day-to-day contacts and providing information to these various staff members as they proceed through the rental learning curve.

In addition, other industry groups who have, heretofore, not been particularly interested in this legislation, have begun to realize that APRO has made tremendous strides in effecting the passage of its bill in 1987 and have begun to indicate an interest in having some input in the process.

In particular, the representatives of the consumer banking industry as well as those involved in automobile leasing and, oddly enough, those involved in the leasing of musical instruments, have all contacted our offices.

This past week an initial meeting of

---

THIS IS A SLOW PROCESS  
AND REQUIRES DAY-TO-DAY  
CONTACTS AND  
PROVIDING INFORMATION  
TO THESE VARIOUS STAFF  
MEMBERS AS THEY  
PROCEED THROUGH THE  
RENTAL LEARNING CURVE.

---

these combined industries was held and, at that time, the various outlooks of the different industries were presented in a candid yet cooperative environment.

Each of these industries has been requested by APRO to put in writing their thoughts and comments concerning the compromise bill. Once those thoughts have been received and reviewed, another meeting will be held during the first two weeks in January to resolve any issues that may be outstanding between the various industries involved so that we can move forward as one in lockstep support of this legislation.

By the end of January, it is our plan to have an agreed-upon industry bill introduced into both the Senate and the House. At that time, we will have discussed with the various interested parties in both houses the various options for passage and what steps should be taken to effect that passage.

In particular, public hearings will no doubt be held in the House of Representatives and perhaps in the Senate. Although Senate hearings have previously been held on the then-proposed Federal Reserve Board bill in July of 1983, it is possible that Senate hearings may be required because of the compromise of 1986.

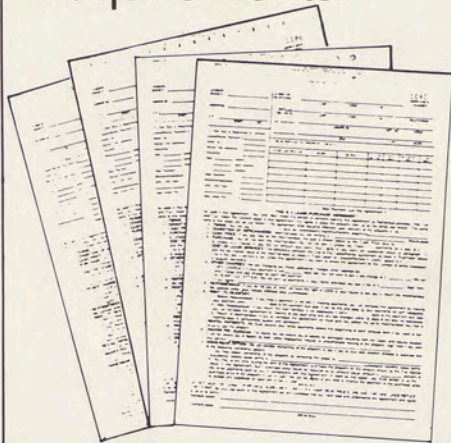
Additionally, there is a growing optimism and support for stronger preemption in the legislation. In 1983, when the Federal Reserve Board suggested federal regulation of the rental industry to Congress, there were no state laws regulating your industry. That being the case, there was no felt need for preemption by either the Federal Reserve Board or in the Senate or House of Representatives.

Since that time, however, seven states

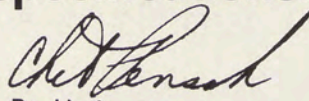
continued on page 34

## New Rent-To-Own Statutes have Teeth!

Saf-Write strongly encourages you to consult your attorney regarding your state's legal requirements.



**Saf-Write will  
provide sample  
rent-to-own  
agreements - and  
produce quality,  
personalized  
forms to your ex-  
act specifications!**

  
President

Call now for a complete catalog of efficient forms and systems for your company.

800-292-FORM  
NATIONWIDE

800-521-FORM  
Florida Only

 **SAF-WRITE**  
FORMS & SYSTEMS

1209 South Ridgewood Ave.  
Daytona Beach, FL 32014  
(904) 252-5766

APRO does not endorse specific forms, contracts or systems and reminds members that each state has particular laws regarding the use of such.

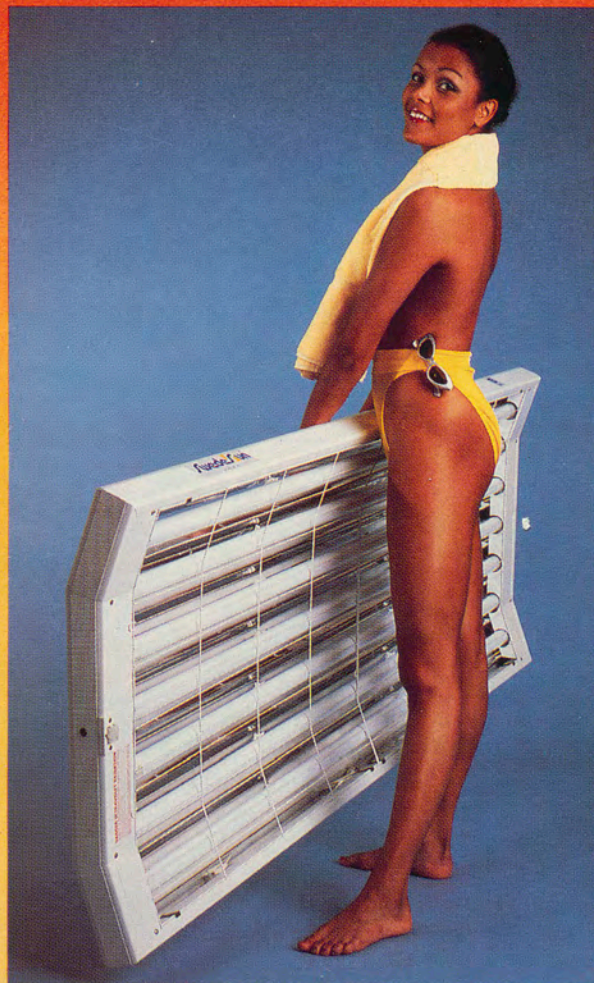
# For That SUNSHINE STATE OF MIND

As the days get shorter and the skies greyer, your mind drifts to warm summer breezes, lying in the sun... Don't let the winter get you down this year! Recent research has shown that exposure to artificial light may be the best cure for winter depression. Why not keep your summer attitude with a golden tan all winter long?

Invest in Swedesun's 2000 home tanner unit. It's very economical and convenient to use. You can tan in the privacy of your home and not worry about appointments and high costs of clubs and salons.

The Swedesun 2000 is lightweight, adjustable, and easy to assemble. It is equipped with an easy to handle floor stand. Just fold it up when you're not using it!

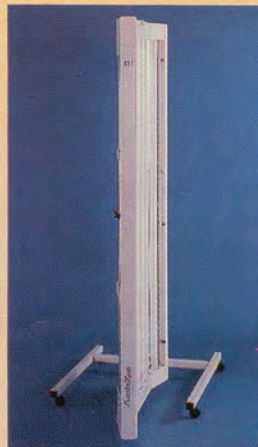
Length: 6.1 ft.  
Width: 2.5 ft.  
Weight: 27.5 lbs.  
Wattage: 850 w.  
Voltage: 220/110 v.  
Tubes: 7 Philips TL09/100 w.  
Timer: 0-30 min.  
Warranty: 1 year, excluding tubes and starters.  
Floor Stand: Height adjustable 22" to 32". Canopy angle fully adjustable.



Swedesun was developed to meet strict requirements of safety and reliability. The UV rays from Swedesun's tubes are gentler than natural sunlight.

Its unique reflector system allows our Swedesun 2000 to operate at lower temperature, so you tan more efficiently. Swedesun also carries professional tanning units: The Swedesun de Luxe and the Swedesun Grand de Luxe.

With Swedesun 2000 you'll be able to acquire the safe, beautiful tan you've always wanted, and why not? You owe it to yourself to feel and look your best. So, give yourself and your family a Swedesun 2000 home tanner this season and change those "Winter blah's" into a "Sunshine state of mind"!



**1-800-826-5945**

(or in Illinois)

**1-312-432-7216**

**Swedesun**<sup>®</sup>

885 County Line Road  
Highland Park, Illinois 60035



## RENT-TO-OWN AND BANKRUPTCY

We often find ourselves opposed to things we do not easily understand. We tend to be skeptical and suspicious when our general experience does not provide a ready frame of reference for analysis. This is an unfortunate and dangerous tendency we all share.

Perhaps this is why rent-to-own dealers sometimes find it difficult to deal with the Courts when a rental customer files for bankruptcy. After all, rental-purchase is a radically new development in consumer merchandising in this country.

Historically, the most common method of merchandising consumer goods has been the cash sale. With the obvious limitations on a consumer's ability to pay cash for the more expensive durable goods, the credit sale has become a popular alternative for certain qualified customers.

Another option, the lease, has not been popularly used probably because such an arrangement requires a heavy, usually long-term obligation from the leasing party. For a credit-worthy consumer, it makes little sense to opt for a lease when the terms of a sale obligation would be virtually identical. Commercial transactions are an exception to the rule due to the favorable tax treatment of the lease.

### **Demand creates market**

Still there remains the market for consumer goods among those persons who are not credit worthy, or who simply prefer a short-term lease over purchase of such goods. Where there is a market, there will be those who will try to satisfy the demands of that market. Enter the rent-to-own businesses.

The rent-to-own customer has no obligation beyond the initial weekly or monthly term of the rental agreement. These persons do not have to demonstrate credit worthiness.

---

THERE ARE INDUSTRY SOURCES PREDICTING THAT IN 10 YEARS, 60 PERCENT OF ALL DURABLE CONSUMER GOODS WILL BE MARKETED IN THIS WAY.

---

They do have to demonstrate certain other qualifications which indicate that the property will be securely housed at the consumer's residence. These persons can acquire consumer goods for their immediate use from the rent-to-own dealer and still preserve the option of returning those goods without obligation if they cannot pay the rental charges or if they prefer to terminate the rental agreement. For some consumers this is a very attractive method of doing business. There are industry sources predicting that in 10 years, 60 percent of all durable consumer goods will be marketed in this way.

In the bankruptcy context, the rent-to-own transaction is an executory agreement. The executory agreement is governed by the terms of 11 U.S.C. S. 365. This section gives the Trustee (debtor) the right to accept or reject an executory contract. In the case of acceptance, the section requires that the Trustee (debtor) provide in the case of default adequate assurance that he will promptly cure the default and adequate assurance of future performance under the contract.

The definition most commonly used by the courts for the term "executory contract" is Professor Countryman's description which states that a contract is executory when "the obligations of both the bankrupt and the other party to the contract are so far unperformed that the failure of either to complete performance could constitute a material

breach excusing the performance of the other." (Countryman, *Executory Contracts in Bankruptcy*, 57 *Minnesota Law Review* 439 [1973].)

### **No Obligation**

In the rent-to-own contract, the only obligation lies with the lessor to continue to permit the debtor to possess the property, and to service the goods. The debtor has no obligation under the contract unless and until he accepts that obligation by renewing the contract according to its terms. The failure of the debtor to renew the contract excuses the lessor from the obligation to permit the debtor to continue in possession of the property. The contract is executory in nature because of the right of the debtor to continue in possession of the property by the performance of certain conditions which include renewing that contract by making weekly or monthly payments.

In a Chapter 13 Plan, the code permits a debtor under 11 U.S.C. S. 1322 to provide for the payment of claims in deferred cash payments. A claim is defined in 11 U.S.C. S. 101(4) as a right to payment. A rent-to-own company has no claim because it has no right to payment unless the debtor, within his sole discretion, chooses to make that payment and continue in possession of the property. By choosing to make that payment, if a debtor should exercise that option, the contract continues in its executory nature subject to the provisions of 11 U.S.C. S. 365.

There is nothing wrong with a wage-earner plan that proposes to accept the rent-to-own agreement as an executory contract. There would be nothing wrong with requiring a rental dealer to file a claim in the case for rental payments incurred by the debtor up to the point when the debtor directly re-assumes payments under the agreement.

There would also be nothing wrong with having the Chapter 13 Trustee collect from the debtor and remit to the rental company the monthly payment according to the term of the rental agreement. This latter provision is difficult for some Trustees, however, because it requires the creation of payment obligation on the part of the Trustee that is different from the method usually used by the Trustee to pay claims.

Normally a trustee will disburse monies in a case on a pro rata basis with certain priorities established by formula. Most trustees do not make their disbursements in a set amount due to

---

WHERE THERE IS A MARKET,  
THERE WILL BE THOSE WHO  
WILL TRY TO SATISFY THE  
DEMANDS OF THAT MARKET.

---

the difficulty imposed on the system when a payment is required and the funds, for whatever reason, are not available to make that payment. For this reason it is better for the debtor to make payments on the contract directly to the rental dealer rather than through the Chapter 13 Trustee.

In the ideal situation, the rental dealer would like to be relieved of the automatic stay so that he can proceed directly against the customer (debtor) in the event of non-payment on the lease. Nevertheless, it is understandable that the Court may wish to retain the automatic stay so as to be able to supervise the continuing relationship between the rental company and the debtor. In the event of non-payment, the rental company would have to make its application for relief from the automatic stay as a prerequisite to the recovery of the property from the debtor according to the lease agreement.

Attorneys for debtors have occasionally sought to recharacterize the rental contract as a sale so as to extend the payment of the obligation for a period which would be longer than the term of the original rental agreement if the debtor were to exercise his option to renew the agreement for the period required to obtain ownership. Typically, the contracts provide for the debtor to become the owner of the property after having renewed the monthly agreement for 18 months.

Rehabilitation of the debtor in distress is the primary objective of a bankruptcy proceeding. Such efforts at rehabilitation are not always perfect and in fact,

---

IN THE RENT-TO-OWN  
CONTRACT, THE ONLY  
OBLIGATION LIES WITH THE  
LESSOR TO CONTINUE TO  
PERMIT THE DEBTOR TO  
POSSESS THE PROPERTY,  
AND TO SERVICE THE  
GOODS.

---

in some cases, cannot succeed. The system works its magic by extending repayment of the debtor's obligations. Those who would seek to impose upon the debtor unlivable financial circumstances by the assertion of their rights are constrained by the Chapter 13 process to accept payments either in full over a period of time or in part, where there is no collateral, based upon a finding that the debtor is making his best effort.

Where the debtor has purchased property with borrowed funds, the lender holding a security interest in such property will not be permitted to disrupt the debtor's rehabilitation by the seizure of its collateral if it is offered adequate protection under the debtor's plan. The rent-to-own company is neither a creditor nor a holder of an interest in collateral.

A rent-to-own transaction is distinguished from a credit sale by the retention of ownership in the property by the lessor, which retention is clearly specified in the rental agreement. While the Bankruptcy Court can by the confirmation of the debtor's plan restructure the repayment of the debtor's obligations, it cannot in behalf of the debtor create an obligation which does not exist and at the same time restructure that same obligation through the Chapter 13 proceeding.

The right of the debtor to become the owner of the property at some time in the future does not change the character of this transaction from a rental agreement to a sale. The element lacking in such an equation is obligation. The debtor has no obligation under the rental agreement beyond the current weekly or monthly term. The debtor cannot convert his exclusive right to renew the contract into an obligation under a Chapter 13 Plan.

### **No Claim for Dealer**

One of the best means of demonstrating the impossibility of recharacterization is the fact that a rental company cannot file a claim for future rent in a

Chapter 13 Plan. Since the debtor has no obligation beyond the current rental term, the rental company is not a creditor as to such future rental payments. Rental terms begin with the payment by the debtor of the weekly or monthly amount necessary to renew the rental agreement.

The Chapter 13 trustee must have a claim in the case in order to disburse monies to a creditor. Without a claim, a rental company cannot be a creditor and, consequently, cannot receive the disbursements proposed by the debtor's attorneys in these recharacterization plans.

A rent-to-own contract imposes no financial obligation on the debtor. Such a concept of personal liability is alien to the rent-to-own business. That fact distinguishes these transactions from the other debt transactions which are the subject of Chapter 13 plans.

The rent-to-own dealer comes into Bankruptcy Court with rights distinctively different from, and sometimes inferior to, other parties in the Chapter 13 proceeding. It is inequitable to treat the rent-to-own dealer in the same manner as a creditor who holds a claim against the debtor for a personal obligation just because the debtor has the option to become the owner of the property if, in his sole discretion, he chooses to exercise that option.

These agreements are executory in nature and as such cannot be recharacterized as obligations subject to adjustment in the Chapter 13 proceeding.

---

*Editor's Note: LEGAL is a regularly featured column written by James D. Walker Jr. of Surrent, Walker, Creson & Colley, for rental dealers with legal questions. Please address questions for this column to James D. Walker Jr., Surrent, Walker, Creson & Colley, Box 1497, Augusta, GA 30903.*

**APRO<sup>TM</sup>**  
**Convention '87**

**August 6-10**

**Fairmont Hotel  
NEW ORLEANS**

**Mark Your  
Calendar!**

R

C

A

V

FROM SEA TO SHINING SEA, GIVE YOUR RENTAL CUSTOMERS



R

E

N

I D E O

## AMERICA'S FAVORITE NAME IN VIDEO EQUIPMENT: RCA.

If you settle for less than RCA, that's exactly what you'll get. Less variety. Less service to back up product. Fewer choices in price points. No other manufacturer can give you the range of products and services that RCA can.

**The number one name in video, coast to coast.**

More consumers purchase RCA televisions and VCRs and solid state cameras than any other brand. Which makes it the brand they'll be looking for in your store.

### **More choices, better quality.**

Everywhere you look in the RCA product line, you'll find the latest features available, and the most extensive range of products and prices in the industry. RCA can give you the latest in television technology, with the latest in screen sizes and performance. RCA has 14 different fully-featured VCRs, the most innovative, lightweight easy-to-use cameras and camcorders in the industry, as well as a full line of sophisticated audio component systems.

### **RCA's best rental features don't come in a box.**

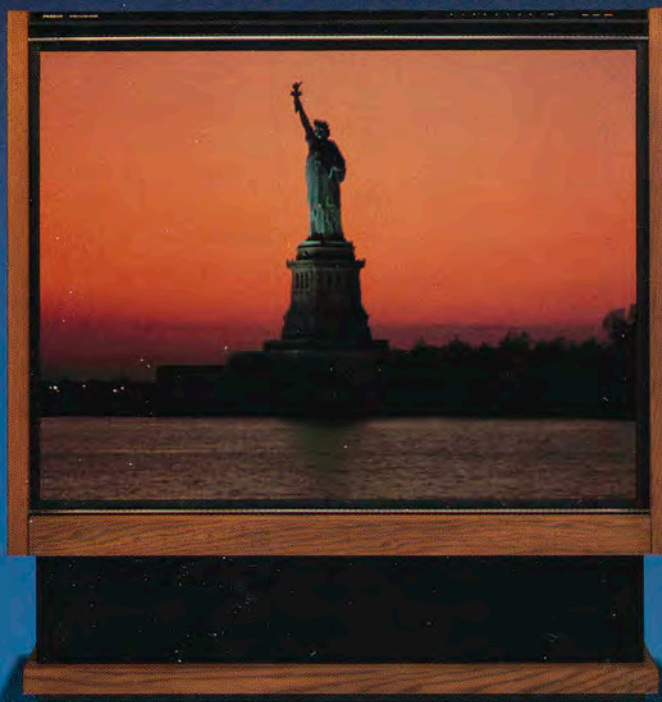
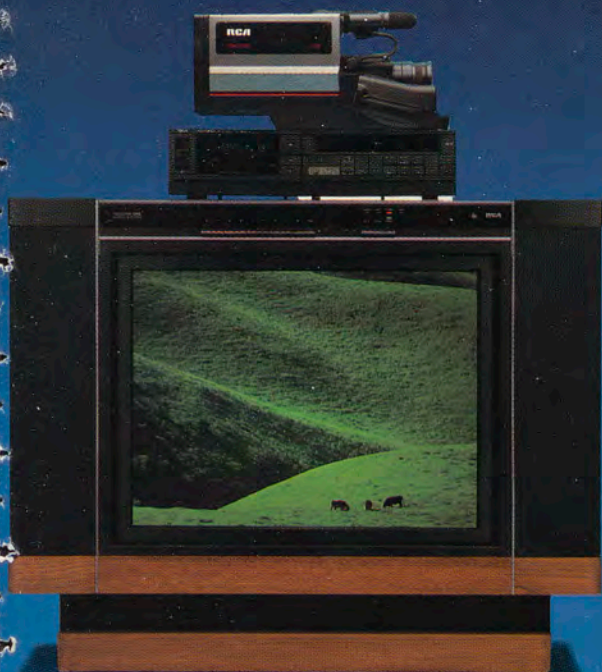
Every RCA product is backed by the largest service network in the industry. But that's only half of it. RCA's distribution network makes getting your hands on our products smooth and convenient. The tradition of RCA service goes further, with rental programs that put our know-how to work for you. All you have to do is send back the attached postcard, or contact Tim Shannon at RCA Consumer Electronics, P.O. Box 11009, Indianapolis, IN 46201.

### **Don't settle for less.**

For quality, value, service and accessibility, your customers won't settle for less than RCA, from sea to shining sea. And you shouldn't either.

# RCA

TECHNOLOGY THAT EXCITES THE SENSES.



©1985 RCA Corporation

Simulated TV picture.

T A L S

## PRODUCT FOCUS

**Sylvania** introduces two stereo Super-sets, a 20-inch monitor and a 27-inch console, both of which feature new SuperRemote controls.

Model RKF195, with the 20-inch screen, features a dark-light flat square tube, Sylvania E-4000 chassis, a room light monitor that automatically adjusts picture contrast and color, plus push-button programmable scan tuning, bi-directional favorite station scan, 152-channel capability, built-in stereo-separate audio program (SAP) decoder, a four-watt per channel amplifier, stereo speaker system, audio-video input-output jacks, and stereo-SAP indicators. Suggested retail price: \$700-\$750.

Additional features on Model RPF592, the 27-inch unit, include expanded on-screen graphics for both video and audio, sleep timer, personal preference programming for all remote control functions except volume, parental control and on-screen captioning,

plus 178-channel random access digital tuning. Suggested retail price: \$1,495.

For more information, contact: Deborah L. Fee, N.A.P. Consumer Electronics Corp., PO Box 14810, Knoxville, TN 37914-1810, (615) 521-4494.

Bar code property tags from **Seton Name Plate Corp.** can simplify inventory taking. Their .625-inch x 1.8-inch bar code tags are made of anodized aluminum and have machine and human readable numbering that allows the Code 39 tags to be read with hand-held scanners. Available with pressure-sensitive backing or mounting holes, custom tags personalized with a company name are also an option. Stock model BC-50 is sold in packets of 1,000 at \$930 per package for 1-4 packages, \$720 each for 5-9 packages. Custom model BC-150 is priced at \$1.19 per tag in lots of 2,500-4,999 or 83 cents each for 5,000-9,999 tags. For more information and a free catalog, contact: Seton Name

Plate Corp., PO Drawer ZCT-1331, New Haven, CT 06505, (800)243-6624.

**Gusdorf Corp.** introduces a new deluxe entertainment center, Model 4450. The oak-finished cabinet with special protective surface has a horizontal bronze trim. A push-to-open magnetically secured, tempered safety glass door closes off the audio section, which has adjustable shelves. An adjustable shelf holds VCR and tapes in the video section which can accommodate units from 19-inches up to 26 inches. Two lower storage cabinets feature push-to-open, magnetically secured doors with adjustable shelf inside. Suggested retail price: \$249.95. For more information, contact: Gusdorf Corp., 11440 Lackland Rd., St. Louis, MO 63146, (314)567-5249.

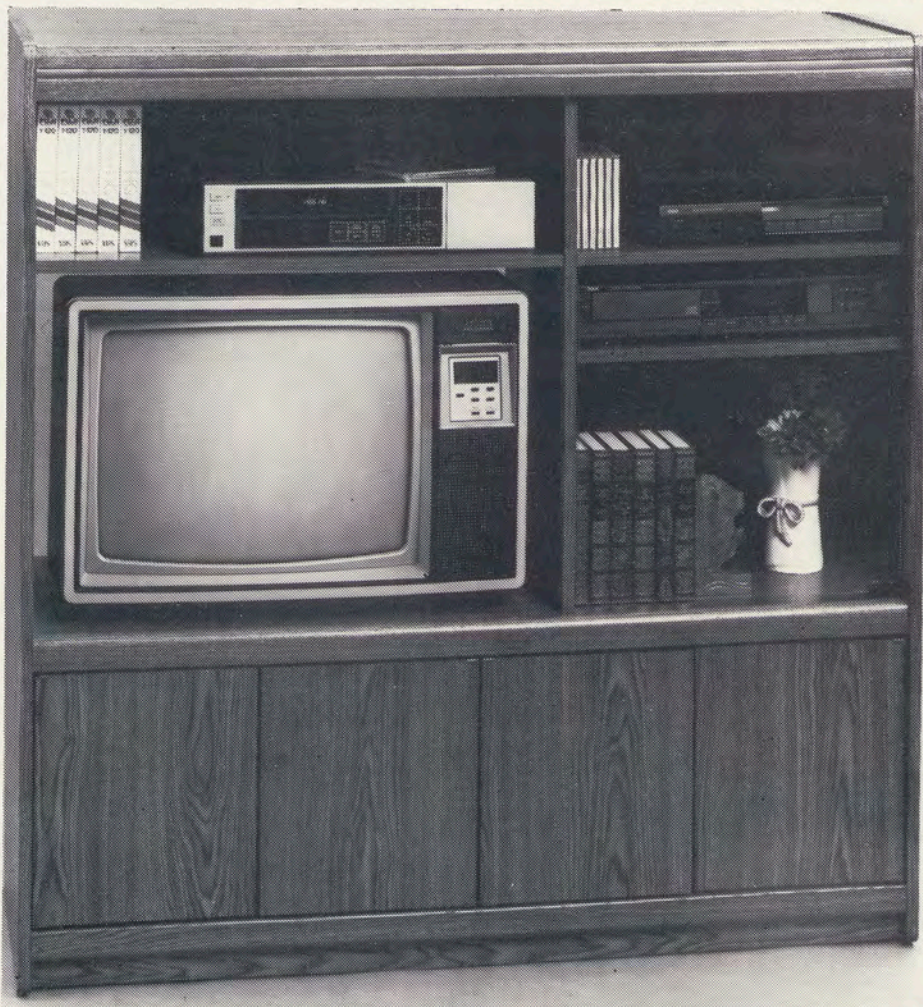
Four mid-size microwave ovens with turntables are introduced by **Panasonic**. Model NN-6206A features variable power levels (60-600 watts), six settings including a separate defrost setting, a 30-minute rotary timer with signal bell and automatic shutoff, and a one-cubic foot interior. Suggested retail price: \$239.95.

Model NN-6406A has variable power levels, (200-600) plus defrost, one-cubic foot interior, and an auto reheat control. Suggested retail price: \$269.95.

Features of Model NN-6506 include auto weight controls for defrosting and cooking meats and preparing convenience foods, an auto start system that can be preset up to 12 hours ahead, and interior space of one cubic foot. Suggested retail price: \$299.95.

Model NN-6806 Genius features a humidity sensor, weight defrost control, doneness control, and front-panel cooking guide. Suggested retail price: \$349.95. For more information, contact: Bill Pritchard, Panasonic Company, One Panasonic Way, Secaucus, NJ 07094, (201) 348-7182.

New from **Pilot Audio/Video Systems** is a European style one-piece module home entertainment system, Model AV844. Features include a 19-inch monitor design wireless remote control color television with 139 channel cable capability; audio-video display stand with tempered glass door and roll-around casters; dual stereo cassette player/recorder with metal tape capability; full-range graphic equalizer display; semi-automatic record player, and matching pair of built-in two-way



*Gusdorf Model #4450*

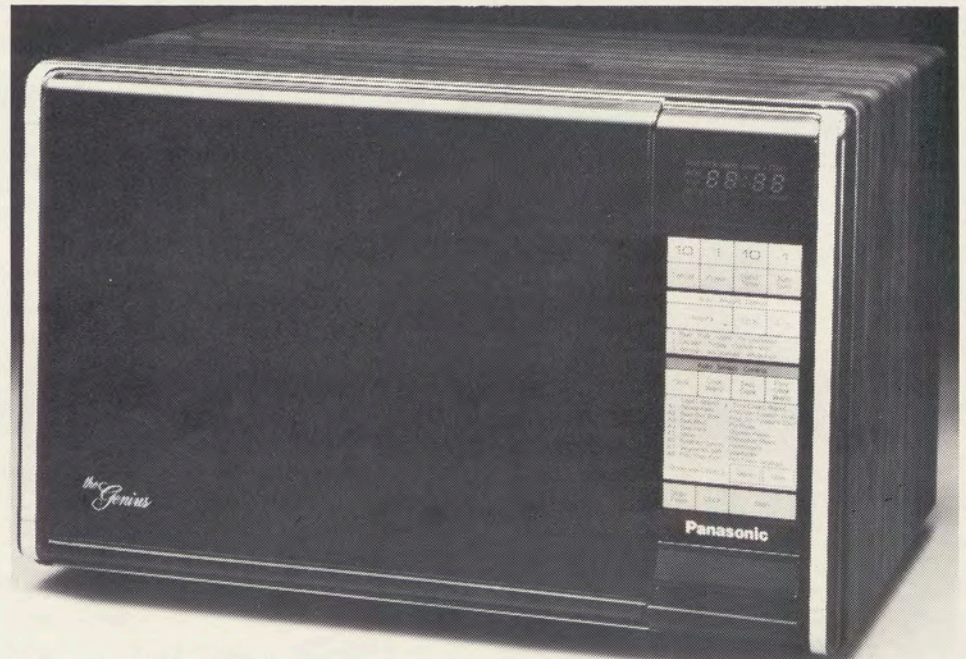
high fidelity full-frequency speakers. Optional feature is a digital compact disc player with 15 programmable tracks and three-laser beam system, and a 12-function wireless hand remote 14-day program/4-event VHS with 105 channel cable capability.

Suggested retail price: \$899. For more information, contact: Lew Allen, Pilot Audio Systems, 1840 Hutton Dr., Bldg. 2, Suite 208, Carrollton, TX 75006, (800) 223-3501 or, in Texas, (718)934-3368.

**Samsung** has a new front-loading VHS VCR with a rotary 4-head video recording/playback system and linear stereo sound; off-air recording of stereo broadcasts is possible with a separate MTS tuner. One of Samsung's Medalists™ series, Model VR4700L also includes the following features: 110-channel cable-compatible random access tuning, 14-day/6-event programmable timer, picture search, still, pause, (SP/LP/SLP), audio/video dubbing, MTS auxiliary jack, and one-touch recording.

Suggested retail price: \$539.95. For more information, contact: Richard Leister, Samsung Electronics America, 301 Mayhill St., Saddle Brook, NJ 07662, (201)587-9600.

**Zenith Data Systems Corp. (ZDS)** introduces its first 32-bit computer, the Z-386 PC. Built around the Intel 80386 processor, the high-speed computer offers an advanced memory system and zero wait technology. Expansion slots



Panasonic Model #6806

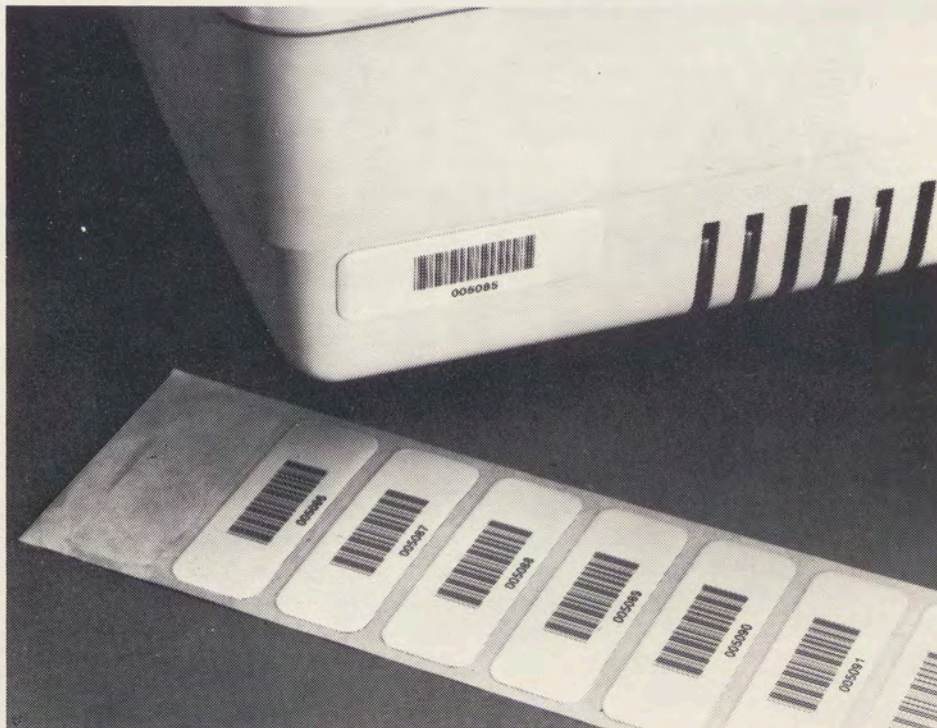
that use both PC- and AT-compatible cards make it compatible with 16- and 8-bit software. The system will be marketed in two versions: the Z-386 Model 80, with an 80-megabyte hard disk drive, and Z-386 Model 40, with a 40 MB. Both have six open expansion slots and one 1.2 MB floppy disk drive. Suggested retail price: \$7,499 for Model 80, \$6,499 for Model 40. For more information, contact: Zenith Electronics Corp., 1000 Milwaukee Ave., Glenview, IL 60025, (312)391-8181.

A new **Magnavox** solid state CCD

VHS-C Video Escort camcorder, Model VR8295/97, weighs 3.1 pounds without battery. The unit features 1/1000 shutter speed, seven lux sensitivity, 20 minutes recording time in SP mode, 60 minutes in SLP mode, electronic viewfinder, f1.2 macro lens with 6x power zoom, and auto focus/auto color tracking. It comes with an AC adaptor, one-hour battery, A/V cable, cassette adaptor, RF adaptor and shoulder strap.

Suggested retail price: \$1,899. For more information, contact: Patrick Wilson N.A.P. Consumer Electronics Corp., PO Box 14810, Knoxville, TN 37914-1810, (615)521-44998. **PR**

*Editor's Note: Suppliers should direct all release information to PROGRESSIVE RENTALS at 2028 E. Ben White Blvd., Suite 200, Austin, TX 78741.*



Seton Model #BC-50

Have you made plans to renew your APRO membership?

Regular Membership	
Up to \$500,000 annually	\$ 300
\$500,000 - \$1 million annually	\$ 600
\$1 million - \$2.5 million annually	\$ 900
\$2.5 million - \$5 million annually	\$1200
\$5 million - \$10 million annually	\$1800
\$10 million - \$20 million annually	\$2400
Over \$20 million annually	\$3000

**Associate Membership**  
All Suppliers \$ 300

For more information, contact the APRO office at (512) 447-0333

# Loss of Income Claims

## The same for retail and rental?

Rent-to-own is not the same as retail. A cash sale or credit transaction in the local appliance store is nothing like a rental-purchase agreement. Friends and fellow APRO members, that difference has caused us all many problems, and taught us some hard lessons. Let me tell you what I learned about insurance after a fire in the business next door shut down one of our stores for two months.

Don't wait until after disaster strikes to read through your insurance policies. All rental dealers should check their business property insurance policies now. You should specifically look for "business interruption" or "loss of income" coverage.

The insurance industry is retail oriented when it comes to paying a claim for loss of income. The insurance adjusters like to project this loss of income by comparing last year's financial figures with this year's figures. The adjuster then comes up with a multiplier. Once he comes up with this figure, he is ready to work the retail formula.

### The Adjuster's Formula

Suppose the period of loss is determined to be July and August 1986. Also, let's assume that your business has been growing rapidly. Business figures for 1986 are up 180 percent over 1985. The adjuster determines your projected income by multiplying June and August 1985 actual figures by 1.80. This he calls your gross loss of income. Example:

July '85 income	\$12,750.74
Aug. '85 income	\$14,805.52
Total	\$27,576.52
Projected July '86	\$23,004.45
Projected Aug.'86	\$27,094.10
Total	\$50,098.55

As any rental dealer knows, units out on rent will still generate income even if your store was burned to the ground.

The adjuster will decrease the loss of income by any amount of income collected during the period of business interruption, or loss. Let's say the collected income was \$30,614.81. Subtract that from your projected income during the loss period (\$50,098.55) and your loss of income becomes \$19,483.74. The insurance company will offer you a check for that amount.

Before you say "not bad for a store generating that amount of income," look a little closer.

When a retail merchant sells a \$200 item, that is the end of the deal. Figuring a \$200 loss would be fair. When a dealer loses a "sale," the loss should be figured on the full projected term that item would have been out on rent, not just the lost income during the two-month period of loss.

The insurance analysis cited assumes one of two things: either all deliveries were immediately returned on the next day following the period of loss, or no deliveries were made during the period, but those deliveries that *would* have been made are *all* delivered the next day after the period of loss. Both of these assumptions are misleading. On that one day you would have more returns or deliveries than you would normally have in a whole month.

### The Rental Formula

So, how do you figure your rental loss of income? Assume the following figures on a store:

- 100 deliveries averaged per month
- \$54 gross income generated per month per unit
- One-third of gross income is allotted cost of unit per month
- Once delivered, any given unit generates income for 8.75 months
- During the loss period (July and August 1986), 76 units were actually delivered

We are now ready to figure a rental

loss of income. Keep in mind no income is lost on units already on rent and that your only loss is on new business deliveries that you were unable to make.

Income generated per unit per month	
less cost per month	36.18
Lost deliveries during the 2-month loss period	× 124
Loss income per month on deliveries only	= \$4,486.32
Any given delivery generates income for 8.75 months	× 8.75
Loss of income	= \$39,255.30

As you can see from this example, unless your insurance adjuster is knowledgeable about the rental business, you could easily lose \$20,000.

Those of us in the rental industry have had to educate bankers about our financing, merchants about our products, accountants about our tax service. Now we have another contact to educate—the insurance industry.

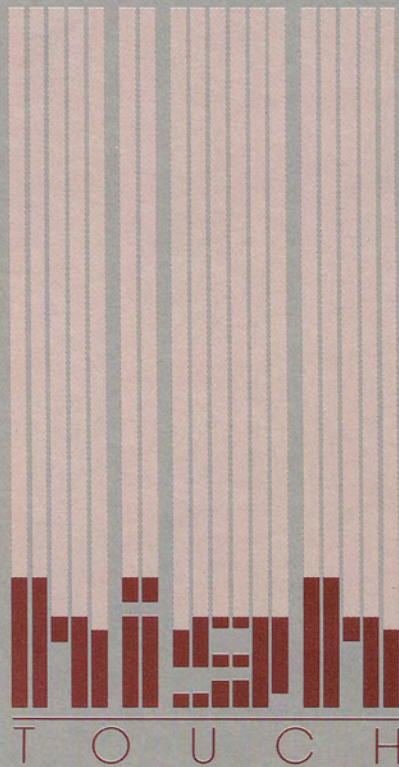
Did I convince my insurance company? Yes and no. My agent agreed with my argument, the insurance company believed I was in the right, but the independent adjuster assigned to my claim thought I was no different from a retail business and would not budge from that. After more than 10 months trying to change his mind, I was forced to a settlement based on the retail formula.

My insurance company understands now that rental and retail are not the same and I am confident any such future claims will be settled fairly. But perhaps you should review the loss of income claim clause in your business property insurance and consider adding a rider specifying a method for determining loss. The time to do that is before you suffer a loss, not after.

*Roger Sharp is a member of APRO and a partner in Appalachian Rentals, based in Huntington, West Virginia.*

WE DON'T MEET THE STANDARD,

---



The leader in computer-based automation  
and support for the Rent-to-Own industry.

High Touch, Inc. / 1900 N. Amidon, Suite 200 / Wichita, Kansas 67203 / 316-832-1611

---

WE SET IT.

# Audiocassette Learning Library

## Advertising

- 17-0000 Advertising to the Rental-Purchase Market (1985)
- 3-1181 Advertising & Marketing (1983)

## Computers

- 3-1185 Computer Shopping (1983)
- 11-0000 Computer Considerations (1985)
- 4-1678 Computerizing Rental Stores (1984)

## Financial

- 4-1677 Buying & Selling Rental Stores (1984)
- 4-1681 Growth & Expansion Financing Alternatives (1984)
- 4-2514 Accounting in the Rent-To-Own Business (two tape set) (1984)
- 3-1186 Personal Tax Planning (1983)
- 4-1683 Rental Customers in Bankruptcy (1984)
- 15-0000 Accounting Procedures for Rental-Purchase (1985)
- 5-0000 How to Evaluate the Worth of Your Business (1985)
- 3-0000 Your Excess Dollars: How to Make Them Work for You (1985)
- 4-1684 Insuring Rental Property (1984)

## Furniture

- 3-1187 So You Want to Rent Furniture? (1984)
- 4-2507 Basics of Furniture Rental (1984)
- 4-2508 At What Level in the Distribution Chain Do I Buy?(1984)
- 4-2509 Warehousing Furniture (1984)
- 4-2510 How to Determine Price Points (1984)
- 4-2511 Problems Rent-To-Own Operations Must Overcome; Renting Waterbeds (1984)
- 4-2512 Clean Up
- 10-0000 Adding Furniture to Rental-Purchase (1985)

## Legal

- 3-1180 Ask The Attorneys (1983)
- 4-1005 Legal Issues for Store Managers (1984) (three tape set)
- 4-1685 Legal Developments (1984)
- 9-0000 Legal Aspects for Furniture Rental (1985)
- 12-0000 Federal Effort Legal Update (1985)
- 1-000 Legal Update|(two tape set) (1985)

## Operations Management

- 3-1188 Collections—Preventive Maintenance (1983)
- 3-1184 Lease Negotiation (1983)
- 3-1182 Store Security (1983)
- 3-1183 Wage & Hour (1983)
- 4-1675 Consumer & Media Relations (1984)
- 4-1676 Pay & Performance Standards (1984)
- 4-1679 Stress Management (1984)
- 4-1003 A. Organizing for Results  
B. Organizing the Company  
Climate C. Finding the Right People (1984) (three tape set)
- 4-1004 A. Developing Human Resources B. The Final Touch (1984) (two tape set)
- 4-1006 Getting the Most Out of Rental Store Employees (1984) (three tape set)
- 4-0000 Choosing High Performance Managers (1985)
- 8-0000 Management Techniques (1985)
- 13-0000 Vehicle Leasing and Fleet Management (1985)
- 30-0000 The Future of Rent-To-Own (1985)

## Training

- 27-0000 The Training Manual: Making It Work For You(1985)

## Video Tape Rental

- 7-0000 Video Tape Rental—Combining with Rental Purchase (1985)

AVAILABLE TO APRO MEMBERS ONLY. Each tape \$10. Set of any twelve \$100 (includes attractive storage album). Three tape sets \$25. Two tape sets \$15. Postage and handling: \$2 for 1-3 tapes; \$4 for 4 or more. Texas residents please add 6-1/8% sales tax. Send this order form with payment to APRO, 2028 E. Ben White Blvd. Suite 200, Austin, TX 78741.

# TAKE ADVANTAGE OF US.

## The Rental Manager Features:

- On-the-spot receipts for your customer
- Maintains all customer payments until payout
- Provides detailed Daily Summary including income, units rented, units paid-out, even calculates and maintains cash over/short
- Accepts partial payments
- Optional late renewal charges
- Reports "free" due date changes
- Tracks new stock inventory
- Tracks history of each rental unit
- Past due reporting
- Idle inventory reports
- Automatic customer history records
- Reports customers about to pay out
- Instant recall of daily information
- Valuable statistics to aid you in measuring past performance and in planning ahead
- Accurate analysis by brand and category
- Prints mailing labels to current or past customers
- Tracks income by unit/by customer
- ACRS or straight-line depreciation reporting
- Investment credit and recapture reporting
- Rent-to-own or rent-to-rent
- Maintains records of repair and service by unit or by customer
- Handles intercompany transfers or units

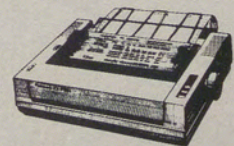
## COMPUTER SOFTWARE for RENT-TO-OWN Stores

Single or Multiuser . . .  
Simple to set up & use  
Supported . . .  
Affordable . . .  
Money-Back Guarantee . . .  
Runs on IBM or Compatibles.

# THE RENTAL MANAGER



RENTAL INFORMATION SYSTEMS



1-800-231-7471

In Arkansas 501-234-2471

# WHEN YOU RENT, RENT THE BEST

## ZENITH<sup>®</sup> TV & VCRs

Zenith's dedication to quality without compromise has made Zenith the first choice of millions who want and demand the finest in television and video recorders. Now this famous Zenith quality can be available to your rental customers.

With Zenith you can expect quick delivery, broad selection, and fast inventory turn. Plus you'll enjoy the benefits of a nationally advertised brand with local advertising and merchandising assistance.

For information, contact your Zenith Distributor, or write or call Mr. Norm Smith, Zenith Electronics Corporation, 1000 Milwaukee Avenue, Glenview, IL 60025, (312) 391-8231.



**ZENITH** The quality goes in before the name goes on  
*the Smart Choice in Rental*

# Hiring and Keeping Quality Personnel

Hiring and keeping quality employees is a major concern of managers in any field, but it is particularly crucial in sales-oriented industries such as rental-purchase. Employees are a dealer's link with the public and play a vital role in the success of a store. Customers confronted with an unmannerly or incompetent employee are likely to take their business elsewhere, even if the store's goods and services are the finest available.

When hiring, it is essential to select capable people who are enthusiastic and willing to put out the extra effort needed to succeed in the rental-purchase business.

Mike Owen, general manager of a Remco store in Austin, Texas, said, "In the initial screening interview, I listen to what the prospective employee has to say. I get them to tell me everything about their life from day one. I will ask them questions about their likes and dislikes.

"Maybe one will complain about the long hours at a previous job, and I know that one would not be a good employee for me. Or maybe another prospect will talk about having trouble finding a babysitter, and I know that could be a problem employee.

"Then again, maybe a former bartender will talk about how he loves people, and I know he will probably fit in my business. That's what I'm looking for, a good fit, and listening to the prospect talk is the way I screen out the ones that will, and the ones that won't."

Managers may differ slightly in their approaches to hiring, but they generally look for similar characteristics.

Another Austin store manager says he checks appearance, attitude, manners, and body language. Diction and personality are considered as well.

References from employers, educators, and even friends are very useful and should be carefully checked. They can be quite informative and provide a good means of estimating the candidate's potential performance as an employee.

Additional perspectives can be obtained by questioning applicants on

CUSTOMERS CONFRONTED WITH AN UNMANNERLY OR INCOMPETENT EMPLOYEE ARE LIKELY TO TAKE THEIR BUSINESS ELSEWHERE, EVEN IF THE STORE'S GOODS AND SERVICES ARE THE FINEST AVAILABLE.

their financial status, plans for the future, and leisure activities. It is also wise to secure information on the candidate's health and any other conditions which may interfere with a regular work schedule. Caution should be exercised (and perhaps legal advice sought) with any questions which may be construed as discriminatory. Managers may even wish to check an applicant's police record.

Some employers use specialized procedures such as polygraph examinations and psychological testing to screen applicants, however they should utilize discretion when basing decisions on test results. Additionally, the use of polygraphs is illegal in some states.

"Research is mixed as to whether or not lie detectors are accurate," said Dr. Albert Chammah, Associate Professor of Management at the University of Texas. "There is controversy among psychologists concerning how well they work, and not enough information has been gathered on the reliability of this type of testing."

"Psychological tests are controversial," he said. "They have a tendency to be biased and may actually discriminate against specific cultural groups." Employers choosing to administer such tests should do so only with the aid of a professional psychologist.

Once a manager has completed the hiring process and feels that a suitable applicant has been selected, how does he or she keep the employee happy and performing at a high level?

"Positive reinforcement is not used enough by managers," said Chammah, "and negative reinforcement should be avoided as it will detract from an otherwise competent employee's performance." Employers should be diplomatic when delivering criticism and avoid an accusatory approach.

Psychological tests explore a prospective employee's abilities and reactions under standardized conditions, and comparing an applicant's score with those of others can be helpful. However, Chammah expressed doubts on the worthiness of these tests.

In his book, *The Mastering of People*, Auren Uris cites four steps to creating goal-mindedness and inciting superior results among employees. To begin, goals should be specific. Cut through the fog surrounding vague ideas and give employees sharply defined, recognizable objectives.

Secondly, make goals exciting by telling employees what is in it for them. Productivity can increase dramatically when the opportunity for personal gain exists.

Make goals attainable by offering encouragement and breaking major objectives into readily-achievable sets of sub-goals.

Finally, reinforce increased productivity by reminding employees they have performed up to a higher set of standards and there is no reason why they cannot continue to do so.

What if an otherwise successful employee suddenly begins to backslide on the job? Before jumping the gun and terminating the employee, discuss the matter with him or her. It may be a temporary situation that can be easily resolved.

Although most managers will encounter a "bad egg" at one time or another, there are many fine employees and prospective employees in the business world. With careful screening of applicants and a thoughtful, encouraging attitude toward those hired, managers can be successful with personnel — and watch their profits grow as well.

continued from page 20

have enacted laws regulating the rental industry. As most of you appreciate, these laws deal with the industry in the same yet, in many cases, uniquely different ways. For example, there has developed a patchwork approach to advertising disclosures that is beginning to create an impediment to effective advertising on a multi-state level. In this regard, unless a federal advertising provision effectively preempts the various state laws, the need to comply with various state advertising requirements will, for no valid reason, artificially increase your costs of doing business, which of course will be passed along to the rental consumers, your customers. The issue of preemption, at least in the advertising area, is being supported in part as an economy that will be directly reflected in consumer prices with no loss in consumer information if handled at the federal level. In this and other important areas, we continue to push hard for federal preemption in this bill.

Events in Washington with regard to

the passage of this legislation move much quicker, unfortunately, than our ability to report and publish those reports to you. Within the next six weeks, various representatives of the rental industry will be called upon to contact their members in Congress in support of the various activities that are going on and that will go on in the future.

Those contacts will either come from my office or from various representatives of the Government Relations Committee, most likely Barry Gambini, or from the APRO office in Austin. All requests for support should be heeded promptly and, if you have any question concerning any request or the current status of the legislation, please feel free to contact this office or the APRO office for that information.

As soon as the new legislation is reintroduced and given appropriate Senate and House bill numbers, that information will be published in these pages and circulated to the membership as soon as possible.

In the meantime, I would urge each

of you to continue to build and foster good relations with your senatorial or congressional representatives in Washington. There are currently many post-election fundraisers going on to retire campaign debts. I would urge each of you to participate in those fundraising activities. As this writer has stated on many different occasions and in many different forums, when political help is needed there is no better list to be on than that of an enthusiastic and generous contributor.

In closing, let me say that 1986 has been a very full and productive year for APRO in Congress. Although we do not have a law as this year comes to an end, we have set in motion the forces that, in my opinion, will result in the passage of a bill regulating the industry before the adjournment of the 100th Congress.

*J. Samuel Choate Jr. heads his own law firm in Washington, D.C., and promotes legislative action for the rental-purchase industry as a representative of APRO.*

#### STATEMENT OF OWNERSHIP, MANAGEMENT, AND CIRCULATION

1A. Title of Publication: *Progressive Rentals*. 1B. Publication No.: 07361874. 2. Date of Filing: September 29, 1986. Frequency of Issue: Bimonthly. 3A. No. of Issues Published Annually: 6. 3B. Annual Subscription Price: \$30. 4. Complete Mailing Address of Known Office of Publication: 1866 InterFirst Tower, Austin, TX 78701. 5. Complete Mailing Address of the Headquarters of General Business Offices of the Publisher: 1866 InterFirst Tower, Austin, TX 78701. 6. Full Names and Complete Mailing Address of Publisher, Editor and Managing Editor: Publisher: Elizabeth T. Johnston, APRO, 1866 InterFirst Tower, Austin, TX 78701. Editor: Elizabeth T. Johnston, APRO, 1866 InterFirst Tower, Austin, TX 78701. Managing Editor: Frances Knight, APRO, 1866 InterFirst Tower, Austin, TX 78701. 7. Owner: Association of Progressive Rental Organizations (APRO), 1866 InterFirst Tower, Austin, TX 78701. 8. Known Bondholders, Mortgagees, and Other Security Holders Owning or Holding 1 Percent or More of Total Amount of Bonds, Mortgages or Other Securities: None. 9. The purpose, function, and nonprofit status of this organization and the exempt status for Federal income tax purposes has not changed during the preceding 12 months. 10. Extent and Nature of Circulation:

	Average No. Copies Each Issue During Preceding 12 Months	Actual No. of Copies of Single Issue Published Nearest to Filing Date
A. Total No. Copies Printed	4,145	4,000
B. Paid and/or Requested Circulation		
1. Mail Subscriptions	2,452	2,567
C. Total paid and/or requested circulation	2,452	2,567
D. Free Distribution by Mail, Carrier, or Other Means, Samples, Complimentary, and Other Free Copies	184	166
E. Total Distribution	2,636	2,733
F. Copies Not Distributed		
1. Office Use, Left Over, Unaccounted, Spoiled After Printing	1,509	1,267
2. Returns from News Agents	0	0
G. Total	4,145	4,000

11. I certify that the statements made by me above are correct and complete.

—E. T. Johnston, Publisher & Editor.

#### PROGRESSIVE RENTALS

is published by the Association of Progressive Rental Organizations

**Ed. Note:** The statement of ownership report (see box at left) was filed with the U.S. Postal Service before September 30, as required. Address information was correct for that date. Please note the new headquarters address and telephone number as follows:

**Headquarters:** 2028 E. Ben White Blvd. Suite 200, Austin, TX 78741. Telephone: (512) 447-0333.

The Association of Progressive Rental Organizations (APRO), publisher of PROGRESSIVE RENTALS, was founded in 1980 as a not-for-profit trade association. Its more than 464 corporate members representing 1700 stores, and its 60 associate members are directly associated with the home entertainment, appliance, and furniture rental-purchase industry in the United States and Canada. Membership provides opportunities for the exchange of ideas regarding the state of the industry between industry professionals, as well as opportunities to participate in educational seminars, an annual trade show and national convention, and the opportunity to receive informative publications and other benefits.

APRO seeks to promote a spirit of cooperation between its members, and in a lawful manner, to promote the development, preservation, operation, maintenance, and general welfare of the industry. APRO keeps members abreast of important legislative proposals, administrative agency activities, and tax rulings. Membership questions should be directed to the Director of Member Services, Kayte Bean.

**Editorial policy:** The statements and opinions appearing in articles and departments are those of the authors and not necessarily those of APRO. The editorial staff seeks to present material that is useful and thought provoking, but the staff has no authority to speak for the officers or board of directors of APRO. Readers are invited to comment on the opinions the authors express.

The use of articles or descriptive procedures pertaining to commercial products or mentioning commercial manufacturers is believed to be in the best interest of APRO members. References to commercial products or procedures, however, do not constitute an endorsement by APRO.

*Computerizing your business?*

## **CUSTOM COMPUTER SYSTEMS**

Would like to give you a choice. Two great software packages written specifically for the Rent-To-Own industry. Pick the one that is right for your business and your pocket book.

### **BORIS**

**Features: Comprehensive**

- Prints Contracts & Receipts
- Prints Past Due Account Cards
- Tracks advertising effectiveness
- Tracks Maintenance History
- Prints Daily BOR Analysis
- Free-time Analysis
- Idle Inventory Report
- Automatic Inventory Depreciation
- Prints Solicitation Letters
- Daily Activity Reports by route and much much more...

\*\*\*\*\*

**Single User Systems**  
(Including computer, printer, software & training)  
starting at \$9500

### **TRACS**

**Features: Easy to Use**

- Tracks all inventory by status
- Prints Receipts
- Prints Daily Activity Reports
- Tracks Customer History
- Prints BARCODES
- Prints Mailing Labels
- Daily Income Reports
- and more...

\*\*\*\*\*

**Single User Systems**  
(Including computer, printer, software & training)  
starting at \$4495

*Regardless which system above you choose you can also utilize our full featured VIDEO TAPE RENTAL software for just \$1495*

**Features:** Prints Receipts  
Tracks all tape Inventory VHS, Beta, Video Disks, etc  
Utilizes BARCODES for quick checkout & check-in  
Handles Reservations  
Tracks Customer Histories  
Prints Daily Activity Reports

*All of this is available from your Full-Service Dealer*

**Custom Computer Systems, Inc.**

117 South Oak Street  
Hammond, Louisiana 70401  
504-542-9010

*Providing Solutions for the Rent-To-Own Industry*

# Turning Previously Rented Furniture Into Profit

*Effective marketing can ring up sales in furniture rentals*

Furniture rental, still a newcomer to the rent-to-own industry, is a proven money maker. One of the most often asked questions, and a definite deterrent to getting into the business, is "What do I do with 'used' furniture?" The answer is simple, turn it into profit.

Let me tell you how to profitably rent furniture that has generated at least eight to ten months rental income after all other avenues to keep it on the street have been exhausted.

Personnel training is the key. An employee must understand the concept before successful sales can be accomplished. Remind your employees that there is a customer for every piece of goods, and that product knowledge and verbal imagery are essential for reaching that customer. Building a mental picture for the potential customer can be replaced only by showing the actual item, a picture, or a catalog. But catalogs are expensive and defeat the object, which is to rent the previously rented merchandise presently in your store.

## Packaging the Goods

Apartment packaging is a viable vehicle for previously rented furniture that is showing wear. It increases revenue, gives your average dollar per unit a boost, and utilizes merchandise that is slow moving on rent-to-own. The rent-to-rent theory differs only slightly and is the solution to warehousing used furniture.

Apartment complexes with unfurnished apartments are good prospects. The apartment management company may rent directly, or they may send prospective tenants to your store. Getting the company to rent from you directly is the most profitable and cost-effective method as you have steady income, one billing, one contact, and no collection hassle.

---

GOOD PUBLIC RELATIONS IS THE MOST EFFECTIVE MARKETING AVENUE. ONCE YOU HAVE BECOME ESTABLISHED, WORD OF MOUTH WILL GENERATE A STEADY FLOW OF INCOME.

---

Many people have a temporary need to rent an entire household: those in town for a few months on business; people having their house built or remodeled; military personnel awaiting base housing and the arrival of their belongings; tourists who spend a few months out of each year in the area; newlyweds, and the recently divorced.

You should personally contact military housing authorities and apartment managers to generate interest in your business. Invite them to the store and let them browse around. Once they have seen the type of merchandise you carry, explain the concept of apartment packaging, the approximate monthly

---

PERSONNEL TRAINING IS THE KEY. AN EMPLOYEE MUST UNDERSTAND THE CONCEPT BEFORE SUCCESSFUL SALES CAN BE ACCOMPLISHED.

---

rental ranges for one, two, and three-bedroom apartments, and exactly what is included. If possible, supply flyers describing your program to be displayed or handed out in their office.

Explaining the apartment package concept correctly is imperative. Make sure they understand you cannot promise any specific item, it depends solely on the merchandise you have available

at the time of delivery. Be candid, emphasize the reason you can offer attractively low rates is because you know which items have generated sufficient income to qualify for the apartment package program. Explain that you must, therefore, pick the merchandise, but that you will allow flexibility when possible. In fact, you should make it clear that you may *not* always be able to supply the low-rate packages. Obviously, new furniture is never included in your special-rate offers. This does not mean it is not available; however, the rate structure would increase substantially.

Marketing of these package deals should be separate from your rent-to-own advertising. Yellow page advertising is a must, nothing fancy, just the fact that you offer this service. An inexpensive classified ad will draw inquiries. Good public relations with military housing authorities and local apartment complex managers, as outlined above, is the most effective marketing avenue. Once you have become established in those two areas, word of mouth will generate a steady flow of customers.

## Selecting the Furniture

The furniture you offer in your special packages must be durable and in at least fair, or usable, condition. Wood groups, sturdy and inexpensive, usually including tables and lamps, are excellent. Several furniture repair kits supply touch-up markers that can turn a scratched wood frame into a good condition living room suite. The cushions should be reversible and interchangeable (the center seat of a sofa gets less use), with print covers.

The dining room can be completed with a wood-look table and four chairs. Avoid glass tables and fabric cushions when possible.

One bedroom should have a dresser, mirror, headboard, 4/6 mattress, foundation and frame, one night stand and one lamp. If a second bedroom is involved, consider single beds with one chest, one night stand and lamp, or a bunkbed ensemble, the possibilities are unlimited. Leader bedroom furniture can be purchased from several manufacturers with minimal cash outlay. Touch-up markers can also be used to keep bedroom suites looking their best. The bedding can be preserved by keeping a fitted sheet on the mattress while on rent and cleaning after each renting (know and follow your state law).

## Figuring the Rate

Your rental rate must be attractive to the renter yet profitable for you. Charge rent-to-rent customers a \$100 deposit, and require that they keep the merchandise a minimum of four months or forfeit this deposit. The merchandise must be returned in satisfactory condition. Add a \$35 to \$50 delivery, set-up, tear-down, and pick-up charge. The \$100 deposit is kept the entire rental period and will be applied to any cleaning, restoring, or damage not considered normal wear. The remainder will be refunded at termination of the rental agreement.

The customer is made aware of all charges due prior to delivery; first month's rent, the deposit and delivery charge, all must be paid in full. This usually establishes the payment pattern. Naturally, apartment packages have a higher monthly rental rate than most items in the store; however, you are not dealing with typical rent-to-own customers in this situation.

To compute the monthly rental rate, multiply the cost of the item by your profit decimal, subtract all rental income and divide by 12. This equals a monthly payment the customer can afford and will yield an income on furniture otherwise taking up warehouse space.

## Another Profit Maker

Another method for turning previously rented goods into dollars is a Sale/Big Tent event. Targeting the customer is the trick here. Cash and carry consumers are not typical rent-to-own customers; these people can accumulate \$300-\$500 cash. Sometimes you can convert them to rent-to-own, but that is the exception not the rule.

The public must be aware of the sale

## Computing Monthly Rental Rates

To compute the monthly rental rate, multiply the cost of the item by your profit decimal (for this example, four is used), subtract all rental income and divide by 12.

ITEM	COST
6-piece wood group	\$359.00
two lamps	15.00
5-piece wood dinette	99.00
4/6 mattress & foundation	79.00
bed frame	12.00
dresser/mirror/headboard	189.00
night stand	39.00
lamp	8.00
	<hr/>
	\$800.00

ITEM	RENTAL INCOME
(Rental income is that generated to date less any repairs)	
6-piece wood group	\$659.00
two lamps	—
5-piece wood dinette	296.00
4/6 mattress & foundation	160.00
bed frame	—
dresser/mirror/headboard	400.00
night stand	55.00
lamp	—
	<hr/>
	\$1,570.60
ORIGINAL COST OF FURNITURE	\$800.00
Multiply by profit decimal	× 4
	<hr/>
	\$3,200.00
Subtract rental income	— 1,570.60
	<hr/>
	\$1,629.40
Divide by 12	÷ 12
<b>MONTHLY PAYMENT</b>	<hr/>
	\$ 135.78

event at least two weeks in advance so that they can have cash available for that particular weekend, which should encompass the first of the month. Everyone has heard "low, low prices" a thousand times before; avoid such generalities. Advertise specific items for specific prices. Pique your audience's interest with "This early American Antron sofa, loveseat and chair, hardwood frames, ALL THREE PIECES ONLY \$\_\_\_\_\_."

Buy television run-of-station advertising using ten-second vignettes. Attach large price tags to the items, mention day and place of sale; have the date and location superimposed on the television spot, also. For radio, use an upbeat 30-second spot describing two items (mental imagery is working here), price, day, and place. Print is effective only if the rates are reasonable; TV list-

IT INCREASES REVENUE, GIVES YOUR AVERAGE DOLLAR PER UNIT A BOOST, AND UTILIZES MERCHANDISE THAT IS SLOW MOVING ON RENT-TO-OWN.

ing giveaway books are the best bet for print advertising of this kind of event.

If you are located in a plaza, strip center, or similar location, find out if the anchor store has any sidewalk or parking lot sales planned. Other businesses welcome the opportunity to share this time with you as it will be mutually beneficial.

Pricing for your big sale event

# GET IT TOGETHER!

RENT-TO-OWN DEALERS, to obtain a better price for your merchandise, you have joined buying groups. Well, now you can do the same thing to obtain rent-to-own software.

We have an "UNLIMITED USE" purchase plan for those dealers that have a minimum of six stores. We will provide our C A S S STORE MANAGER System, for use in all your present stores, for a one-time price. Then, all future stores you open will be allowed to use the system

F R E E!

If you want to take advantage of this offer, but don't have the minimum of six stores, then GET TOGETHER with other dealers and we will write the contract as one deal, but for a group of dealers. The more stores involved, the greater the savings.

C A S S Systems knows the rent-to-own business. We have been installing and supporting systems for over six years. We have customers from Oregon to Vermont, New Mexico to Florida, and many points between. The years of experience we have had with store management enable us to speak with you in your language, not "computerese".

We have In-Store Systems, Corporate Home Office Systems, Movie Rental Systems, General Ledger and Accounts Payable Systems.

The use of a computer will affect your business and your customers. The important consideration is, how? We can discuss this and additional items, such as conversion efforts, time to convert, selection of hardware, management policies and procedures. Please take the time to schedule a demonstration and visit at a C A S S customer site. Call or write:

## **C A S S SYSTEMS, INC.**

Park Place, Suite 126  
17000 Dallas Parkway  
Dallas, Texas 75248  
(214) 931-5522

## Computing Profit Margin/Pricing

A good basic formula for figuring your pricing and profit margin is to multiply cost of the merchandise by the profit decimal (for these examples, four is used), then subtract the rental income already generated.

Example:

Cost	\$ 275.00
Profit decimal	× 4
	\$ 1,100.00
Rental Income	- 855.54
	\$ 244.46

That is a good price, and you should go for it.

Example:

Cost	\$ 350.00
Profit decimal	× 4
	\$ 1,400.00
Rental income	- 699.93
	\$ 707.07

The above is too high, you will never get it.

If the price is higher than practical as in the above example, try this approach: Cost times 66 percent plus cost less rental income, then price accordingly.

Example:

Cost	\$ 350.00
Markup	× .66
	\$ 231.00
Cost	+ 350.00
	\$ 581.00

Subtract the \$699.93 rental income already generated and price accordingly. (Author's note: If you have a rental profit finder gauge as I do, use your profit finder to multiply the cost by 35 to 40 percent, subtract the rental income, then adjust.)

depends on appearance and what the market will bear. (Ed. note: See the screened boxes elsewhere in this article for Claudia's examples of computing the rental rate and for figuring the pricing and profit margins.)

Once you have established your big tent sale event in the community on an annual or semi-annual basis, people will call to find out when your next sale is scheduled.

If concern about disposing of previously rented furniture is stopping you from expanding into this area, hesitate no longer. There is profit to be had from furniture rentals. **PR**

*Claudia Filloramo, president of Rental Consultants, recently sold her rental stores to train and consult in the rent-to-own industry. She has conducted seminars for APRO.*

This Announcement Appears As A Matter of Record Only

**Mr. Jim Graham**

and

**Mr. Tom Boothe**

as principals

have structured an inventory financing arrangement for

**Liberty Military Sales, Inc.**

with



**CHRYSLER  
FIRST**

Wholesale Credit Inc

2700 West 15 St., Suite 350  
Plano, Texas 75075  
(214) 612-1846

This Announcement Appears As A Matter of Record Only

**Raymond C. Holladay**

has structured a new financing arrangement for

**ABC Rentals, Inc.**

**Dallas, Texas**

with

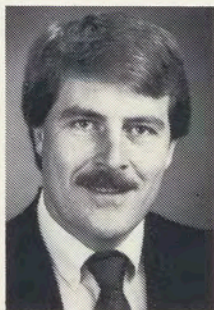


**CHRYSLER  
FIRST**

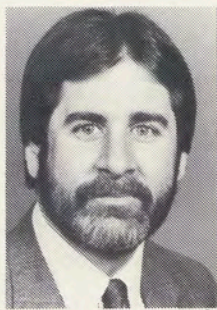
Wholesale Credit Inc

2700 West 15 St., Suite 350  
Plano, Texas 75075  
(214) 612-1846

## CORPORATE MOVES



Butler



Fahey



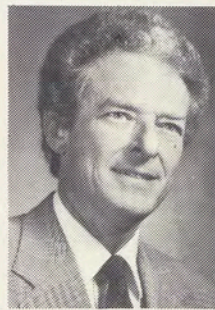
Miller



Zeller



Schmitz



Powell

**Aaron Rents, Inc.**, the Atlanta-based furniture rental and sales company, has appointed **Ken Butler** to the position of vice-president of its rent-to-own division. Butler will oversee the operation of Aaron's 12 rent-to-own stores, located in seven cities. A 14-year veteran at Aaron Rents, Inc., Butler previously held the position of national marketing manager for the rental division.

**Panasonic Company** has announced the promotion of **Joseph Fahey** to Technics sales manager/Boston region. Fahey, who joined the firm in December 1982 as a sales coordinator, is responsible for all Technics business in Massachusetts, Rhode Island, Connecticut, Maine, and New Hampshire. He is based at region headquarters in Westwood, Massachusetts.

**Whirlpool Leasing Services, Inc.**, has entered the commercial auto leasing field, according to Richard Zamojski, vice-president, marketing. Named as general manager of the new division is **Charles A. Miller**, former zone car sales manager for Hertz Corporation. With the establishment of the auto leasing division, Whirlpool will begin sales and marketing activities covering commercial markets in the midwest. The division will also handle the company's in-house needs and the needs of Whirlpool Acceptance Corporation. Plans call for commercial auto leasing nationwide in the future.

And at **Whirlpool Acceptance Corporation**, **Margaret M. Zeller** has been promoted to director of human resources. Zeller has been with Whirlpool for 16 years, the last seven at Whirlpool Acceptance. In her new capacity, she will be responsible for all the company's human resource programs and services.

**Ronald R. Schmitz** has been named vice-president of strategic planning and special projects at **Whirlpool Kitchens**. Schmitz joined Whirlpool as a staff

auditor in 1972. He is now responsible for analytical research and support services as well as development of the overall company strategic plan in his new position.

**James G. Powell** and **Janis C. Cooper** have been promoted to the corporate public affairs staff of **Maytag**. Now the manager of corporate financial relations, Powell held a similar position in

the Maytag public relations department prior to the recent merger with Magic Chef.

Cooper started at Maytag in 1969 and was named staff home economist in 1970. Most recently, she was manager of consumer education; her new position makes her manager of corporate public affairs. **PR**

## INDUSTRY NEWS

**Rent-A-Center, Inc.**, reported record revenues and earnings for the first quarter of fiscal 1987 ended October 31, 1986. Total revenues increased 47.3 percent to a record \$43,717,000 compared to \$29,479,000 a year earlier. Net earnings were \$1,948,000 compared to \$1,366,000, an increase of 42.6 percent. Earnings per share were 17 cents compared to 12 cents last year. Thomas R. Devlin, chairman of the board and CEO, noted the increase in revenues and net earnings for the first quarter was the strongest in the history of the company. He attributed the strong growth to improved marketing programs.

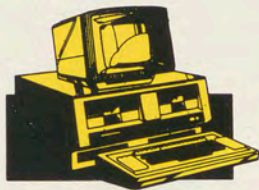
Rent-A-Center now operates 345 stores nationwide with 234 company-owned stores and 111 franchise stores. In the first quarter, 32 company stores were opened or acquired and 21 franchise stores were opened. Bud Gates, president and chief operating officer, predicts that strong revenue growth will continue throughout the year.

**Mitsubishi will distribute Akai audio-video** products in the U.S. effective January 1. Akai America, Ltd. will discontinue sales, marketing, and distribution of the products December 31. Mitsubishi plans to form a new Akai division based in Piscataway, New Jersey. They will assume responsibility for consumer warranty protection on Akai products.

**ColorTyme, Inc.**, has worked out a financing agreement with Chrysler First Diversified Credit, Inc., creating a line of credit for the Texas-based company's wholly owned subsidiary, ColorTyme Financial Services, Inc., according to an announcement from Willie R. Talley, ColorTyme president and chairman of the board. ColorTyme Financial Services will finance the purchase of rent-to-own consumer goods by participating ColorTyme franchisees. The agreement also provides a line of credit to ColorTyme, Inc., with which to purchase the manufacturing of ColorTyme-based products. ColorTyme is the largest rent-to-own system in the U.S. with 523 franchised locations in more than 40 states.

**Network Rental has joined the Marines.** The Atlanta-based chain joined the U.S. Marine Corps Reserve in its annual Toys for Tots campaign. Perry J. McNeal, Network Rental president, says this is the third consecutive year the company has supported the program to provide toys to needy children at Christmas. Network Rental donated 5,000 toys and designated all stores in the company's Atlanta, Birmingham, Memphis, and St. Louis markets as collection points for people who wished to donate toys. **PR**

# ALL IN ONE



## MULTI-STORE SERIALIZED SOFTWARE SYSTEM

- COMPLETE RENT TO OWN SYSTEM
- SALES & INVENTORY CONTROL
- COMPLETE MOVIE CLUB CONTROL



**WHEN IT COMES TO SOFTWARE** - getting the right one for your company will increase your productivity, reduce your overhead, and give you complete inventory control, plus control of every sale, every rental, that make buying decisions and controlling your movie rentals a snap.

**WHEN YOU CHOOSE RSSS SOFTWARE**, whether it is sales, rental, or movie club management, every transaction updates your inventory right up to the minute, so you will always have the latest information on rental and sales income and inventory, the gross profit on every sale, the income on each and every movie with bar code or without. You even get rent income, sales income, and gross margins, movie income for any hour, day, month or year for any period, compared to any other period in concise form, and that's anytime you want it. But most important, it gives you this information the way you want it, by model, serial number, sales person, store, description, book value, cost, average cost, floor plan agent, account number, YOU ask for it, YOU get it.

**THE RSSS SYSTEM** was designed in 1979 for single or multi-store appliance, TV, furniture and video dealers, for rent-to-own appliance, TV, and video dealers and video dealers that rent video tapes. The RSSS System has been in design, testing and used every day in 1 to 9 stores since 1979. At last count, there are nearly 150 stores that rely on the RSSS System to control their Colortyme, Curtis Mathes, and independent sales and rental stores coast to coast. There is one thing about Rental Sales Software Systems, it solves business problems in an innovative way to make smarter and more profitable business decisions. The RSSS package includes hardware, software license, initial training at your site, future updates, and continuing phone line support direct to your computer.

**IT'S A GREAT FEELING** when you are in control of your business. We sell systems every year to dealers who bought the wrong system the first time. For information on how we can help you the first time, call collect to Rental Sales Software Systems today.

# RSSS

RENTALS & SALES SOFTWARE SYSTEMS

Les Feldser  
President

457 Robert Drive • Corpus Christi, Texas 78412 • 512-851-8709

# Video Supplier Who's Who

Video products are the mainstay of the rental-purchase industry. High-end and hi-tech are just some of the buzzwords that underscore the range of products available and the competitiveness in the video industry. The following is a detailed list of current video suppliers to the industry.

## Akai

800 W. Artesia Blvd.  
Compton, CA 90224  
(213) 537-3880  
VCRs

## American Family Video Corp.

15808 S.E. 114th St.  
Clackamas, OR 97015  
(503) 657-9743  
Video cassette store racks

## Brockwood Corp.

8120 Scott Hamilton Rd.  
Little Rock, AR 72209  
(501) 562-0043  
TVs, VCRs, TV stands

## Commtron

3211 W. MacArthur  
Santa Ana, CA 92704  
(714) 751-9011  
Prerecorded videocassettes

## Fisher

21314 Lassen St.  
Chatsworth, CA 91311  
(818) 998-7322  
TVs, VCRs

## Froehlich Fotovideo

6 Depot Way  
Larchmont, NY 10538  
(914) 834-5411  
Video transfer systems

## General Electric

1 College Blvd.  
Portsmouth, VA 23705  
(804) 483-5000  
TVs, VCRs

## General Video

3700 Kelly Ave.  
Cleveland, OH 44114  
(800) 321-9858  
Distribute adult prerecorded videocassettes

## Gilbert Electronics

3303 N. Main  
Houston, TX 77009  
(800) 392-3657  
Parts for GE, RCA, Panasonic, Quasar, Magnavox, Philco, and Sylvania

## Goldstar

1050 Wall St. W.  
Lyndhurst, NJ 07071  
(201) 460-8870  
TVs, VCRs, monitors

## Hitachi

401 W. Artesia Blvd.  
Compton, CA 90220  
(213) 537-8383  
TVs, VCRs

## Ingram Video

347 Reedwood Dr.  
Nashville, TN 37217  
(800) 251-5902  
Prerecorded videocassettes

## JV

41 Slater Dr.  
Elmwood Park, NJ 07407  
(201) 794-3900  
TVs, VCRs

## Magnavox

P.O. Box 14810  
Knoxville, TN 37914-1810  
(615) 521-4316  
TVs, VCRs

## Marantz

20525 Nordhoff St.  
Chatsworth, CA 91311  
(818) 998-9333  
TVs

## Millrock

Sanford Airport  
P.O. Box 974  
Sanford, ME 04073  
(207) 324-0041  
Videocassette store racks

## Mitsubishi

5757 Plaza Dr.  
P.O. Box 6007  
Cypress, CA 90630-6007  
(714) 220-2500  
VCRs, big screen TVs

## National Parts Center

3412 Yale St.  
Houston, TX 77018  
(713) 869-0632  
TV & VCR parts and accessories

## National Video Clearinghouse

100 Lafayette Dr.  
Syosett, NY 11791  
(516) 364-3686  
Publishes catalog listings of current videocassettes

## Panasonic

1 Panasonic Way  
Secaucus, NJ 07094  
(201) 348-7000  
TVs, VCRs

## Philco

P.O. Box 14810  
Knoxville, TN 37914-1810  
(615) 521-4316  
TVs, VCRs

## Pilot

101-10 Foster Ave.  
Brooklyn, NY 11236  
(718) 257-7000  
Audio/video, HECs

## Pioneer

5000 Airport Plaza Dr.  
Long Beach, CA 90815  
(213) 420-5700  
TVs, VCRs

## PortaVideo

1930 W. Third St.  
P.O. Box 22130  
Tempe, AZ 85282  
(800) 528-3350  
VCPs, VCP-monitor systems

## Quasar

4205 Diplomacy Rd.  
Ft. Worth, TX 76155  
(817) 283-8103  
TVs, VCRs, camcorders

## RCA

600 N. Sherman Dr.  
Indianapolis, IN 45201  
(317) 267-5535  
TVs, VCRs, HECs

## Recoton

4623 Crane St.  
Long Island City, NY 11101  
(800) 223-6009  
Stereo decoders

## Samsung

301 Mayhill St.  
Saddlebrook, NJ 07662  
(201) 587-9600  
TVs, VCRs

## Sansui

1250 Valley Brook Ave.  
Lyndhurst, NJ 07071  
(201) 460-9710  
VCRs, monitors

## Sanyo

1200 W. Artesia Blvd.  
Compton, CA 90220  
(213) 537-5830  
TVs, VCRs

## Sharp Electronics Corp.

Sharp Plaza  
P.O. Box 650  
Mahwah, NJ 07630-2135  
(201) 529-8200  
TVs, VCRs

## Shelton Software

P.O. Box 129  
Tualatin, OR 97062  
(503) 692-1874  
Video store automation and computerization

## Sony Corp.

1 Sony Dr.  
Parkridge, NJ 07656  
(201) 930-1000  
TVs, VCRs, Camcorders

## Soundesign

34 Exchange Place  
Jersey City, NJ 07302  
(201) 434-1050  
TVs, VCRs

## Source Video

1100 Hillsboro Rd.  
Franklin, TN 37064-7000  
(800) 962-0222  
Prerecorded videocassettes

## Star Video

550 Grand St.  
Jersey City, NJ 07302-4112  
(201) 333-4600  
Prerecorded videocassettes (Distributed in Northeast only)

## Sylvania

P.O. Box 14810  
Knoxville, TN 37914-1810  
(615) 521-4316  
TVs, VCRs

## Teknika

353 Rt. 46 W.  
Fairfield, NJ 07006  
(201) 575-0380  
TVs, VCRs

## Thomas

122 Tices Ln.  
East Brunswick, NJ 08816  
(800) 524-0160  
Audio, video, HECs

## Toshiba

82 Totowa Rd.  
Wayne, NJ 07470  
(201) 628-8000  
TVs, VCRs

## Video Aid

99 Tower Dr.  
Middletown, NY 10940  
(800) 431-5843  
Extended warranties on video appliances

## Video By Cycling

605 Sherman -705-G  
Richardson, TX 75081  
(214) 437-4466  
Prerecorded videocassettes and accessories

## Video Latino

431 N. Figueroa St.  
Wilmington, CA 90744  
(213) 549-4490  
Spanish and Mexican prerecorded videocassettes

## Videopulse

2434 E. Fender  
Fullerton, CA 92631  
(714) 441-0900  
Prerecorded videocassettes

## ZBS

701 Beta Dr.  
Mayfield Village, OH 44143  
(800) 321-8774  
Prerecorded videocassettes and accessories

## Zenith

1000 Milwaukee Rd.  
Glenview, IL 60025  
(312) 391-8231  
TVs

## VIDEO RENTAL

continued from page 10

reasonably. Others will depend on whether the new technology catches on. With the usual lag time for rental being about eight months behind the retail market, only time will tell.

Digital reproduction is one of the categories that may catch on, but probably not for a few years to the rental market. Digital TVs and VCRs enhance the quality of picture reproduction by increasing the actual number of lines viewed on the screen. Jeff Mullarkey, national marketing manager at Toshiba, says that this development creates "better color density, better picture density and an overall clearer, more sharply reproduced image on the screen."

Mullarkey envisions that digital technology will be a mass marketable item in the next two to three years. "With non-interlace TVs, your signal is enhanced and the reproduction on your TV is incredible," says Mullarkey. "It's like nothing you've ever seen before."

Some, like Mullarkey, foresee digital technology catching on and spreading like wildfire, much the way stereo TVs have penetrated the market. But others disagree with that outlook.

Eric Kamayatsu, national sales manager at Hitachi, says that there has been too much media hype about digital and other features available to the public.

JUST AS TELEVISION WAS  
DRIVEN FROM BLACK AND  
WHITE TO COLOR, SO WILL  
STEREO TV GO FROM  
MONAURAL BROADCAST.

"Manufacturers need to be reactive to what consumers want," says Kamayatsu. "Consumers want good picture reproduction, but what's the advantage of selling them a digital TV that promises a superior picture if TV stations don't even broadcast in digital yet?"

As innovative products reach the market, advantages and disadvantages to their technology will become apparent. A combination TV-VCR package, an obvious space-saver, has been introduced by Goldstar. Considering that 70 percent of rental customers also rent their homes, a smaller unit might be a popular rental item. However, many dealers prefer the component approach when renting audio/video products for

FORTY-EIGHT OF THE TOP  
FIFTY MARKETS ACROSS  
THE COUNTRY NOW  
BROADCAST IN STEREO  
AND CONSUMERS ARE  
DEMANDING THE  
EQUIPMENT THEY NEED TO  
PICK UP THE SOUND.

two reasons. One, there is more chance for profit when renting two separate units. Second, if there is a service problem, both the TV and VCR do not have to be picked up for repair.

Another video rental product with good and bad points are the ever-popular camcorders. At an average of \$1,000 per camera, however, they are expensive playtoys. Many dealers have reservations about renting them out to just anyone. Ken Stanwyck, manager at Prime Time TV in Tacoma, Washington, says that camcorders are troublesome, so he only rents them to his preferred customers and then only for a weekend at a time. "It takes a lot of time to educate the customer as to how to operate the camera and the do's and don't instructions," he says.

Paul Volker, manager of Universal TV Rental in Champaign, Illinois, says that camcorders have very sensitive constructions. "If someone accidentally drops it or points it into direct sunlight, it will need to be serviced and can easily be ruined."

Frank Constantino, manager of Aaron Rents Electronics in Clearwater, Florida, says camcorders rent well at his store, but he has to charge a high rental fee because the equipment is so expensive. Once the technology of camcorders becomes more rugged and durable, the price should decrease and they will undoubtedly be a more popular rental item. In the meantime, dealers need to be aware of the advantages and disadvantages of renting camera equipment.

Finally, what does all this mean for the rent-to-own dealer? It means knowing who your customers are and what they will find appealing. It means taking a chance on new products to entice the more daring prospective renters. It means training your salespeople to understand every product you offer. It means, plain and simple, *selling the new technology.* **PR**

Samantha Sipowicz is advertising director of PROGRESSIVE RENTALS magazine.

## Results to the

# Max

*Maximize* **Central Office Control.**

Retrieves data from every store each night for evaluation.

*Maximize* **Data Collection Without Disruption.**

It's all done without remote store action or participation.

*Maximize* **Ease of Recovery.**

Central office backup features with upload/download capabilities

*Maximize* **Operator Use And Convenience.**

You may have multiple terminals in a store.

*Maximize* **Responsiveness on The Rental Floor.**

All inventory is locally filed and updated for audits and transfers.

*Maximize* **Accounting System Detail.**

A full-featured combination of AR, AP, GL, and multi-state payroll

*Maximize* **Transportability.**

Our Software will operate on many different computer systems.

## RMAX™

### The Rent-to-Own Management And Control System

For more information call:  
205/533-4455

Or write to:

**Computermax, Inc.**  
3805 Drake Avenue  
Huntsville, AL 35805  
OR  
2033 North Ocoee Street  
Cleveland, TN 37320



867RMAXA

**APRO**<sup>TM</sup>  
**Convention '87**

**August 6-10**

**Fairmont Hotel  
NEW ORLEANS**

**Mark Your  
Calendar!**

Have you made  
plans to renew your  
APRO membership?

For more information, contact the  
APRO office at (512) 447-0333

Just pick up your phone and call  
**1-800-222-7237**  
**TOLL FREE**  
**1-800-222-PADS**  
(IN S. C. CALL COLLECT 537-2454)

from the  
**"HOUSE OF STANTON"**

**STANTON QUILTING CO**  
POST OFFICE BOX 8 • CHERAW, SOUTH CAROLINA 29520  
(803) 537-2454

# NOTICE!

We, the members of TRIB GROUP offer qualified Rental Dealers the opportunity to unite with us for the best pricing, warranties, and availability of merchandise.

1. 5% to 20% Increase in Profits based on your present volume. (Many times from your same supplier)
2. Millions of Dollars in Buying Power sets your price.
3. Being part of the 20% doing 80% of the business with protection and preferential treatment on availability of merchandise and pricing. (Volume has its Rewards!)
4. Having a valuable bank of information on merchandising trends, legalities, as well as personal suggestions shared between Members. Sharing of ideas, business tactics, and methods that are normally kept secret.

Contact: John Blair  
3783 Presidential Parkway  
Suite 113  
Atlanta, Georgia 30340  
(404) 451-4302



Non-Profit Organization

Now serving 260 rental stores

*"Governed By The Members For The Members"*



RMK

DATA MANAGEMENT SYSTEMS, INC.™

6360 E Thomas Suite 234, Scottsdale, AZ (602) 941-1723

## STAR DEALER™

### SYSTEM FOR TV & APPLIANCE RENTAL

DESIGNED FOR THE RENTAL INDUSTRY BY A TV & APPLIANCE RENTAL COMPANY

---

**FINALLY**, a RENT-TO-OWN computer software system made available at a reasonable price!  
The **STAR DEALER** system can now be installed by using one of these affordable payment plans:

#### STORE SOFTWARE LEASING:

Lease the software for as little as \$125 per month plus tax per store. (12 month renewable lease)

#### MONTHLY SOFTWARE MAINTENANCE:

1st store = \$50.00

All others = \$15.00

#### STORE SOFTWARE PURCHASE:

1 to 5 stores = \$3,700.00 per store

6 to 10 stores = \$3,300.00 per store

Over 10 stores = \$2,970.00 per store

#### HOME OFFICE SOFTWARE:

Home Office System (includes communication)	\$2,200.00
Financial Systems	\$ 650.00 per module
Word processing	\$ 150.00
Maintenance	No Charge

#### TURN KEY SYSTEM

(Complete system including hardware, software & training)

#### IBM PC/XT

1 store = \$9,700.00

2 to 5 stores = \$8,500.00 per store

6 to 10 stores = \$7,600.00 per store

Over 10 stores = \$6,800.00 per store

#### IBM COMPATIBLE

1 store = \$8,100.00

2 to 5 stores = \$6,900.00 per store

6 to 10 stores = \$6,000.00 per store

Over 10 stores = \$5,200.00 per store

---

## THERE'S MORE IN STORE FOR YOU AT ONE LOW PRICE . . .

---

- IBM hardware — unsurpassed for support and service
- Rent to Rent and Rent to Own Contracts
- Daily, weekly, semi-monthly and monthly pay periods
- Multi-unit capability — up to 14 pieces of inventory may be rented on a single agreement
- Product categories are set to the dealer's specifications
- Compatible to Borg-Warner audit procedures
- Customer delinquency control
- Inventory control
- Internal cash control
- Complete on-line payment history plus backup ledger card for each customer
- Fully integrated general accounting
- Multi-store capability complete with communications
- Two levels of security
- Customer profile analysis
- Rental agreement/sales invoice/payment receipt automatically printed
- Up to 9,999 active customer and 9,999 inventory records per store
- Extensive management information automatically reported daily to your home office
- Built in auto-backup procedure
- STAR DEALER is composed of compiled programs NOT written in a data base language. Therefore, the system will NOT "slow down" as you add customers

---

**STAR DEALER** system for TV & appliance software  
is available for IBM PC/DOS PC XT/AT or MSDOS compatible hardware

IBM is a trademark of International Business Machines Corp.

## The Future Is Here for Electronic Rentals

There's one thing that's constant about the electronics home entertainment industry, and that's CHANGE! No other industry that I am aware of offers the consuming public such a broad array of home entertainment products that just a few years before their introduction were merely an artist's concept or an engineer's idea on a drawing board. What are some of these inventions that we take for granted and yet are the basis for our livelihood more and more each day? For starters, consider MTS stereo television, video tape recorders featuring digital special effects, totally integrated home entertainment systems controlled by a single hand-held remote control unit, camcorders—and the list goes on.

What all these new and exciting entertainment products mean to the rental industry is a constant source of opportunities to expand customer base.

### Stereo Television

Many manufacturers offer two categories of stereo television: *stereo adaptable* and *MTS stereo complete*. Stereo adaptable literally means a television that, when a special and separate stereo adaptor is purchased and connected, enables that television to receive and re-create stereo programming. A stereo adaptable television generally has a monaural speaker; to re-create the stereo sound, auxiliary speakers must be connected to the adaptor, which is, in turn, connected to the television.

The MTS stereo complete has the stereo decoder already built into the television and requires no extra adaptor or plug-in speakers to enable it to re-create stereo sound. The convenience of an all-in-one system makes the stereo-complete TV more attractive. Stereo-complete televisions feature a twin speaker system within the set to deliver the left-to-right stereo separation and have the speakers amplified. Generally, an MTS stereo complete also offers a SAP (second audio programming) channel that in many cities allows the customer to switch to, perhaps, a foreign language broadcast.

It is important to note that stereo

---

WHAT ALL THESE NEW AND EXCITING ENTERTAINMENT PRODUCTS MEAN TO THE RENTAL INDUSTRY IS A CONSTANT SOURCE OF OPPORTUNITIES TO EXPAND CUSTOMER BASE.

---

programming is rapidly expanding, and the networks are showing on-screen prompts to tell the viewer which programs are broadcast in stereo. NBC alone now has 24 prime-time and late-hour offerings in stereo. Because of the pioneering efforts being instituted by the networks, more people are becoming aware of stereo television. Local network affiliates are investing in the necessary equipment that will enable them to pass on stereo programming to their customer viewing base.

### Tabletop Resurgence

Tabletop televisions are in a category that is, perhaps, one of the biggest sleepers in the industry. For many people, just the mention of large tabletop TVs brings to mind the classic smoke-filled bar with a television perched up in the corner of the room. As a result of that conception, this category has been overlooked as a viable rental item. A large number of rental customers still prefer their large-screen units to be surrounded by a fine piece of furniture. But more and more customers do not want to compromise on viewing size and are willing to forego furniture styles. What has caused the resurgence of interest in this category?

Changes in living space are a major factor. Many new homes, apartments, and condominiums are noticeably smaller. They feature either a great room or a home entertainment room. The advantage of a large screen table model is that it fits into the same space occupied by the more traditional 19-inch portable design television while delivering the benefit of full-screen viewing.

Advanced technology is another rea-

son for renewed interest in tabletops. Today's new table-size televisions incorporate advanced features that have made the table model the focal point of a home entertainment system. Many of the new sets are monitor/receivers with direct audio and video inputs to simplify a total audio-video marriage of components. Many of the newer sets have on-screen prompts to make all the necessary audio-video adjustments from a hand-held remote control.

### The Future Is Now

If you are waiting for the ultimate video recorder to be invented, wait no longer. The first video recorders were certainly state-of-the-art products for their time, but look how far video recorders have advanced. Remember the first recorders? They were big, bulky, with one-hour record capability, mechanical tuners, and no remotes. Well, the electronics industry has rushed into the future. For example, we now have: front load; slim line; cable ready; electronically tuned; multiple day/event programmability; infrared remote control; pix-in-pix; digitally created special effects; linear stereo; hi-fi stereo; on-screen programming, and auto programming.

And, let's not forget *camcorders*. To appreciate technological advancements in the home entertainment industry, one need look no further than the camcorder. The incorporation of a video recorder and camera into one very convenient and light-weight package has been accepted with rave reviews. Demand has been overwhelming at the retail level and continues to gain momentum in the rental industry. Many people have already rented camcorders for those special one-time events such as weddings, graduations, reunions, vacations. At first glance, the camcorder investment seems substantial, but remember, you are renting a state-of-the-art piece of video equipment that generates excitement, and the demand is growing. Put the future into your rental customers' hands now!

*Tim Shannon is national manager of rental accounts for RCA's special markets division.*

# WATCH OUT!!!

**THOMAS**  
AMERICA'S SOUND OF MUSIC

America's sound of music announces its new 1987 product line for all the world to hear. The official unveiling of the systems will be at CES, but be forewarned. The new models' sights and sounds are so spectacular that we can't be held liable for what might happen. Many have been so blown away by them that we thought it would be best if we introduced them in small doses. So, we have a special preview just for you.

Thomas has put its best foot forward in creating a product line exclusively for the rental industry.

*The look is new, bold, high tech.  
Features include:*

- 20, 50, and 100 watt systems
- audio/video compatible systems
- monitor style remote control TVs and VCRs



But what may be even better than what you see is what you don't see in these systems:

- a longer, 24-month warranty
- prepaid freight

Thomas is happy to announce that Harley/Davidson Audio and Video products are now a part of the Thomas family.

**Thomas Corporation**  
122 Tices Lane  
E. Brunswick, NJ 08816

Call toll free for preview information: 800-524-0160

# THE HOTTEST RENTAL PROPERTY IN THIS NEIGHBORHOOD.

Chances are, you haven't rented much laundry equipment to apartment tenants. But now that 20 million household market



has great rental potential.

Speed Queen's new Contempo Mate™ is the washer and dryer designed for apartments. Stackable, so it fits in smaller spaces. It's light enough to move easily, but built to last—with a

19 month warranty available.

Rent Contempo Mate as is, or add wheels with a portability kit\* for more flexibility.

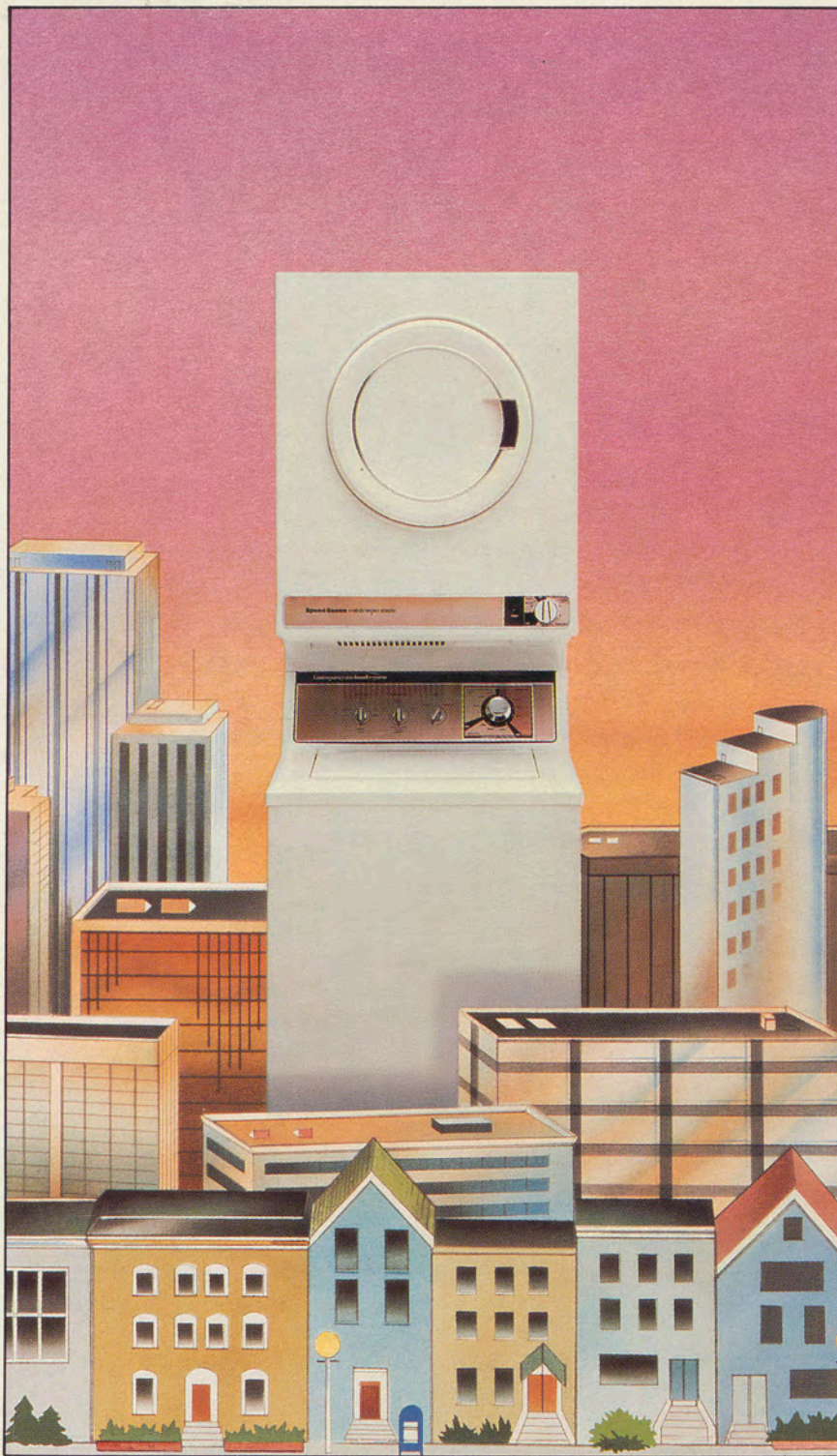
Hose kits\* allow sink hook-up, without special plumbing fixtures. Both the washer and dryer operate on 110V. And the dryer requires no external venting. So, installation is never a problem.



Contempo Mate has the capacity to wash and dry an everyday load of laundry. Great washability, too, with a variety of cycles, and a unique 2.5 turn agitation stroke.

Call, write, or contact your sales representative for more information about Speed Queen's Contempo Mate. It's the stackable that moves—and moves you into the big new apartment market.

Speed Queen Company  
P.O. Box 990  
Ripon, WI 54971-0990  
(414) 748-3121, ext. 203



# contempo mate™

The New Wave In **L** Stackable Washers And Dryers.

© 1986 Speed Queen, A Raytheon Company.  
\*Portability kits sold separately.

## Speed Queen

A Raytheon Company