

The House that APRO Built >>> RTO bridges the digital divide >>> The paradox of success

PROGRESSIVE

Rentals

THE VOICE OF THE RENTAL-PURCHASE INDUSTRY | JULY-AUGUST 2000

20

IN 2000



APRO celebrates its 20th anniversary
with a look back at the long and winding road
of the rental-purchase industry



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22 Rental in my rearview mirror

Industry veteran Bud Holladay takes a look at the beginnings of the rental-purchase industry and its development, refinement and relative explosion over the past 20 years. The early days of renting wigs and televisions has mutated to the more sophisticated product mix of computers, furniture and Internet access. And what had started as a back-porch industry has been transformed by the formation of APRO, state regulations and Wall Street.

32 The House that APRO Built

For eight days in June in 95-degree heat, more than 60 APRO members traveled to Austin to build a Habitat for Humanity house for Rosa Sanchez and her family. Kelli Montgomery, who donated her blood, sweat and spirit to the build, chronicles the APRO project and the volunteer efforts that inspired more than just a few APRO members.



42 Rental-purchase bridges the digital divide

In their own quiet way, rental dealers are already contributing to the solution of a relatively new, persistent social/economic problem that is being identified as the "digital divide." Ed Winn III applauds the efforts of rental stores that have begun to offer the "have nots" the opportunity to become part of the Information Age with the advent of computer and Internet access rental programs.



46 The paradox of success

Many business owners don't realize that the things they are "best at" can actually become their greatest liability. APRO 2000 convention speaker Vilis Ozols talks about the "paradox of success" and how to identify and develop the weak areas of your business so that your store(s) continue to prosper.



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COVER PHOTOGRAPH BY ROB N. HOODE

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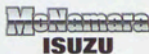
8 a.m., Wednesday, August 2



Nationwide Club Administrators, Inc.

State President's/Congressional Leadership Reception

4-5:30 p.m., Wednesday, August 2



Ther-A-Pedic International

Welcome Reception: "Rednecks, White Socks and Blue Ribbon Beer"

6-8 p.m., Wednesday, August 2



Appliances

General Session and Business Meeting

10 a.m.-12 p.m., Thursday, August 3



Complimentary Ice Cream in Exhibit Hall

1-3 p.m., Thursday, August 3



Exhibit Hall Champagne Welcome

12 p.m., Thursday, August 3



Gala Cocktail Reception: "APRO at the Wildhorse Saloon"

6-10 p.m., Thursday, August 3

ROC Software

Complimentary Ice Cream in Exhibit Hall

2-4 p.m., Friday, August 4

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6-7 p.m., Saturday, August 5



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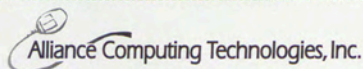
7-10 p.m., Saturday, August 5



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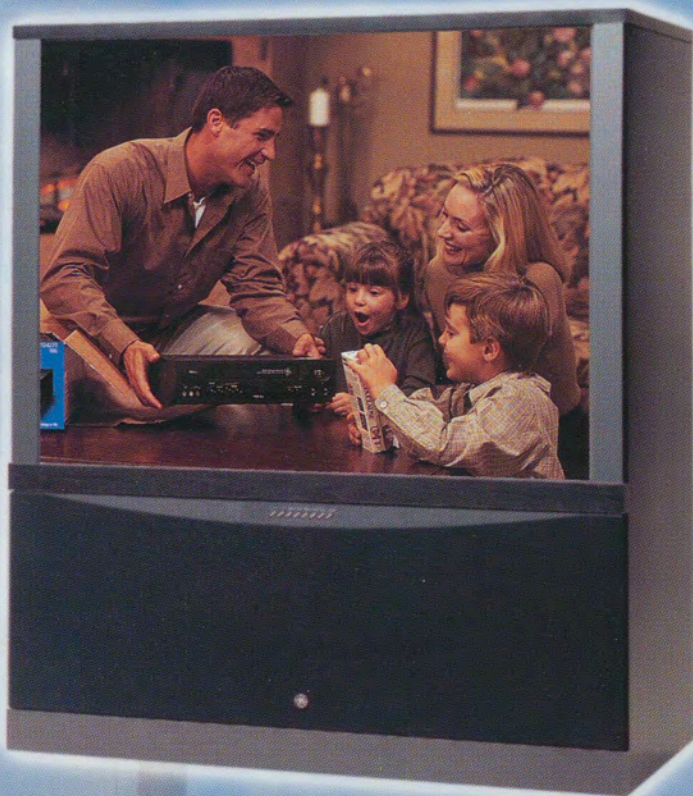
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news

B R E A K

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Sears launches PartsDirect Web site for commercial accounts



Rent-to-own dealers now have direct access to one of the world's largest selection of parts and accessories for appliances, home electronics, lawn and garden equipment, power tools and more online. Sears, Roebuck and Co. is expanding on the success of its PartsDirect Web site to include commercial customers through Sears PartsDirect Commercial Sales at www.spdcommercial.com/.

The new e-commerce site, which is a comprehensive online source for parts and the home of Kenmore parts, offers businesses access to more than 4.2 million parts from more than 400 manufacturers and includes owner's manuals for most major brands. Names like GE,

Whirlpool, Amana, Kitchen Aid, Maytag, Briggs & Stratton, Kohler, Black & Decker, Panasonic and RCA, in addition to Kenmore and Craftsman, are just a few of the brands available through the Web site.

One of the highlights of the new site is the parts number search feature, an easy and time-saving way to retrieve part information. Customers simply enter their specific part number and the system brings up all matching numbers with descriptions of each product type. Other special features include: search by model number, frequently ordered parts search to allow customers to view a list of parts they order most often and a previous order search to allow a quick reference to customers when re-ordering.

An added benefit for commercial customers who order frequently from www.spdcommercial.com is discount offers on selected parts related to their business needs.

Another search function of the site allows customers to view product schematics and select the proper part by entering the model number of the item on the PartsDirect site. More than 70,000 easy-to-use product schematics are featured to help identify parts and offer viewers the ability to zoom in

and out across the images.

After placing an order, an order number is given that can be used to check the status of orders by entering that number and the customer's zip code. Parts ordered via the site are shipped directly to the business.

"We found that business-to-business customers want access to millions of parts and easy ways to find the right part," says Kevin J. Callahan, vice president, sales, for Sears Product Repair Services. "Our site delivers on both of these fronts and because of this, we feel PartsDirect Commercial Sales will establish a new standard of service for the commercial customer."

Rio Grande Valley dealer earns top business award

Karen Elbert of Furniture Leasing Inc. in Brownsville, TX, was named businessperson of the year in the Rio Grand Valley by the Small Business Administration. Elbert and her husband, Don, run four rental-purchase stores in the area and are very active in the communities.

The key to her business's success, says Elbert in *The Brownsville Herald*, has been community involvement.

Elbert has been active in such organizations as the Rio Grande Apartment Association, Community Development Corporation of Brownsville and the Texas Apartment Association. She is cur-

rently the president of the Brownsville Zonta International club.

"Elbert's collection of community awards hangs in the customer service office, including the 2000 Governor's Vol-

unteer Award and others from the Cameron County Child Welfare Board, Brownsville Housing Authority and the Texas Protective and Regulatory Services," says Gilberto Salinas in *The*

Ace Rent to Own more than holds its own in rental market

When Lyn Leach opened Ace Rent to Own in 1981 as a means of making his father's retail furniture store more competitive against national companies, his was the only game in town and one of the few such operations in the region.

Almost 20 years later, Leach is dealing with national competitors of his own at locations in Des Moines, Council Bluffs, Bellevue and three in Omaha as well as two in Lincoln at 24th and O streets and 11th and Cornhusker Highway.

Leach owns four stores, including the two in Lincoln, and his brother, Jeff, owns the other four, including two of the Omaha stores and the two in Iowa. Lyn plans to open a fifth somewhere in the area by the end of the year, although he declined to say where.

"In the past several years we've seen a

lot of consolidation in our industry," he said. "For a while, national companies were very aggressive in their growth strategy and bought up a lot of independent operations."

"Lately I've noticed this has leveled off and the market has tightened up to national companies and strong independents such as my operation, which isn't for sale."

Leach believes in having a thorough understanding of his customers. From the earliest days of the company, when accounts were typed on index cards, he has known who his customers are, where they live, what they buy and how they prefer to pay for it.

That provides the platform for all areas of operations, such as where to build new stores, each of which measures 3,000 to 5,000 square feet, larger than the industry

hotel and in personal satisfaction and fulfillment.

"I've turned into a real do-gooder," he said. "The groups I belong to aren't just to hang around with, but are those that I feel can best improve the community or help someone else."



Leach in the 11th and Cornhusker store ... The company, which pioneered rent-to-own in Lincoln, will add a store this year.

average. The new store will add two or three new jobs at the start and about eight at maturity.

"We serve primarily blue-collar cli-

"I hope that when people think of me at the Villager, they'll remember a pleasant stay or a special event where they enjoyed themselves and found things clean and friendly," he said.

ents who don't have the time or an interest in driving all the way across town to find us," he said. "Understanding that has allowed us to plan our growth. When we look at opening a new location, proximity is very important. One thing that makes the Lincoln locations work so well is that both are within a mile or two of the kind of people we cater to."

Technology has made tracking the nearby

Tuff

continued from preceding page.

ght his best attributes to the job and a to discover the joy that comes with a written thank you from a satisfied guest

Nebraska's Ace Rent to Own gets good ink

Lyn Leach, owner and operator of Ace Rent to Own, based in Malcolm, NE, was featured in an article in *The Lincoln Business Journal* in early June. The article focused on the growth of the business from its inception as a one-store retail shop called Town Center Showcase started by Leach's father, Eugene. Lyn Leach opened Ace Rent to Own in 1981 "as a means of making his father's retail furniture store more competitive against national companies."

Today, Leach runs four Ace Rent to Own stores and his brother, Jeffrey, runs another four in Nebraska and Iowa. The company pioneered rent-to-own in Lincoln, NE, and the nearby region. Today, the company has its share of competition from national RTO companies, but holds its own and "is not for sale," says Leach.

The article focused on how RTO differs from retail, including collection activity. "Leach has developed a firm but friendly approach to handling slow paying or delinquent accounts and constantly stresses it to his 28 employees," the article says.

"If I had to narrow down our success to one element, it's the respect we show our customers," says Leach in the article. "No matter what an account's status might be, I won't tolerate anyone on our staff talking down to a customer. It's quite the opposite: We make accommodations for customers all the time.

"The hardest part is getting it across that we're willing to work with them on just about any problem they might have if they are willing to talk to us..." says Leach.

Brownsville Herald.

"Elbert says she is not worried about losing customers to big corporations such as Aaron's Rental Purchase, Home Choice Rentals or Rent-A-Center, all in Brownsville. Her business works with people on a personal basis, something corporations lack, she said," wrote Salinas.

The Elberts have also been recognized for their generous donations of furniture to community organizations through the Rio Grande Valley.

Missouri rental dealers gear up for annual trade show

The annual gathering of Missouri rental dealers at the Tan-Tar-A Resort in Osage Beach, MO, is scheduled for September 11-13. Dealers can expect to be educated and entertained during this event, which comes complete with a bass fishing tournament, a golf tournament, industry updates, a trade show, a seminar and great food and prizes!

For hotel reservations, call 800/826-8272. To register and find out more about the Missouri Rental Dealers Association 2000 seminar and trade show, contact the Missouri Rental Dealers Association at 573/442-2963.



RentalCorner offers Internet-based renting

Just when you thought that renting merchandise via the Internet would be too cumbersome, a California startup company has worked out all the details for you. RentalCorner offers electronic commerce to the rent-to-own industry through its Web site at www.rentalcorner.com, which allows businesses and consumers to search, compare and find items for rent in their local area.

By joining RentalCorner, rental dealers can list their rental inventory on the Internet and keep their rental store open 24 hours a day, seven days a week with minimal labor and cost. The Web site will be launched at the APRO convention and trade show in Nashville in August. RentalCorner will be exhibiting in booth 535.

RentalCorner co-founder and CEO Mike Patel says that his site "is poised to become a leading global Internet rental exchange for rental industry dealers, suppliers and their customers."

Some of the highlights of the site include: a customized rent-to-own table by category and item; the ability to review and respond to requests for rental quotes from customers; the opportunity to liquidate excess inventory through an ongoing Internet auction; and to buy parts, supplies and inventory online from manufacturers.

2000 2001

AUGUST

2-5
APRO 2000 Convention and Trade Show, Opryland Hotel, Nashville, TN, 800/204-2776

16-19
Tupelo Furniture Market, Tupelo, MS, 601/844-1473

SEPTEMBER

11-13
Missouri Rental Dealers Association annual meeting, Osage Beach, MO, 573/442-2963

18-19
Texas Association of Rental Agencies board meeting and seminar, Lubbock, TX, 940/497-1150

OCTOBER

19-26
High Point Furniture Market, High Point, NC, 336/888-3700

JANUARY

7-10
Consumer Electronics Show, Las Vegas, 703/907-7600

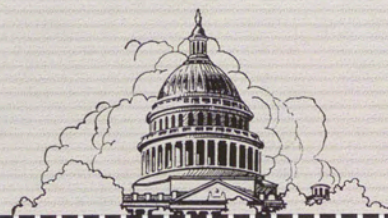
19-23
San Francisco Furniture Mart, 514/552-2311

FEBRUARY

15-20
Tupelo Furniture Market, 601/844-1473

APRIL

19-26
High Point Furniture Market, 336/888-3700



Rainbow Rentals to acquire nine Virginia stores

Rainbow Rentals, based in Canfield, OH, is set to acquire nine Zoom Rent to Own stores in the Richmond and Tidewater areas of Virginia. The transaction was expected to close at press time.

"The acquisition of these stores will accelerate our expansion into this region of Virginia, where we recently opened two new stores

2000 APRO legal update

The annual APRO update on legislative activity and state rental-purchase laws and regulations will not be included in the July-August issue of *Progressive Rentals*, where it is usually published. APRO will be publishing the annual update separate from the magazine in September. If you are interested in receiving a copy, contact the APRO office at 800/204-2776 or 512/794-0095 or e-mail Laurie Hill at LHill@apro-rto.com/.

and plan to open three more," says Wayland J. Russell, chairman and CEO. "This is an excellent opportunity for us

to capitalize on our strong financial position and to create advertising and merchandising synergies."

The agreement called for a cash purchase price of approximately \$2.56 million, including the leases and all other assets

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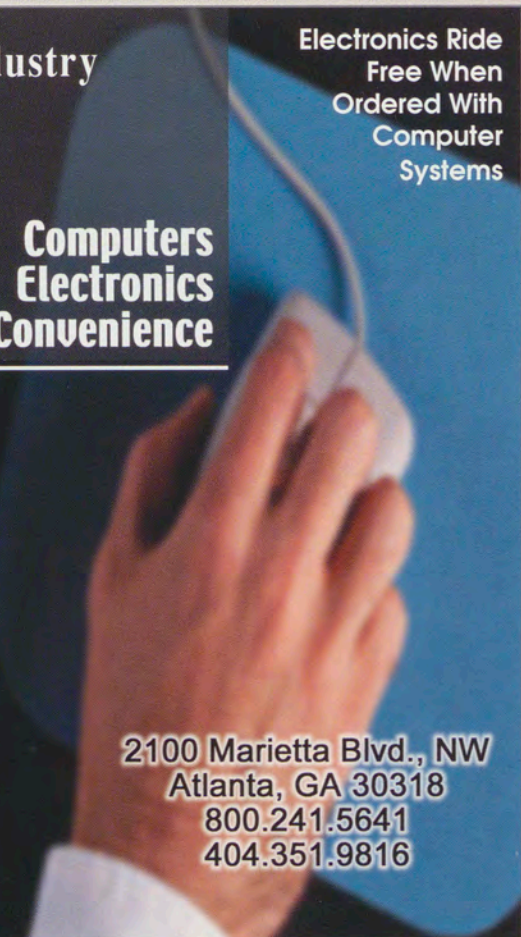
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NEWS BREAK

of four stores in the Richmond area and five stores in the Tidewater area. Separately, Rainbow recently completed two acquisitions in Pennsylvania, a Best Value Rentals and Showplace Inc., bringing in about 580 lease agreements with the purchase.

Sealy puts Olympic athletes to rest

The world's athletes will sleep better due to Sealy Inc. becoming an official supplier of the

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Ron Jones, Sealy chairman/CEO, kicks off Olympic game sponsorship with Olympic athletes Brooke Bennett (Olympic distance swimmer), Mark Ruiz (Olympic diver) and Al Oerter (Olympic discus thrower).

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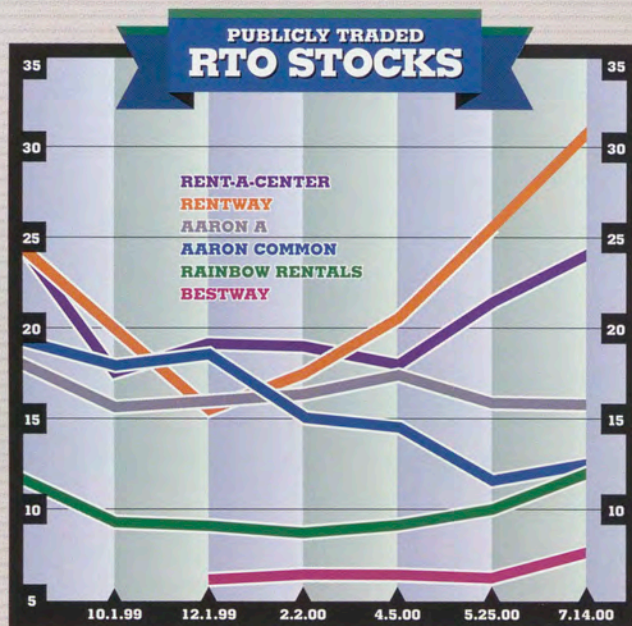
to introduce a line of mattress products carrying the USOC and SLOC marks. A portion of the proceeds from Olympic-licensed mattress sales will go to the USOC for future athlete training and to SLOC for staging the largest Olympic Winter Games ever.

"There is nothing more important than a comfortable, healthy night's sleep for the athlete's competing in the 2002 Olympic and Paralympic Winter Games," says Mark Lewis, Olympic Properties of

the United States president and CEO. "Sealy's branded products are the most recognized in the United States. We are proud to have them affiliated with the 2002 Games and America's Team."

APRO sponsors Congressional Black Caucus scholarship program

On June 26, APRO President Gary McDougal



represented the industry, along with APRO's lobbyist John Raffaelli and the

Washington Group partner, John O'Hanlan, in an annual charity golf and

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tennis tournament sponsored by the Congressional Black Caucus Spouses Foundation, held in Washington, D.C. The CBC Spouses organization consists of the wives and husbands of the African American members of Congress. The night before the tournament, McDougal sailed the Potomac River with Black Caucus members and their spouses and Tanya Saunders of the Washington Group, who is a planning committee member of this event.

McDougal was largely responsible for the dramatic increase in the amount of merchandise APRO members donated toward the cause. More than

\$12,000 worth of merchandise and cash was contributed this year, more than four times the amount previously donated by APRO. The items were auctioned off to raise educational scholarship funds for the CBC Spouses Foundation.

These scholarship programs provide grants to financially needy students from around the country to pursue their educational goals. To date, the CBC Spouses have awarded more than \$5 million in education scholarships.



Scholarship contributors

APRO's level of participation this year put us in the "gold sponsor" category along with larger industry contributors. McDougal would like to thank the following individuals for their generous donations:

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Michael Viveiros, Rainbow Rentals Inc.
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ELECT LYN LEACH



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- President and owner of Ace Furniture & TV Inc. (four stores)
- 18 years of experience as a rental dealer in Nebraska
- Currently serves APRO on the Political Action Committee
- Board member and officer of the Nebraska State Rental Dealers Association
- Personally signed congressmen as co-sponsors at the APRO Legislative Conference in Washington, D.C.

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- ▷ Three delivery trucks
- ▷ One computer system with two workstations
- ▷ Only rental-purchase store within 25-mile radius

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My wife, Mary, and I just returned from the Habitat For Humanity/APRO build in Austin. I want to thank everyone who participated and worked so hard on this build. In addition, I would like to recognize the following volunteers who endured the entire eight-day build without incurring a single ambulance ride: construction managers Gary and Kathy Romine; the masked painter, David David; waterboy, Lindsey Semon; Kelli and Richard May and Bill Keese. The build was a culmination of the efforts of more than 60 APRO members and staff

Which brings me to this being an election year. I was talking to my cousin's husband, who lives in Michigan, about the presidential election and the importance of the congressional make-up. This man's name is Roy Wiles. He has six children to my five, but kicks me big time on the number of grandchildren. We've been political rivals for years. Needless to say, he loves to cancel

.....
 "We need to encourage our employees and our customers to vote this fall. And regardless of who they vote for, we all must exercise the right for which our forefathers fought."

Put apathy aside and vote

and Habitat volunteers. Those companies who brought their own armies, such as Shannon Strunk of Baber's and his cavalry of 10, Larry Carrico and his entourage, Rent-Way, the Texas Association of Rental Agencies, Rent-A-Tire, Full-O-Pep and John and Rodney from Easy Way, also deserve special recognition. For a complete list of volunteers and highlights of the build, see page 32 in this issue of *Progressive Rentals*.

I returned to Tennessee from Austin only to leave the next day to attend the Congressional Black Caucus Spouse's Education Scholarship fund-raiser in Washington, D.C. APRO was a gold sponsor of the event, along with GTE, Miller Brewing, Pepsi, Heineken and UPS. Needless to say, we were among the big boys. APRO member dealers and vendors donated more than \$12,000 in merchandise and cash for this cause. Mary Hillard, the CBC chairperson from Alabama, formally recognized APRO as the chief supporter for her raffle and silent auction.



By **GARY McDOUGAL**
 APRO's President

After the silent auction, I was approached by the Honorable James E. Clyburn, chairman of the Black Caucus from Columbia, SC, to have APRO be a sponsor for the CBC scholarship event in his state. APRO will be represented there with donated items. Clyburn told me that he wanted to help us in any way he could as we pursue our efforts on legislation in Washington, D.C.

daughter is only four.

You may be wondering why I am writing about Roy and his offspring. With the upcoming elections, I want to urge everyone to vote. We need to encourage our employees and our customers to vote this fall. And regardless of who they vote for, we all must exercise the right for which our forefather's fought. Roy is a perfect example of someone who lives to cast his vote and keep his one-vote margin over me. Please remember how important it is to vote and get everyone you can to the polls this November.

One way rental dealers can get involved in the political process is to donate or loan furniture, appliances or electronics to your candidate's political headquarters. You'd be surprised at the impact this type generosity can generate. Go ahead, get involved. ■

Gary McDougal is owner of American Rentals in Hixson, TN.



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APRO Associate Member since 1994

You have all heard by now that we are celebrating the 20th anniversary of our Association this year. Indeed, our entire convention is organized around this birthday. It is, therefore, appropriate to reflect on some of the individuals who built this industry and APRO.

A man in the rent-to-own business before there was such a term is Ernie Talley. Ernie owned an appliance store in Wichita, KS, but had a high percentage of credit turndowns. He set up a department in the back room of his appliance store and referred his customers who couldn't get

Paying tribute to industry greats

financing to that department. Then one day, he said to Chuck Sims, one of his best salesmen, "Why don't you go to Tulsa [Oklahoma] and open up a rental store?" The idea was a hit and the rest is history.

It took a lot of people to refine and cultivate the concept over the years. Ernie employed some others who further defined our industry in the early days. Chuck Sims bought 14 stores, known as Mr. T's, from Ernie and built a new company, Remco, into one of the early giant companies in the industry. Chuck's advertising agency is the



By **BILL KEESE**
APRO's Executive Director

one responsible for coming up with the name "rent-to-own." Chuck is known as the great innovator and educator in our industry. He developed many of the management tools that are the staples of our industry today. And he held the belief that if the industry prospered, so would Remco. Chuck was always very gracious with his time and expertise and held seminars all over the country

teaching people the finer points of rent-to-own. Many successful rental dealers were taught the business by attending those early APRO seminars.

Tom Devlin, another employee of Ernie's, saved some money and borrowed the rest and

opened up his own RTO store. Through diligence and hard work, he built Rent-A-Center into a thriving company. At one point, Chuck and Tom had the two largest companies in the industry (about 50

stores each) and the race was on to go public. The tremendous influx of capital would allow the successful one to grow exponentially.

Tom's company was the first to get public financing and RAC opened up hundreds of stores.

A third employee of Ernie's, Bud Holladay, started his own company about the same time and was the one who rallied RTO dealers to form their own national trade association, to be named APRO, in 1980. He was APRO's first president. Bud, like Ernie, is still in the industry and continues to be active in APRO as a guest columnist in Progressive Rentals and gives some of the best and most entertaining seminars available.

Around this same time, out West in California, Barry Gambini was developing a major company know as RTO Inc. After Bud's two terms, Barry was elected APRO president and is the only three-term president in APRO history. The Association began to thrive under Barry's strong and charismatic leadership. He was the first of the early titans to sell his business for enough to live comfortably for the rest of his life. He is still active as an associate member of APRO and provides insurance to rental dealers across the country.

An historical perspective of RTO and APRO would be incomplete without acknowledging the important role Ed Winn played in our 20-year history. Ed was at the first meeting of rental dealers and has attended every board meeting and every convention for two decades. He had a dual role in the early days as both general counsel and executive director. Five years later, he gave up the position of executive director, but continues to this day as our first and only general counsel. He is the historian of the industry and of APRO and provides a calming atmosphere of reason and reflection during times of crisis.

There are many others who contributed greatly to the development of our industry. Dave Egan, RAC's general counsel for many years, provided

One day, Ernie Talley said to Chuck Sims, one of his best salesmen, "Why don't you go to Tulsa and open up a rental store?" The idea was a hit and the rest is history.

the impetus for creating the industry's legislative program that is the envy of many other national associations. Dave was a bull dog on this issue and we owe him a lot.

Kevin Quinn then stepped up to APRO's president and proved to be the right man to lead APRO during its most critical time. During Kevin's presidency, the United States Congress held investigative hearings on the industry, the Internal Revenue Service began a systematic attack on rental dealers across the country and the industry suffered its worse press attacks. Kevin held the industry together and put into place what was needed to ensure a healthy, long-term industry. Wayne Chambers also served as president and gave everything he had to this industry. His steady hand provided the industry with the skills to establish RTO as a lease and not a sale as the IRS wanted. Bill White's presidency provided the statesmanship and wisdom to guide us through the shaky times of consolidation.

When one attempts to name the names of those who built an industry, there is never enough space to talk about them all. For those of you who played a major role in the development of this industry and APRO and don't find your names or accomplishments listed here, please forgive me. I know who you are and you do, too.

I want to thank all the greats I have mentioned and all the ones I have not. You can take pride in the fact that you helped build a successful industry that is poised to advance much further. ■

Bill Keese's e-mail address is bkeese@apro-rto.com.

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I was in the great Northwest recently at a rental dealer meeting and the talk ran, as it always does, to rental customers and their seemingly fickle habits. The conversation stemmed from a general discussion of competition in the rental business, marketing strategies and how to expand the customer base. Some of the dealers who had long enjoyed sole possession of their markets were fretting over the pending arrival of new players.

An insightful dealer turned the attitude of the whole room around by reminding his colleagues of rental habits. He told the dealers that good,

not easy to build those kinds of relationships.

Rental stores may not rise to the level of church or school or the doctor's office in terms of creating loyalty, but in a good store there is a special feeling that exists for customers and employees alike. Of course, people who hate their jobs cannot contribute to this feeling.

.....
 "People who do not understand the nature of the business cannot nurture loyalty. Customers will migrate toward people who like their work and who like their customers."

People who do not understand the transaction and the nature of the business cannot do this. Customers will migrate toward people who like their work and who like

Loyalty must be nurtured

loyal customers were not going to turn stuff in and go down the street to the new guy just because he was the new guy, assuming, of course, that the customers were being well-treated where they were.

"It's like when I go to buy jewelry for my wife," the dealer said. "I always go to the same store. I've been going there for 20 years. They know me. They like me. They give me good service. We understand one another. I like doing business there. It's my jewelry store. I'm not going to quit going there to save a few bucks on the jewelry that I buy, unless they start treating me badly one day."

He went on to explain that he figured that rental customers were the same. As long as he did right by them, his customers were going to keep coming back, even when they might save a dollar or two a week by going down the street. That sentiment really resonated with this group of dealers, not so much because they merely wanted it to be true, but because they knew deep down that it was true.



By ED WINN III
 APRO's General Counsel

It is no truer in the great Northwest than anywhere else in the country. Good rental stores breed the kind of loyalty in customers that the Seattle dealer has for his jeweler. It arises from the customer growing to trust the store and its employees. Rental customers return to the places where they are treated well—"where everybody knows their name." It is

their customers.

It takes real rental savvy to create this kind of store atmosphere. Store personnel have to know and understand the neighborhood. The feeling is different in different stores. There are regional differences. There are differences between rural and urban stores. The common wisdom is that the feeling is easier to cultivate in the country. But there are some great stores in big cities. Stores that customers would not dream of abandoning for the competition.

Whether a dealer has one store or 2,001 stores, the goal of the business is really the same—create stores that breed and nurture intense customer loyalty so that regardless of changing circumstances, this loyal base of customers will guarantee the doors stay open and the business prospers. There is a jeweler in Seattle who understands how to do this and a lot of rental dealers across the country who do, too. ■

Ed Winn's e-mail address is edwinn@ibm.net.



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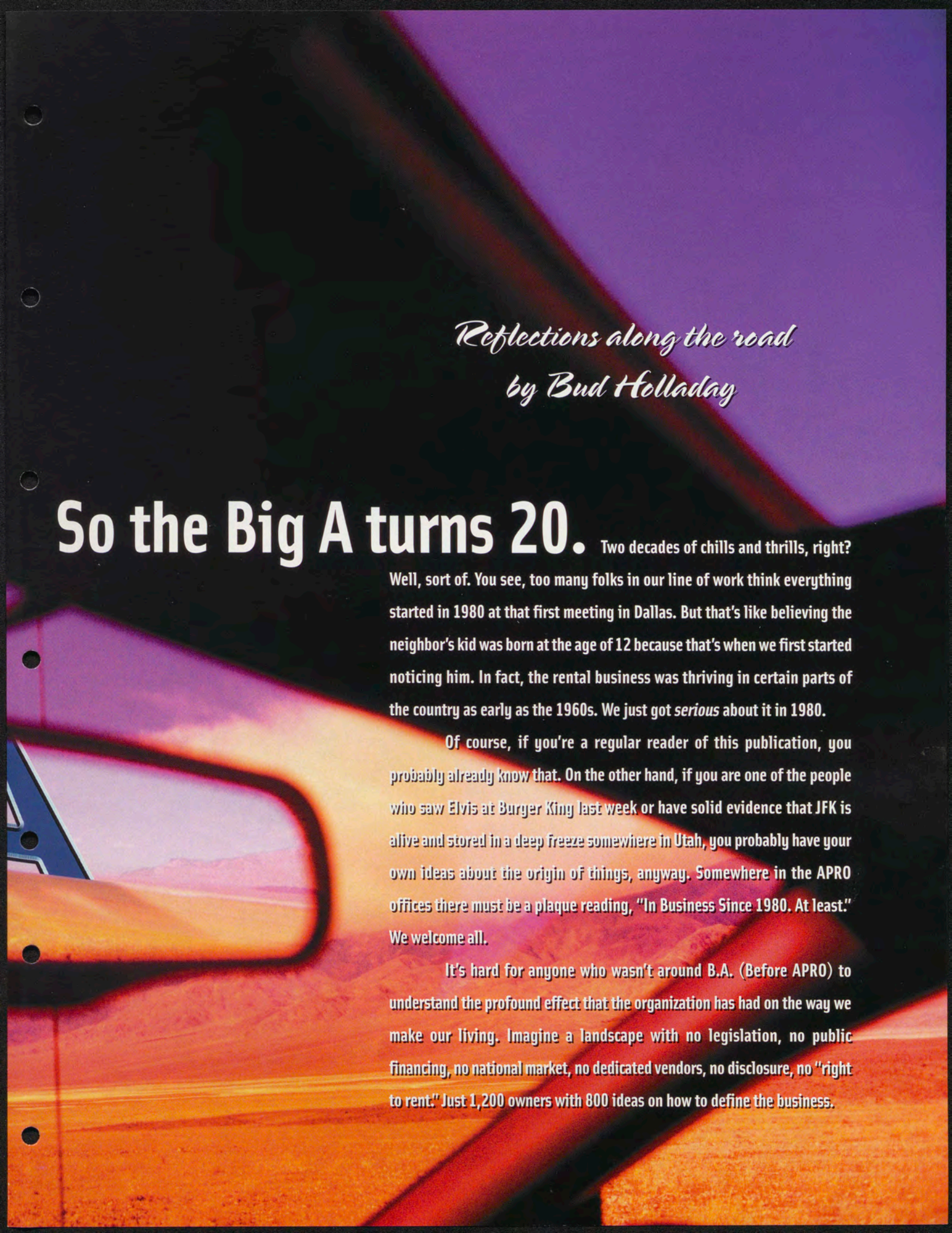
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Rental in my rearview MIRROR





Reflections along the road
by Bud Holladay

So the Big A turns 20. Two decades of chills and thrills, right?

Well, sort of. You see, too many folks in our line of work think everything started in 1980 at that first meeting in Dallas. But that's like believing the neighbor's kid was born at the age of 12 because that's when we first started noticing him. In fact, the rental business was thriving in certain parts of the country as early as the 1960s. We just got *serious* about it in 1980.

Of course, if you're a regular reader of this publication, you probably already know that. On the other hand, if you are one of the people who saw Elvis at Burger King last week or have solid evidence that JFK is alive and stored in a deep freeze somewhere in Utah, you probably have your own ideas about the origin of things, anyway. Somewhere in the APRO offices there must be a plaque reading, "In Business Since 1980. At least." We welcome all.

It's hard for anyone who wasn't around B.A. (Before APRO) to understand the profound effect that the organization has had on the way we make our living. Imagine a landscape with no legislation, no public financing, no national market, no dedicated vendors, no disclosure, no "right to rent." Just 1,200 owners with 800 ideas on how to define the business.

S

ometime in the future, cave paintings will show that Ernie Talley started renting washers and dryers out in Wichita, KS, at Mr. T's Rental at about the same time a guy named Slats (Norman Slatton) was doing the same thing down in Florida and calling himself Buddy Bi-Rite. They didn't know each other existed. It took about 20 years for the golden spike to be pounded in downtown Dallas and link the continent—or at least a fair number of its furniture salesmen and appliance manufacturers.

It should come as no surprise that it took the industry 15 or 20 years to get organized. This is, after all, the same group of folks who spent more than a few happy hours calculating just how long it would take before everybody in the surrounding zip codes had both a TV and a stereo. At which point, presumably, we'd cash in our tickets and occupy a spot on the front porch until the roll was called Up Yonder. Who'd have guessed Up Yonder would turn out to be Wall Street?

Maybe some of us are reluctant to acknowledge the industry's existence B.A. because we are: a) ashamed of how easy it was to generate balloon-like margins in spite of ourselves; or, b) ashamed of balloon-like margins.

It's a fact that distribution of big-ticket items to people on the underside of the economy—in an era when those folks didn't show up in anybody else's marketing plans—was both profitable and easy. It was understood that none of us would likely win the Leadership Award down at the Friday night Jaycees. In fact, some local chambers of commerce seriously debated our eligibility for membership.

It wasn't uncommon in those B.A. days to be snubbed by the guys who sold product to local retailers. Some salesmen wouldn't solicit our business for fear of alienating their "good" customers. The guys who did sell to us had a better

handle on the scope of our industry than we did. We toiled along in ignorant bliss, each happy to be the first to think of this deal.

Some of us found unique niches, like renting ladies' wigs by the week (don't laugh—we moved a lot of wigs, and not just in a strong wind, either). But anyone who wanted to



The early days. Mr. T's management team in 1972, including Tom Devlin (bottom row, left), Ernie Talley (bottom row, center) and Bud Holladay (middle row, center).

rent furniture had to get around the objections of the biggest lender to the industry, who declared that no rental furniture could possibly last long enough to get our cost back. Today they're out and room groups are in. Go figure.

Advertising generally consisted of a \$300 schedule on local radio, which produced more deliveries than most guys could handle. Paid-outs and charge-offs were all but unheard of due to airtight collections.

Previous customers coming back later routinely started over. In fact, the phrases "rent to own" or "rental-purchase" weren't part of the vernacular until about 1980 or 1982. Up until then, it was simply "the rental business."

Since the industry was largely concentrated in big cities,

A TIMELINE...

1980

3M's Post-It notes introduced

July 1980

In Dallas, the first meeting of rental dealers

November 1980

Incorporation of the Association of Progressive Rental Dealers Association. Ed Winn III appointed executive director of APRO

December 8, 1980

John Lennon killed in New York City

March 1981

First issue of *The APPROach* is published

March 31, 1981

President Ronald Reagan shot by John Hinckley Jr.

June 1981

Official announcement of the AIDS epidemic by the Centers for Disease Control

July 1981

First annual APRO convention and trade show held in Dallas



April 1982

Face-off in the Falklands

1983

The compact disc and the computer mouse introduced

April 1983

First federal RTO bill introduced

July 1983

First federal public hearings held on the industry in Washington, D.C.

November 1983

Rent-A-Center becomes the first rent-to-own company to go public on Wall Street

1984

Michigan first state to adopt rental-purchase statute; U.S. Senate passes bill defining transaction as a lease

1984

Apple Computers introduces the Macintosh



November 1984

Progressive Rentals debuts, replacing *The APPROach*

1985

Texas, Georgia, South Carolina and Alabama pass RTO legislation

March 1985

Mikhail Gorbachev becomes Soviet leader

September 1985

Wreck of the Titanic found



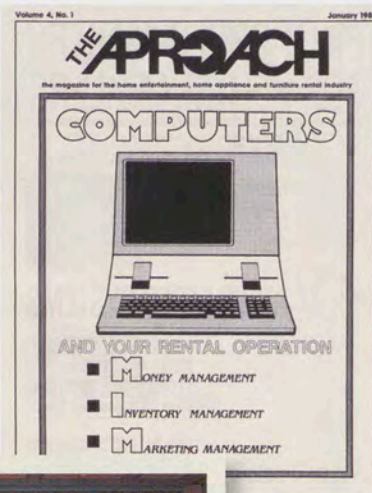
the customer base was primarily Appalachian or African-American, mostly poor and absolutely without access to any kind of financing for big-ticket purchases, not even layaway. Some dealers dispute that characterization and swear their average customer looked more like June Cleaver on credit hold. Truth is, the New South might have been born by then, but it wouldn't be old enough to vote for a few more years.

The rental business had always had low barrier to entry. By 1980, the *slicks* had moved in. Their résumés were spotted with failed car lots and shaky loan companies and high-commission boiler rooms. That the boys with plaid coats and shiny hair could so quickly establish a toe-hold with shabby goods and outrageous collection tactics was worrisome to the rest of us. But it wasn't the loss of customers we feared: it was being put out of

business by some state court enraged at the latest humiliation inflicted on some grandma unlucky enough to miss a payment. So the farmers called a new sheriff to town: APRO.

Longtime vendors helped put together a mailing list and other people added names of friends or a company some sales rep had said was doing a lot of business two towns over. It must have been the rental industry's most successful mailer because 50 or 60 rental dealers showed up at a hotel in Dallas in 1980 when there was no golf tournament, no banquet and you had to buy your own drinks.

An idea became a body when all those in attendance put up money and voted to organize for change and improvement. Almost everybody there knew somebody who'd been hauled into court to talk about usury laws or forced to give



away truckloads of televisions to kids in raggedy tennis shoes because we collected too many late charges from one or more of their relatives.

After a few false starts—nobody could decide whether we should be a lobbying group or an industry watchdog—APRO began changing the way people who write and enforce laws viewed our industry. And those changes were startling: full disclosure contracts, expanded customer rights, civ-

After a few false starts—nobody could decide whether we should be a lobbying group or an industry watchdog—APRO began changing the way people who write and enforce laws viewed our industry. And those changes were startling.

ilized collections, and—despite flack from mossbacks who believed good government was less government, unless it was handing out tax breaks—regulatory oversight over just about every aspect of the business. Even down to the size of type in the contract.

The mossbacks thought APRO had stopped mending and started meddling. Some stomped out, taking their checkbooks with them. We didn't need regulation, they yelled, we just need the bad guys the heck out. We came to realize later that their idea of "bad guys" included anybody who might want to get into the business, especially in their ADI.

APRO directors and supporters argued that airlines had been subjected to the closest scrutiny for years and they seemed to get along fine. Somebody would always point out

December 1985

Elizabeth Johnson hired as APRO executive director

1986

Massachusetts and New York pass RTO legislation

January 1986

The space shuttle Challenger explodes with schoolteacher Christa McAuliffe aboard

December 1986

Charles Stuckey hired as APRO executive director

1987

Arkansas, Tennessee, Illinois, Indiana and Iowa pass RTO legislation

1988

Virginia, Florida, Ohio, Oklahoma and Missouri pass RTO legislation

1988

Pennsylvania becomes only state to clearly define RTO transactions as credit sales

1988

Writer Salman Rushdie condemned to death by the Ayatollah Khomeini

1989

Maryland, Nebraska, Nevada and Rhode Island pass RTO legislation.

1989

First annual Rental Advertising Excellence award program



March 1989

The Exxon Valdez spills 11 million gallons of crude oil

July 1989

Bill Keese hired as APRO executive director



August 1989

Cincinnati Reds Pete Rose banned from baseball

1990

Minnesota, Colorado and Kentucky pass RTO legislation

1990

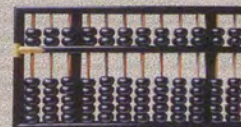
Tim Berners-Lee develops the hypertext system, leading to the birth of the World Wide Web

1990

The USSR dissolves

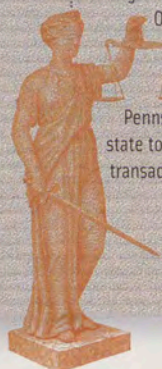
1990

APRO appoints Tax and Accounting Committee, headed by Wayne Chambers



1991

Kansas, Louisiana, South Dakota, Connecticut and Delaware pass RTO legislation



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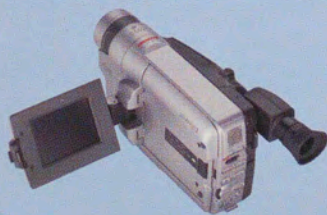
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that, while airplanes and their pilots might need watching over for obvious reasons, nobody ever heard of a rental store crashing and killing 85 people. When rental stores crashed, they said, the only things that died were the careers of a few vice presidents and store managers (if you've ever worked for either one, you know that might not be a crime or even a tragedy).

Dealers cleaned up their acts and the doors gradually opened to a national market "safe across all borders." Naturally, a few smart and hardworking fellows, realizing that the average dealer no longer had to fear being set afire and run out of town, thereupon reached the conclusion that this business was made for Wall Street: niche market, good cash flows, sizzle.

Then they learned that Wall Street likes real profits, the kind measured in dollars, not represented in horsepower and acreage. Just as quickly as it had rolled off the press, one prospectus after another was rolled up and became a table leg wedge in somebody's apartment. You might think this is where the phrase "on the level" originated, but there is no evidence to back that up.

By the early 1980s, Chuck Sims' Houston-based Remco operated stores that were generally admired for setting new standards. Why, they actually had clean plate glass, new carpet and professional displays of brand new goods available that very day! The people who worked in those stores looked more like the folks next door than the guy in the competitor's basement dialing up your Aunt Louise and threatening her dog for

APRO'S PRESIDENTS



Bud Holladay
1980-81, 1985



Barry Gambini
1982-84



Glenn Davis
1985



Mac Hennigan
1986-87

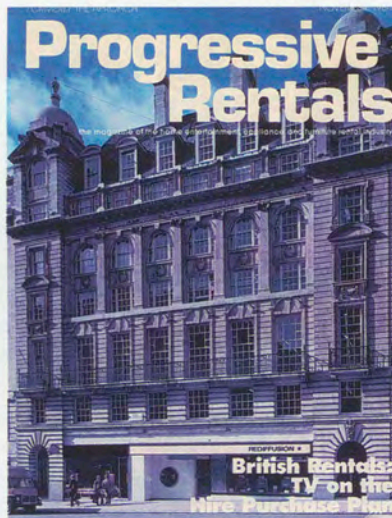
another payment. The business had arrived.

Sims, who had started his career as Ernie Talley's point man at Mr. T's, had figured out what others hadn't: hire smarter people, put them in attractive surroundings and they will, in turn, attract and keep customers who act like buyers and not renters. Sims knew it was cheaper to keep customers than replace them. If you have ever tried to figure out a formula for keep rate, forget the math and follow Sims' lead. It still works. What seems ordinary today in store layout and merchandising was radical and ahead of its time in 1980.

(Side note: Without the dynamic leadership and unwavering support of Chuck Sims and others like him, there's no guarantee that APRO would be here today. Some people write checks, others lead. Sims did both. You should be thankful. You should also be glad that he's not still in business and competing against you.)

When Remco's premature IPO was shelved for lack of interest, hardly anybody noticed. Except, that is, for a gregarious young man named Thomas R. Devlin. Devlin had also been trained in the Ernie Talley school (see a trend here?). Rent hard. Collect fast. Spend little. It worked.

Devlin attracted investors willing to develop expensive markets with multiple S&S Rental Center stores so long as Devlin would buy them all back later, after the stores had depleted all available tax breaks but still had plenty of BOR left. He snick-



... A TIMELINE ...

October 1991

Anita Hill goes to Capitol Hill

1992

Maine and Washington pass RTO legislation

May 1992

Johnny Carson calls it a night, retiring from *The Tonight Show*

1993

Idaho, North Dakota, Oregon, West Virginia and Utah pass RTO legislation



March 1993

House Banking Committee Chairman Henry Gonzalez holds investigative hearings on the RTO industry

April 1993

The APRO Task Force is created to organize grassroots legislative program and hosts first annual federal Legislative Conference

June 1993

APRO creates its first Public Relations Committee, chaired by Bob Simons

September 22, 1993

The Wall Street Journal headlines RTO with a damaging exposé

September 1993

Chairman Gonzalez introduces federal legislation to "regulate" the industry with a rental-purchase disclosure

1994

New Hampshire, Vermont and California pass RTO legislation; Minnesota law overturned

March 3, 1994

The Public Interest Research Group (PIRG) releases "Rent to own—Ripping them off," creating massive negative media coverage

April 1994

Vinson & Elkins hired to negotiate depreciation and sale vs. lease issues with IRS

April 1994

Nelson Mandela elected president of South Africa

1995

New Mexico, Mississippi and Arizona pass RTO legislation

1995

Amazon.com goes online

January 1995

Republican J.C. Watts to carry consumer banking legislation

April 19, 1995

Oklahoma City bombing





Richard Grauel
1988



Ted Wilson
1989-90



Wayne Chambers
1991-92



Kevin Quinn
1993-94



Bill White
1995-96



Darrell Tissot
1997-98



Ernie Lewallen
1998-99



Gary McDougal
1999-2000

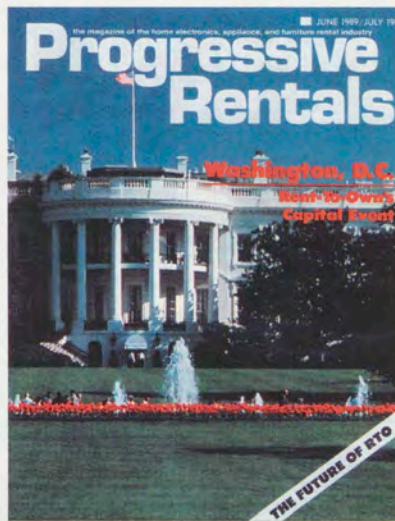
ered behind the potted plant and agreed to their outrageous demands. And that is how a former Mr. T's manager trainee in Baton Rouge, LA, came to own the world's largest rent-to-own operation.

Devlin's ability to recruit investors and managers when everybody else was trying to recruit customers and collectors eventually resulted in a successful initial public offering that opened the floodgates. Suddenly there was a river of public money for an industry starved for financing.

About a year after Devlin's IPO, one foolish young owner in Dallas turned down Devlin's bid to buy his company on the spot for a little cash and a lot of stock at eight times revenue. Eight is less than the 12 thrown around these days, but when sales are \$1 million a month in 1980s dollars, debt is one turn and you're looking at eight on the offer sheet, it's all relative. That young owner's name is at the top of this article; Devlin's name is on a lot of luxury car dealerships and real estate deeds and at least one business chair at his alma mater.

When S&S Rental Center became Rent-A-Center and finally a Thorn in the side of anybody forced to compete against its mega-stores and their drilled and driven man-

agers, the industry took notice. We looked around at shabby showrooms, dull people and even duller marketing and decided that we had either get into the game or hit the showers. After a little polishing up, some compa-



If you ever wonder what all those dues have bought you, consider this: today you have the choice of either well-funded retirement via a sale to a public company or a safe environment for all the rent-to-own you'll ever want to do. Not a bad choice and you get to do the picking.

nies were out of business—sold to the Rent-A-Centers—while others were opening new stores and buying the small competitors that had seemingly sprung up in every market. Lenders came out of the woodwork when Wall Street bought into this rent-to-own thing.

None of that would have been possible, or at least very likely, without the safety net strung by APRO. If you ever wonder what all those dues have bought you, consider this: today you have the choice of either a well-funded retirement via a sale to a public company or a safe environment for all the rent-to-own you'll ever want to do. Not a bad choice and you get to do the picking.

What APRO couldn't forestall was the eventual collapse of scores of operations whose owners had been able to borrow more than they could manage. Dizzying growth had

May 1995

Sale vs. lease issue resolved with the IRS, leaving the industry more than \$1 billion in back taxes

October 2, 1995

OJ Simpson acquitted

1996

Wyoming passes RTO legislation

1996

Ted Kaczynski, aka The Unabomber, caught



April 2, 1996

APRO releases its first commercial, "Gus," for member use

June 1996

Pennsylvania reverses sale statute and defines RTO as a lease

September-October 1996

RTO consumer legislation gets bumped from federal bill

1997

Hawaii passes RTO legislation

April 4, 1997

The first public perception of the industry by consumers survey is conducted, "Into the Consumer's Mind, Into the Future."

June 4, 1997

PIRG releases a new report, "Don't Rent to Own." Media actually does a better job trying to cover both sides of the issue

June 1997

1997 Taxpayers Relief Act passes; includes provision defining RTO as a lease for tax purposes



August 1997

The "Image" and "Couple" commercial spots are released to APRO members

August 31, 1997

Princess Diana dies in car crash

September 27, 1997

ABC 20/20 and CBS Public Eye contact APRO simultaneously for exposé features on the industry



November 1, 1997

APRO forges partnership with Habitat For Humanity International (HFH) as a corporate sponsor

November 28, 1997

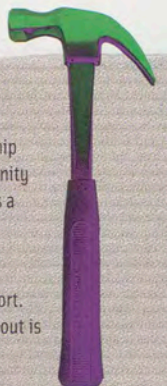
ABC 20/20 airs its report. Negative publicity fallout is minimal

1998

Internet commerce comes of age, with online sales topping \$6 billion

January 1998

RentWay buys Champion



RTO by the numbers

YEAR	NUMBER OF STORES	ANNUAL REVENUE	ANNUAL CUSTOMERS
1983	3,000	*	*
1984	4,000+	*	*
1985	5,000	*	*
1986	5,500	*	*
1987	6,000	*	*
1988	6,300	*	*
1989	6,500	*	*
1990	7,000	*	*
1991	7,500	\$3.5 billion	\$2.9 million
1992	7,500	\$3.6 billion	\$3.1 million
1993	7,500	\$3.9 billion	\$3.6 million
1994	7,500	\$4.5 billion	\$3.4 million
1995	7,500	\$3.8 billion	\$2.7 million
1996	7,500	\$3.9 billion	\$2.8 million
1997	7,500-8,000	\$4.1 billion	\$2.9 million
1998	7,500-8,000	\$4.4 billion	\$2.8 million
1999	8,000	\$4.7 billion	\$3.3 million

* Figures not available

been achieved not by internal cash flows and good management, but by acquiring entire chains using revolving credit lines from a friendly trio of commercial lenders. Eventually, the cash flows couldn't support the sky-high interest charges and bloated overheads. Companies built on credit line instead of business plan failed. The situation eerily paralleled the implosion of the nation's savings and loan industry of the same period. Except in our business, nobody went to jail. Hardly anybody passed *Go*, though.

By 1988, Transamerica Rental Finance Corp. found itself

operating more than 400 repossessed rental stores nationwide and not much liking it. In what was truly a magic moment, the guys holding the debt quickly put up new signs, standardized operations and called it a company. Then they set out to find buyers for their company. Along the way, they got out of the business of loaning money to rental dealers.

The result was a shockwave. Dealers whose loans weren't in default desperately searched for buyers on the (often accurate) assumption that they soon would be. Inventories shrank, credit lines evaporated and companies slowly went out of business waiting for buyers to show up.

It was a wake-up call for an industry theretofore awash in borrowed money and big dreams. Companies were forced to sell out or strengthen their balance sheets, stabilize their operations and work with their local banker to develop a sensible credit facility. In a testament to the market, the end result was more stores in more markets than ever before.

Without the orgy of easy money that marked the period 1980-85, it's doubtful that the number of public companies devoted to rental-purchase today would be more than one. Out of chaos comes opportunity for the prepared and the well-heeled. And so we find ourselves entering our third decade in a business declared dead more times than Regis Philbin's career. And now everybody *can* be a millionaire. Well, almost.

I've always been suspicious of people who wear buttons that shout out, in so many words, "Hey! I'm An Honest Guy—Honestly!" However, I've never been afraid of losing my wallet or my ideals when some new guy introduces himself, sticks out his hand and asks, "So how much money do you think one of these stores ought to make?" ■

Bud Holladay is a former president of APRO and founder of the Association. He is currently chief operating officer of RTO Inc., based in Norfolk, VA.

... A TIMELINE

February 1998

RTO Inc. (formerly Action Rent to Own) merges with Alreco

February 25, 1998

NBC *Nightly News with Tom Brokaw* features RTO in its "Fleeing of America" segment; generates minimal negative publicity

May 6, 1998

The FTC issues a request for proposal to conduct a study on RTO customers

May 14, 1998

Frank Sinatra dies

June 1998

Renters Choice buys Rent-A-Center



June 20, 1998

APRO donates 100 stoves for the Habitat for Humanity Jimmy Carter build in Houston

September 1998

Home Choice (RTO Inc.) merges with RentWay

1999

Alaska passes RTO legislation

1999

Y2K "bug" causes jitters world wide

January 1999

Congressman Walter Jones of North Carolina introduces HR 1634 after J.C. Watts moves off Banking Committee

January 1999

President Clinton goes on trial



January 15, 1999

APRO conducts its second customer statistical survey

September 1999

RentWay buys Rentavision

2000

APRO leads successful effort to stop attempt to repeal Kentucky and New York statutes

February 12, 2000

Peanuts' Charles Schulz dies

April 13, 2000

The FTC releases a favorable study on RTO customers

June 18-25, 2000

APRO members join together to build the Association's first Habitat For Humanity home in Austin (see page 32)

July 2000

At 1504 Robin Hood Trail in Austin, APRO purchases its first building as headquarters for the Association



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By Kelli Montgomery

THE house THAT APRO built

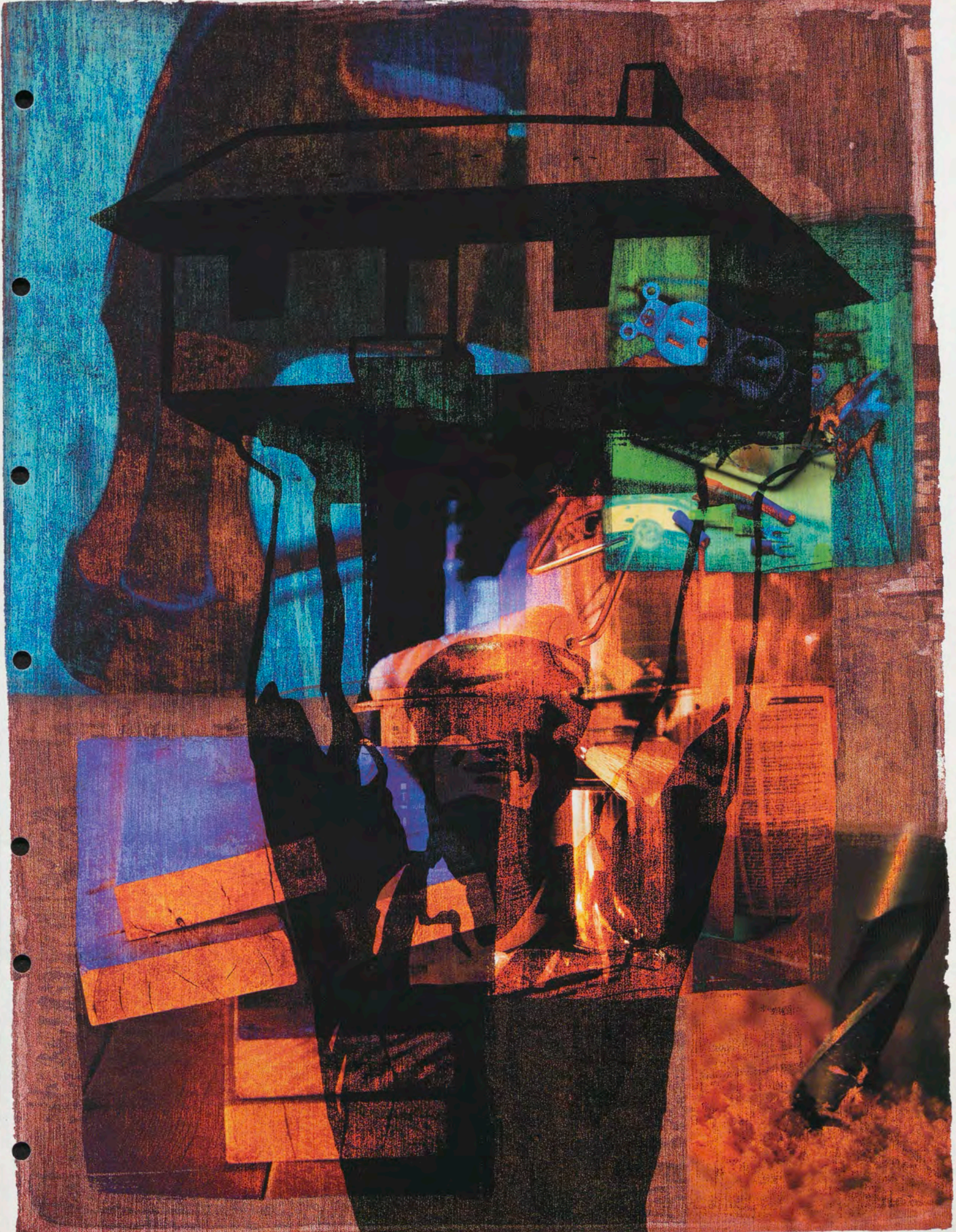
IT TOOK ABOUT EIGHT DAYS, 2,000 nails, six buckets of paint, 1,056 bottles of water, 970 pounds of ice, an assortment of building materials and a birthday cake to make someone's dream come true. Rosa Sanchez, a

laundry-room attendant for the past 15 years at Tarlton Textile Services, has earned the reputation as a hard-working, dependable person, raising a family and maintaining a job. Despite her efforts, though, she and her family have been forced to rent dilapidated houses in impoverished neighborhoods, at times without such basic necessities as safety locks, working lights or even running water. Rampant

crime and drug abuse in previous neighborhoods have made raising a family in a safe environment increasingly difficult.



605 Delmar, Austin, Texas





The house on day seven—not quite done, but getting there. Back row, standing: Gary McDougal, Shawn Hohnstreter, Mary McDougal, Mike Goodin, Richard Bergeran, Bill Howard, David P. David, Gary Marks, Kent Ray, Rhonda Ray, Bill Keese, Brenda Cox and John Cox. Kneeling: Renu Ouseph, Joe Fagin and Larry Carrico. Sitting: Gary Romine and Kathy Romine. Front row, standing: Lindsey Semon, Randy Voss, Autumn Gray, Kelli May, Richard May and Carolyn May.

That's all about to change, however, thanks in part to the ongoing community relations program between the Association of Progressive Rental Organizations and Habitat for Humanity.

In July, Sanchez, her two children and two grandchildren, will unlock the doors to their brand new four-bedroom home located at 605 Delmar in Austin, TX. For the first time, Sanchez and her family members will have their own bedrooms, along with reliable plumbing and electricity, a big yard and the pride of home ownership. In many ways, the house is not only the manifestation of a dream by the Sanchez family, but also by the volun-

teers and members of the industry who were able to turn a good idea on paper into a tangible, three-dimensional structure in central Austin.

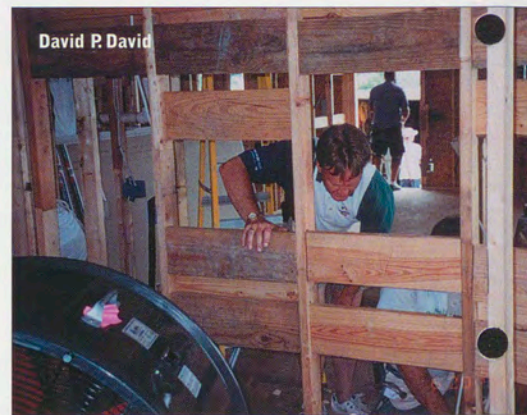
The rental-purchase industry is proud to call the Sanchez family home, "the house that APRO built."

"Hopefully we can make the life of someone else a little better," says Rent-One dealer Larry Carrico of Illinois, who brought a team of six workers to Austin for several days to help with the build. "There seems to be a lot of pride with someone owning their own house and APRO was kind enough to donate all the money. We've got a lot of volunteers and that's what it's all about—

people working together for a common cause," he says.

The house is the result of a 'blitz' build, an eight-day expedited build in June involving the family, APRO dealers, volunteers, the Casa Verdé kids and the Habitat for Humanity crew working 10 to 14 hours per day to complete the project. Sanchez and family members donated 400 hours of their own "sweat equity" toward their home and other Habitat houses in order to qualify for

"The APRO Habitat home is a culmination of many years of trying to pull this industry together, not only for legislative reasons, but also to reach out in the communities we do business in and give back to these communities in a meaningful way."



Habitat for your humanity

Every bone in my body aches. I helped my father with construction projects as a child, but have never worked on a construction build for eight consecutive 12-hour days in heat averaging 95 degrees with similar humidity levels. It was the hardest work I've ever done. I cursed the house, the tools and the materials countless times. I smashed my thumb, gashed my leg, bashed my head—twice—sprained my hand and danced dangerously close to heat exhaustion and, surprisingly, I look forward to doing it again. Why? Let me try to explain.

First, the obvious. Habitat For Humanity is about empowerment, not charity. It is incumbent for all of us to help others help themselves so they too may fulfill dreams, provide for their families and make their own contributions to society. The parallels between Habitat For Humanity and the rent-to-own industry are uncanny in the sense that both help families gain footholds in their lives so they can move forward. After coordinating APRO's Home Together campaign for three years, the value of Habitat For Humanity and the industry's participation is an easy sell.

Building a house, on the other hand, was a bit more difficult to sell, considering I have two left feet and have trouble hanging up a wall calendar. But Gary Romine, who spearheaded "The House that APRO Built," told me to trust him and after the build was complete, I would understand. Understanding is a powerful experience.

By the fourth day of the build, I began to look at the house from an entirely different perspective. The actual construction transcended way beyond the building. The house became a symbol of self-fulfillment. This build was not just the apparent public relations success for the industry, but also personal fulfillment for every volunteer who sacrificed his or her body upon this house.

As human beings, we all must act out our emotions upon some thing, some one or some instance, in hopes of personal fulfillment. We act out our emotions upon traffic, co-workers, television and our loved ones.

As for the hundreds of volunteers who participated in the build, the construction defined their individual motivations. It might have been a simple goal such as that of Mike and Bill from Indiana who volunteered partly because they wanted to check out Austin's live music scene. Several Baber's employees used the house as a "break" from their 60-hour work weeks and a change of scenery from their stores. John from Louisiana used the house to demonstrate his loyalty and gratitude to Jimmy Strong for his long-term employment at Easy Way.

As for me, my motivation was to face my fears in an area in which I was ignorant. Before the build, if I happened

upon construction even from afar, I would shudder, turn the opposite way and thank God that someone else was doing it. Not because of the hard labor, but because I knew nothing about it. We fear what we do not know and since I barely knew what a hammer was before the build, I was a frightened man. After the build, though, I now know the difference between a drywall hammer and a carpenter's hammer. I now feel a pride and a sense of satisfaction from my discovery of abilities, skills and muscles I never thought I had. An area so foreign

before became conquered territory afterwards and I want more. The house became the springboard from which to face my fears, discover a new confidence and display an untapped pride. The selfless volunteering evolved quickly into a selfish quest for inner-discovery.

This lesson that I learned is the reason why Habitat For Humanity is so successful. It is the reason HFH has built 100,000 homes in the world and has more than 1,200 affiliates. It is because HFH creates a relationship of give and take. Successful relationships are those in which both parties benefit. If volunteers only gave, Habitat would have died years ago. But the meaning of Habitat goes beyond simple, decent, affordable housing. It offers a foundation for individual transformation.

It is the reason why our site leader, Sam Garner, spent 104 hours on this build without a single dime coming to him. Sam has a selfish reason to take a bit of his own humanity home with him and feel proud and better about himself and the world in which he lives. It is the reason why our weekend site leader, Lisa, spends her free time working on houses because she hones construction skills and techniques that further her life ambitions to be a future home builder. It is the reason why Gary and Kathy Romine took eight days off to work on a house because they feel lucky in the life they have built and want to help others experience the same.

While each individual supposedly gave, each individual was really taking. Taking in a "selfish" way that benefits all. Talk about the easiest sell in the world. What you put in the build is what you get out of it. Habitat offers the houses and the vehicle for millions of volunteers to build their own meaning and, in the meantime, a house gets built for a deserving family. What a deal. I now understand the real power and depth of Habitat For Humanity because for those of you who volunteered, it really means Habitat for your own humanity. ■



Kelli May



Above: Day three. Above right: Gary Marks and Rhonda Ray from Rent One on paint duty. Right: Rent One's Larry Carrico and Randy Voss and APRO President Gary McDougal cut siding material in Texas' near-100-degree temperatures.



the program. Sanchez is also required to pay a zero-percent interest loan that helps fund other Habitat houses.

The purpose of Habitat for Humanity is to eliminate poverty housing by providing decent, affordable houses within each community.

APRO Executive Director Bill Keese, who worked at the site each day of the build, says the Habitat project provides a team building process by which rental dealers and employees are able to give back to people who are less fortunate.

"We have rental dealers from across

the country volunteering their time and their money to come to Austin to work on this build," says Keese.

"The APRO Habitat home is a culmination of many years of trying to pull this industry together, not only for legislative reasons, but also to reach out in the communities where we do business and give back to these communities in a meaningful way," says Keese. In 1998, for example, rental dealers donated 100 refrigerators and stoves to the Jimmy Carter/Habitat for Humanity Build in Houston and par-

ticipated in the First Ladies Build nationwide. This year, APRO decided to take its participation one step further by donating \$55,000 to fully fund the Sanchez house and supplying Habitat for Humanity with about 20 to 30 rental dealers and employees to work each day of the week during the "blitz" build.

While it's almost impossible to

Eight days a week: The blitz, day by day

Day one

10 a.m.–7:30 p.m.

Volunteers and crew members set the trusses and support beams for the trusses and routed electrical wires. The day was cut short due to pending thunderstorms.

Day two

7 a.m.–8:30 p.m.

The day began in a downpour. Volunteers drilled holes in the floorboards to drain collecting water from the house. As the rains subsided, participants started roof work, secured electrical wiring, attached support braces to trusses, dug plumbing canals, started siding and painting.

Day three

6:45 a.m.–8 p.m.

Volunteers finished the roof, installed the attic stairs and exterior doors, installed radiant-cooling baring for insulation, continued electrical wiring, began porch, started plumbing, installed air conditioning, finished siding, installed windows and secured the ventilation system.

Day four

7 a.m.–8:30 p.m.

Participants drywalled the ceiling, installed insulation, finished plumbing, installed trim on windows, painted and caulked trim and battens, painted and installed underpinning and headboards and hung drywall into the late evening.

Day five

7 a.m.–7 p.m.

Crew members taped and floated, textured walls and installed battens.

Day six

7 a.m.–7 p.m.

Workers painted interior, painted and puttied trim and continued the porch.

Day seven

7 a.m.–7 p.m.

Volunteers caulked door frames and windows, retouched painting and primed and painted interior trim.

Day eight

7 a.m.–4 p.m.

The crew finished the porch, installed cabinets, installed floor supports, installed interior trim, painted interior doors, hung closet shelves and rods and honored volunteers at a congratulatory APRO/Habitat ceremony.



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explain the feelings of accomplishment of the individual participants of this project, it's interesting to find a general consensus among the cast of volunteers who ran the gamut in age, skill level and purpose for being there. Strangely enough, the participants, who sustained unrelenting, exhausting hours in 95-degree Texas heat and who couldn't even remember what day it was most of the time, said they'd do it again in a heartbeat.

"I'm tired and I'm worn out, but I am glad to be here and I'll do it again," says rent-to-own consultant Lindsey Semon, who could always be spotted on the site donning his characteristic

shark-fin cap. Among other things, Semon headed the electrical work at the site, set up the tents each day and made sure all the volunteers stayed hydrated throughout the build. "It's hard work but it's a lot of fun. You make a lot of friends and learn some new skills," he says.

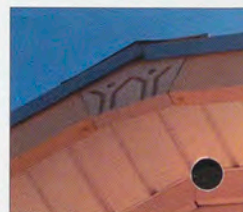
Full-of-Pep Appliance District Manager Mike Goodin of Indiana, a die-hard music fan, thought he might actually get to experience some Austin music during his trip, but instead ended up working at the Habitat site the entire time. Nonetheless, he says he felt totally fulfilled at the end of each day.

"It's an experience I've never had in my life. I didn't know what to expect, but I learned a lot, doing things I never thought I could possibly do," he says. "It sounds like a lot of hard work, but once you get in there and start working with volunteers and crew members of Habitat, it's not as bad as it seems. As it progresses, you see your work could actually become a house and you feel quite good about yourself."

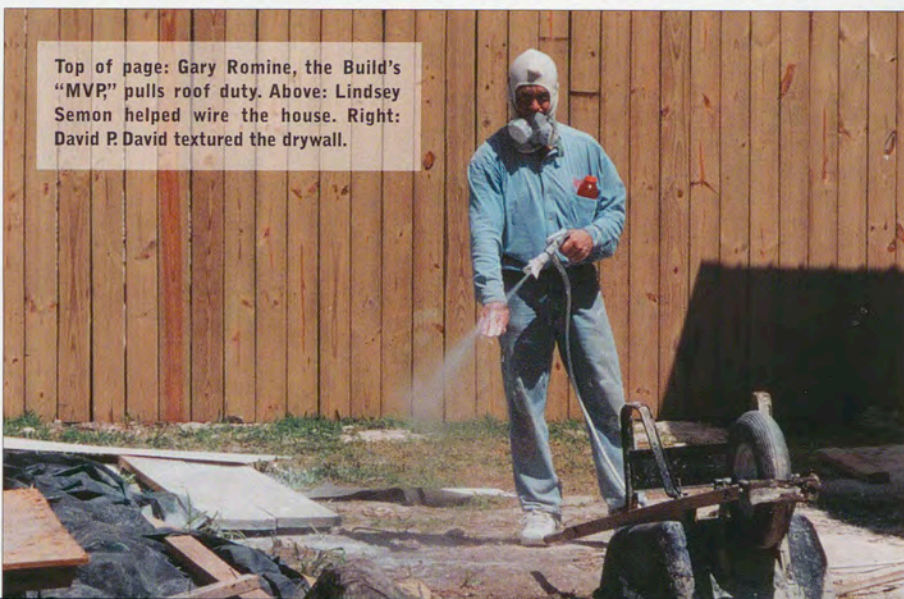
Despite what appeared to be seemingly endless days at time, volunteers for this project

worked as a team, doing whatever needed to be done without complaining about the tasks they'd been assigned, the mistakes they had to correct or the injuries they had sustained. Everyone worked the 12-hour days with surprisingly high spirits despite fatigue, soreness and heat exhaustion.

Easy Way workers John Herlong and Rodney Smitherman, who turned 17 at the build, patiently hung the exterior doors four times before the task was complete. David P. David of Full-of-Pep—the chief indoor painter and plumbing assistant at the site—came to the build each day with an ice pack on his back, but still managed a full 12-hour shift every day. Shannon Strunk and 10 employees from Baber's Leasing in Mississippi and Louisiana, drove 800 miles to participate in two days of the project before returning home to work the rest of the week at their regular jobs. Kathy Romine of Show Me Rent-To-Own caringly puttied, painted and then applied a second coat of paint to the exterior walls and battens until the job was done right, while husband,



"It's an experience I've never had in my life. I didn't know what to expect, but I learned a lot, doing things I never thought I could possibly do."



Top of page: Gary Romine, the Build's "MVP," pulls roof duty. Above: Lindsey Semon helped wire the house. Right: David P. David textured the drywall.

Gary, who injured his arm on day three lifting drywall, put in more hours and completed more tasks than imaginable during the eight-day build.

"This group seems to have a higher need and desire to be here," says Sam Garner, Austin's Habitat for Humanity site leader, who worked at the site on his day off simply because he enjoyed working with the APRO crew so much. "It's the best group I've ever worked with. I had a blast working with you guys."

Shawn Hohnstreiter, Habitat staff project manager, reiterated that point,

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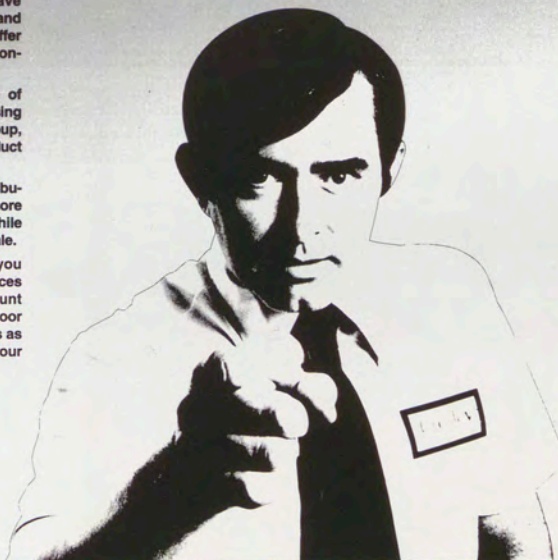
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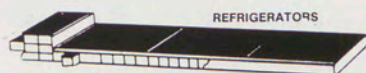
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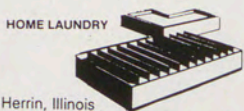
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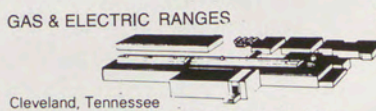
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Carolyn May
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Richard May
Julie Sherrier
Ron Waters
Roy Waters



The Sanchez family contributed "sweat equity" toward the completion of their new home.

saying that the exceptional attitude and experience of the crew members eased the hectic building schedule. "The APRO build has gone great. We had a lot of experience. The crews made the week enjoyable for how many hours we put in. There was great leadership and experience from within that made my job really easy," he says. Hohnstreiter and several volunteers who worked the full eight days contributed close to 100 hours of labor during the week.

In the end, people were tired, sore and ready to leave the Texas heat, but they shared an experience that will mean something to them and the Sanchez family for the rest of their lives. For whatever personal reasons, they built a house from the ground up in eight days for a family in need.

"It's been a good, hard, long week. It's been a lot of fun watching this thing go from start to finish," says Romine, who along with wife Kathy, received the "MVP" award for their tireless and valuable efforts throughout the build. Romine, who has participated in several projects such as this one, says this experience offers a better appreciation of his industry.

"If a person goes their whole life without giving back to someone else, they don't fully enjoy their life," says Romine. "And this has been a great opportunity as a group to come in and do a major project. I'm sure a lot of people have had small contributions they've made, but when you put on an effort like this to build a full house, you've made a tremendous impact."

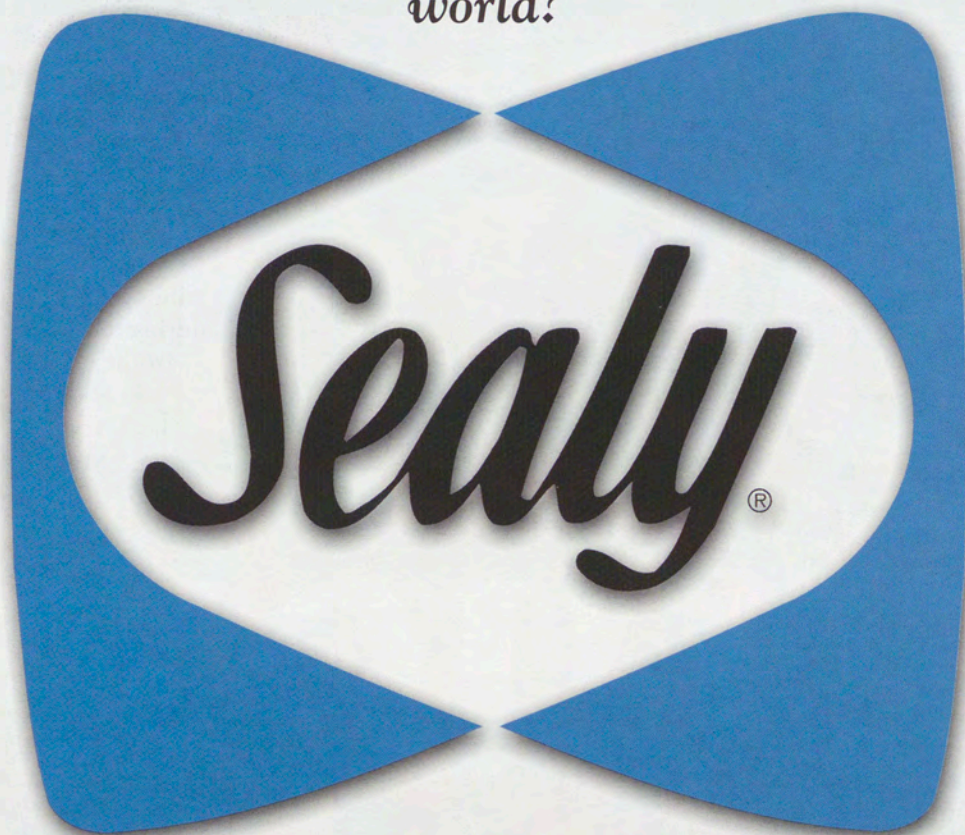
Romine says he hopes APRO and the industry will continue with similar projects in the future.

"Don't let the chain of love end with this project. Continue on. Until you help someone else, you can't fully appreciate the help you've been given in your own past," says Romine.

The Sanchez family should be moving into their new Austin home in late July or early August. ■

Kelli Montgomery is a freelance writer living in Austin, TX.

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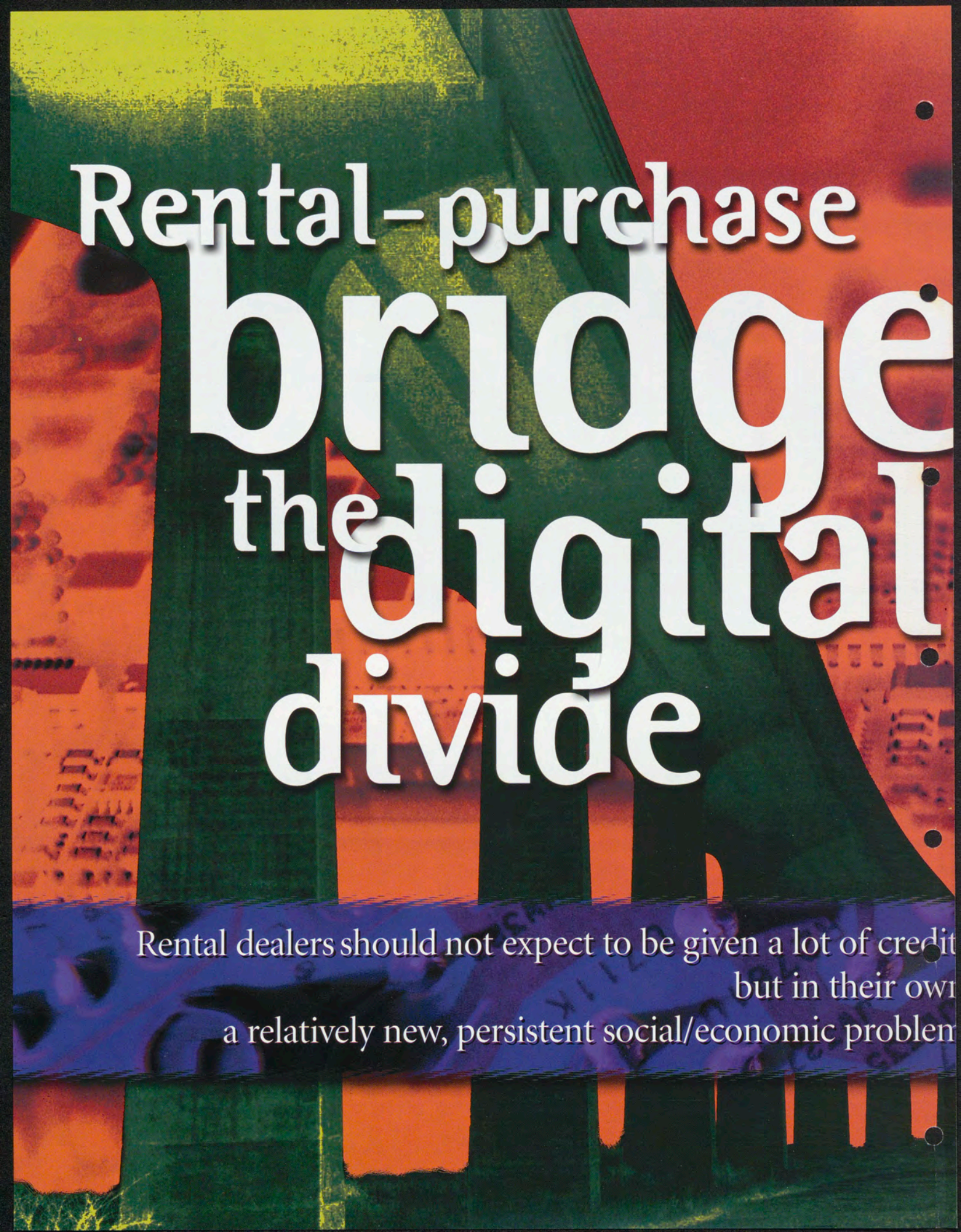


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Rental-purchase bridge the digital divide

Rental dealers should not expect to be given a lot of credit
but in their own right
a relatively new, persistent social/economic problem



S

By Ed Winn III

now or later,
quiet way they are already contributing to the solution of
what is being identified as the “digital divide.” >>>

The president talked about the seriousness of the problem in his last State of the Union address. There was a Digital Divide Summit Conference held this past December. There are several Web pages devoted exclusively to the problem—e.g., www.digitaldivide.org and www.digitaldividenetwork.org. The government is throwing millions of dollars at the problem. There are commissions and studies and generally a lot of palaver and handwringing about it in the country and abroad and, in the meantime, rental dealers have seen a need and have already started filling it.

Who's on, who's not >>> In a nutshell, with the advent of the Information Age, there are the "haves" with multiple computer stations and Internet appliances around the house, at work and at school with the knowledge and ability to use these tools in everyday life. Then there are the "have nots," with none of the above. This disparity has become the "digital divide." Indeed, few would argue that personal computers and Internet access are increasingly important for economic success and personal achievement in the United States in the 21st century.

Since 1995, the National Telecommunications and Information Administration has issued three studies documenting the extent of this divide. The latest study offers detailed findings on U.S. consumers' access to telephones, computers and the Internet. The study finds increased computer usage and Internet access generally in the country, but the divide is widening.

At the end of 1998, 40 percent of U.S. households had computer access and 24 percent had Internet access. The "have nots" variously include rural households, low income households, minority households, households with lower education and single parent households.

For example, 60 percent of households with incomes of \$75,000 or more per year have Internet access versus 12 percent of households making \$10,000 or less. By race, 38 percent of Caucasian households, 36 percent of Asian households, 19 percent of African America households, and 17 percent of Hispanic households were on the Internet at the end of 1998. Urban households with incomes of \$75,000 or more are 20 times more likely to be on the Internet than rural households at the lowest income levels. Copies of the studies are available at www.NTIA.org.

Building the bridge >>> The government is not merely identifying the problem. Tax dollars are being spent to solve it. The Department of Education has a Community Technology Centers Initiative to make computers and Internet access more

available in inner city neighborhoods. The Department of Housing and Urban Affairs has a Neighborhood Networks program with a similar goal. Expect other federal and state agencies to develop programs to speak to the issue. Whatever the government does to help, it will be the private sector that builds the best bridges across the divide. The rental-purchase industry is poised to play the role of major bridge builder.

Rental dealers already have as a customer base some of the digital "have nots." These customers are already renting furniture, appliances and electronics, which are

the necessities of modern 21st century life. This life is suddenly demanding a new necessity—Internet access. If it is not yet quite a necessity for all Americans, it soon will be.

For Americans struggling to make ends meet already, here is yet another cost of living in the land of opportunity—a computer or Internet appliance, perhaps a first telephone line or even a second and an arrangement with an Internet service provider or some third party for Internet access. Most dealers will recognize that a high percentage of their customers and their customer base are not yet "wired." The two main reasons given for being a "have not" in the NTIA study were cost and "don't

Rental employees will increasingly need to have to spend money on human resource

want it." The first reason may not go away, but soon Internet access in homes will be as ubiquitous as TVs and telephones.

The tech challenge >>> Adding computers and Internet service to rental store inventories has not been easy. There is often a digital divide inside the rental store between the dealer who sees an opportunity and store personnel who are charged with explaining, renting and servicing computers and Internet products. Store employees who once prided themselves on being able to set the clock on VCRs for customers are in a brave new world of information that requires new knowledge and new skills. Computers do not leap off the tables into customer's arms. Many customers may genuinely feel that they do not need to be on the Internet. Most rental customers, after all, have already had whatever it is that they are currently renting—an old TV or sofa replaced with a quality rental unit. Not so with computers and Internet service. And if they do not understand how and why being on the Web is going to make life better in some way, they are not going to rent it, and even if they do, it will not stick if it is not used.

Service is an issue with computers and Internet access. The service component has kept many dealers away from offering computers, that and the rapid technological advances and the obsolescence that ensues. Rental dealers have been afraid of amassing stockpiles of outdated computers that won't rent and that no one wants. The marketplace is solving those problems for dealers.

New suppliers, Xanatron and others, are tailoring programs for the rental industry and its customers to make it hassle-free to add computers

to rental inventories. Computers are increasingly simple and reliable. The speed of processors continues apace, but today a computer of a certain size, say with a 350 mhz processor and 32 mb of RAM, will work satisfactorily with a 56k modem. While not state of the art, such a configuration should be serviceable for a year or two. Long enough, in any case, to make it a suitable product in many rental stores, especially for customers getting their first machine and hooking up to the Internet for the first time.

Rental employees will need more training in this Information Age. They will increasingly need to be computer literate and Internet savvy. Rental companies will have to spend money on human resources to provide that training or lose their employees to someone who will.

A golden opportunity >>> It is and will be a continuing challenge for rental dealers to learn the full value of Internet access to daily life and then teach that value first to their employees and then to their customers. Rental dealers have at least talked about having classes in their stores to school customers on how to use a computer and surf the Web effectively. Groups of dealers could sponsor such efforts with local schools, probably with some government grants, donate a few machines and rent a whole lot more.

The opportunity is there since the "have nots" have been identified and many of them are already coming into rental stores every week. Rental dealers know how to do business effectively with their customers and do not necessarily require a checking account or credit card to do so.

Part, though by no means all, of the Internet access issue has been

tain size and speed with a certain amount of RAM to troll the Internet waters effectively. Most consumers are still hooked up to the Internet with telephone modems with a maximum speed is 56k. But the Internet elite has access two to 20 times faster with cable modems, DSL lines and still newer technologies. If the challenge is to get everyone online who wants to be online, regardless of financial circumstances, the next challenge will be to get everyone online at close to the same speed.

The pace of change is so fast that there will be other challenges to arise long before these initial hurdles have been overcome. How, for example, will consumers without credit do business online when they get there? RentWay is offering a debit card to its computer customers. The 7-11 chain has announced an Internet card that customers can buy with cash values that can be spent on the Internet. While the issues are many, so are the solutions created by innovators in the marketplace.

It is indeed a new world in the making, this Information Age. Rental dealers have a rare opportunity to offer brand new goods and services to their customers and to bring brand new cus-

be computer literate and Internet savvy. Rental companies will provide that training or lose their employees to someone who will.

credit. Most Internet service providers want a credit card and the ability to bill against the card automatically each month. Some of the "have nots" have no credit, some have bad credit and some are credit constrained. All rental dealers have had customers who fit into one or more of these categories and have figured out how to maintain and serve this customer base. It typically has required a higher level of service than traditional retail and rental dealers have provided it successfully. Now there is this vast new "need" in the marketplace. As e-commerce expands and consumers find new uses for their Internet connections besides reading their e-mail, this need will increase. Rental dealers are poised to meet much of this need, especially among the current "have nots" who find themselves in that category for cost or credit reasons.

The process has already begun. While there may be smaller dealers who have built their own digital bridges without a lot of fanfare, the public companies are seriously pursuing computers and Internet access for their customers and are doing so behind serious marketing efforts.

Rainbow Rentals reports that nearly 20 percent of its revenues and BOR are now in computers. The company currently offers a traditional rental-purchase program for a state-of-the-art computer with Internet access made part of the deal. RentWay has announced a new rent-to-rent program for a computer system and Internet connection, all for \$19.95 a week. Rent-A-Center recently announced an Internet service available to anyone through their stores for \$5.95 a week.

Access speed and other hurdles >>> The challenge is a long-term one. Already there are technological issues. One needs a machine of a cer-

tomers through the doors to take advantage of their unique way of doing business.

The Information Age has quickened the pace of commerce for everyone. This stepped-up pace is likely to continue into the foreseeable future. Rental dealers are in a perfect place to take advantage of an opportunity that this new age has created. They can grow BOR and profits and, at the same time, engage in a socially responsible endeavor, in some ways, like never before.

The prospects are at once thrilling and frightening. But then all change is that way. Big change all the more so. Society will not allow a large percentage of the populace to lose out on the benefits of the information revolution because, for the first time, the economics do not require that to happen. The pie is getting a lot bigger. Rental dealers will play a big part in the bridge building to come. Dealers with courage and wisdom will move the industry far ahead of where it has been and will play a vital role in erasing the digital divide. ■

Ed Winn III is APRO's general counsel. His e-mail address is edwinn@ibm.net.

T H E P A R A D O X O F

Success

IS YOUR BUSINESS
ONE BURGER SHY OF
A HAPPY MEAL?

A

study by Xavier University shows that every day more than 1,000 new businesses are started in the United States., and of those, 930 will eventually fail. A Dun & Bradstreet report states that only one out of every three

men or women who start a business will still be in business four years later. That same report goes on to say that a good number of those business owners will never know why their businesses failed. One of the biggest obstacles any business must deal with is the "Paradox of Success." The "Paradox of Success," ironically enough, is the reason that most new businesses are started. At the same time it is responsible for anywhere from 20 percent to as high as 80 percent by some accounts, of the business failures we see in America today.

B Y V I L I S O Z O L S



T

he paradox of success is very simple—the point at which your distinctive competence becomes your greatest liability. This means that the thing that you are “best at” becomes a handicap to your business success. The foundation of failure in many organizations, large and small, lies with how they deal with their very developed area of expertise.

Let's assume you are really good at interacting with customers and operating in a retail environment. So you purchase a RTO enterprise. You are great at servicing customers and they universally love you when they encounter you. Unfortunately, even though you are great at servicing customers, you are not doing as well getting repeat customers. You do not get enough new customers in through your marketing efforts, so you are out of business in a year. The fact is you got into the business because you are good with people. The paradox of success is that you fail because you were too good at the good stuff and not good enough at the other stuff. In other words, by missing key pieces of the business puzzle, is your business “one burger shy of a happy meal?”

Thus the label, the “The Paradox of Success,” emerges. In order to start a business and ultimately succeed, you had better be differentiated from the competition. You must be better at some aspect of doing business than the next gal or guy. Unfortunately, the benchmark of success (for both new and existing businesses alike) is not how well you exceed your rival in your selected area of expertise. It really comes down to how well you have developed your ability to excel in other facets of your business, outside your comfort zone.

Examples of the paradox of success abound. We've all encountered salespeople who are great at “getting” the sale and horrible at following up with service. Or companies that are wonderful marketers, identifying a benefit and drawing in customers by the boatload, who then can't deliver the quality product or service needed. Someone with a flair for color, design and creativity may start an interior design business, but goes out of business because he or she doesn't have the selling skills necessary. Or in today's deep-discount environment, someone who can sell and market against the competition and draws in customers, but who's margins are too thin to survive over the long run. It is like a bad joke—a business that loses money on every sale, but is trying to make it up on volume.

There are a few strategies for dealing with the paradox of success. First, take a long, hard look at the way you run your business and see if you can describe the strength or founda-



It really comes down to how well have you developed your ability to excel in other facets of your business outside your comfort zone.

tion upon which it is built. You may describe yourself as strong in marketing, strong in service, strong in operations, strong in financial management, strong in employee management, strong in creativity, strong in technical support or strong in logistics, to name a few.

Second, step back and assess your greatest drawback, weakness or bottleneck to your business growth or viability. This one may be obvious to you. Conversely, your biggest business weakness may be obvious to everybody *but* you.

Some of the areas to assess yourself in are sales skills, marketing ability, people management, customer service, business management, organization skills, finance, purchasing, inventory management, creativity, speed, efficiency or any other category that makes sense. Here are a couple of clues or directions for assessing your strengths and weaknesses.

▷ Do you have a mentor or a confidant who will tell you? Someone who is really good at giving you a reality check of what you are doing? Ideally it should be someone who cares about your success, but has no vested interest in “sucking up” to you or just telling you what you want to hear. These folks are worth their weight in gold.

▷ What part of the business “stresses” you the most? This could be a clue.

▷ What's your greatest discomfort or fear area in the business? These are areas you may under perform in or possibly even avoid altogether.

▷ Compare yourself to the other successful businesses in your field. A national conven-

tion is a great way of doing this. What are the “winners” doing that you aren't?

Once you have identified the components in this “strengths and weakness” analysis, rank yourself from strongest to weakest. Then take that list and have a trusted customer, confidante or mentor rate your skills as well.

Identify discrepancies in your assessment.

Next, set up an improvement plan by figuring out how to do two key things:

- ▷ Leverage your strengths.
- ▷ Overcome your weaknesses.

So, why do businesses fail? For many reasons. They fail to leverage their strengths. They only leverage their strengths. They fail to overcome their weaknesses. They focus on their weaknesses and not their strengths. Are you starting to see the paradox?

Without oversimplifying it, the most powerful thing you can do in your business is to assess what you are good at and what you are not good at and work at those areas.

A convention, such as the APRO convention in Nashville this month, is designed around this strategy. Looking at the educational offerings, you will see opportunities to leverage your strengths and overcome your weaknesses. Challenge yourself to attend a session in an area in which you are not comfortable or that you consider a weakness. Challenge yourself to leave the convention with a new strategy, initiative or approach in an area where maybe you have traditionally been "hands-off."

Finally, as you formulate your strategy, make sure you



The most powerful thing you can do is assess what you are good at and what you are not good at and work in those areas.

write it out, assign deadlines and, most important, determine ways to measure if you've attained the goals.

Is it possible that the most visible strength of your business is also its greatest limiting factor? As with any medical procedure, diagnosis is the first step. Then comes the treatment. Know what you're good at and get better at the rest! That's how to combat the "Paradox of Success." ■

Vilis Ozols, MBA, is a motivational leadership speaker based in Golden, Colorado. He is author of the books Motivational Leaders and Grand Stories, available at www.ozols.com or by calling 800/353-1030. Ozols will be presenting seminars at the APRO convention in

Nashville at 9:20 a.m., August 4 ("How to Conduct a Meeting") and at 2:20 p.m., August 5 ("Competing to Win").

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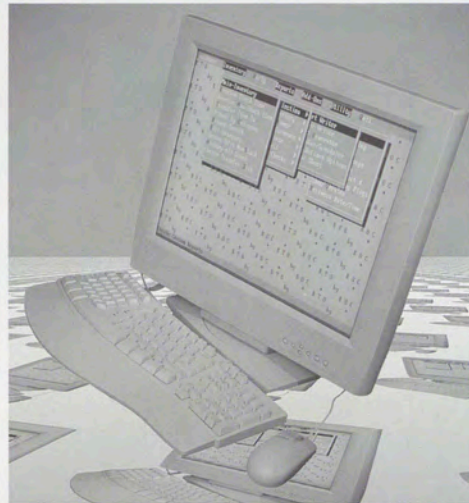
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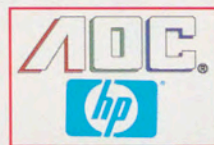
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What your customers are saying about you...

The following are excerpts from the 2000 Rental-Purchase Customer of the Year contest entries. The award recipient, along with the Rental-Purchase Employee of the Year award recipient, will be announced August 3 during the General Session at the APRO 2000 Convention in Nashville and they will be honored during the Awards Banquet in Nashville on August 5.



"At Don's E-Z Pay, the employees are so nice and helpful. I look forward to going in every week to make my payments because of their helpful, friendly service."

—Jo Beshears, Waldron, AR

"Renting from Hometown has impacted my lifestyle positively by giving me opportunity and options. Living on a tight budget, I don't see much of either. The payment options are very helpful. My favorite is the 90-days-same-as-cash policy."

—Bevin Rothe, Hays, KS

"I am very happy with the service and all of the Rentown associates are very friendly. When I come into the store, they make me feel special. I have furnished my entire house with their furniture and am very pleased with the variety and quality of everything in the store. I never get hassled in any way."

—Manuel Lopez, Bristol, CT

"We rent to own on a regular basis because there is no hassle for credit checks, awaiting approval or being denied credit. We get to have a better quality of customer service and a personal relationship with the store. I have been renting from this com-

pany through all of its changes and transitions for improvements and renovations for better customer service. Renting to own is fast and easy and hassle-free. I will continue to use this method of purchasing for as long as I need to."

—Raul and Marlene Orozco, El Paso, TX

"It is hard to go and buy furniture or appliances with cash. With rent-to-own, you can pay it out over time. It is so much easier that way. I like the arrangement because you can use the items while you pay the payments, unlike layaway, where the store keeps it until you pay it off."

—Tommy Lansdell, DeQueen, AR

"If I win the trip to Nashville, can we eat at Waffle House? I promised Mama."

—Lester Piggot, somewhere in Arkansas

"I just need to win this trip! But rent-to-own is a good experience, no credit checks, free delivery and you can get it today!"

—Jerome Cummings, New Haven, CT

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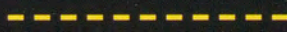
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