

ARKANSAS' CONSTITUTION AND RTO | PERFORMANCE REVIEWS  
A PROFILE: RENT-N-ROLL'S LARRY SUTTON

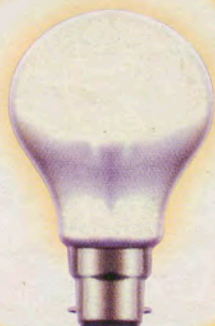
PROGRESSIVE  
**Rentals**

THE VOICE OF THE RENTAL-PURCHASE INDUSTRY | MARCH-APRIL 2004

**RTO**  
Miscellany

WHEN  
RENTAL  
DEALERS  
GATHER,  
THEY  
TALK

A VALUABLE SAMPLING OF  
INDUSTRY INNOVATIONS, INSIGHTS,  
ISSUES AND PRACTICES



# 441

**Number of Aaron's stores that had more than \$1 million dollars in annual revenue.**

## Do The Math.

### AARON'S SALES AND LEASE OWNERSHIP AVERAGE PER STORE

Average Total Revenue	<b>\$1,329,198</b>
Average Pre-Tax Earnings	<b>\$160,586</b>
Average Pre-Tax Cash Flow	<b>\$153,218</b>

The above averages are based on the actual results of the company-operated stores from January 1, 2003 to December 31, 2003. Of these 231 stores, 97 (42.0%) stores had higher average total revenue, 115 (49.8%) stores had higher average pre-tax earnings, 118 (51.1%) had higher average pre-tax cash flow, and 81 (35.1%) had higher average total revenue, average pre-tax earnings, and average pre-tax cash flow. As a serious investor, wouldn't you be interested in learning more?

Even though the above figures are actual results, the FTC requires us to include the following statement. CAUTION: "The figures are only estimates; there is no assurance that you'll do as well. If you rely on our figures, you must accept the risk of not doing as well."

# 0

## **Number of your stores with more than \$1 million dollars in annual revenue?**

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PROGRESSIVE

# Rentals

MARCH-APRIL 2004

## 30 | RTO MISCELLANY

Lessons are best learned from direct dealer-to-dealer contact so that the nuances of the practice may be gleaned. Find out the latest in rental dealer innovations, thoughts, issues and practices that have surfaced at recent rental dealer gatherings.

BY ED WINN III

## 34 | CONSTITUTIONAL CLAMOR IN ARKANSAS

Plaintiffs' attorneys have sued the country's three largest rental chains in three separate class-action lawsuits alleging that all rental-purchase transactions entered into in these companies' stores during the past five years violate the Arkansas Constitution.

BY ED WINN III

## 38 | PERFORMANCE REVIEWS: RETOOLING THE EMPLOYEE APPRAISAL

The performance review is too often an ordeal that's loathed, feared and rescheduled until it can't be put off any longer. Successful employers, however, have come to grips with such emotional reactions and recognize the performance review as the best tool for creating a motivated workforce.

BY PHILLIP M. PERRY

## 44 | A PROFILE: LARRY SUTTON

If you haven't yet heard about the entry of custom wheels into the rental-purchase industry, you soon will. Tampa's Larry Sutton intends to make sure of it. With four Rent-n-Roll stores of his own, 11 other locations in operation and 30 more under contract to open, the 53-year-old Sutton—who once left the RTO fold—today has all the fervor and gusto of a man who has been born again.

BY KRISTEN CARD

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**Wayne Chambers, Past President, APRO**

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Kelly Rentals



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\*Based on average Foresight Club sales and margins.

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# news

**B R E A K**

COMPILED BY  
JULIE SHERRIER

## APRO Convention debuts buying show in August

**A**s part of the Association's strategic plan initiatives, the 2004 trade show—August 4–7 in Tampa, FL—has been transformed into a buying show. The new show promises more purchasing than in year's past, complete with buyer incentives to place orders and "show special" pricing by exhibiting vendors. Approximately \$24,000 will be given away to lucky winners who purchase product at the show. In addition, APRO is offering one free full registration per company for its principle buyer.

To attract more rental-purchase attendees from all levels, the APRO board also reduced the regular registration fee for APRO members who book their room in the APRO block at the Tampa Marriott Water-side Hotel to \$200 per person—more than half off last year's registration fee! And, of course, there will be the fourth annual Employee Day, which is designed for store-level employees who would like to attend the show and learn more about

the industry.

Other attractions to look forward to this year at the 2004 APRO Convention and Buying Show include:

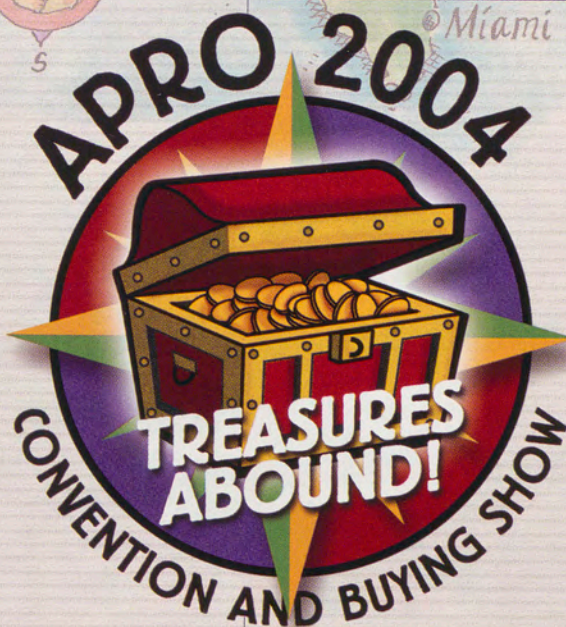
- RTO Customer and Employee of the Year Awards—Meet the "best of the best" in the rental industry as APRO honors the winners of the 2004 RTO Customer of the Year and 2004 RTO Employee of the Year contest.

- Educational seminars—Seminars focused on your business will be offered by top speakers and RTO experts from all over the country. Industry updates and annual RTO survey results are included, as well as results of APRO's most recent customer surveys.

- Networking opportunities—Social events with great food and entertainment are always a highlight of the APRO Convention. This year's parties include "Splitsville" and "Hot Havana Nights."

- Joe Eason and Tom Kitchens Golf Tournament—Always a popular event, this year's tournament will be held at the prestigious Tournament Players Club in Tampa. [www.tpc.com](http://www.tpc.com)

- RAE Awards—APRO's annual Rental Advertising Excellence Awards competition is designed specifically to recognize the creative advertising efforts of the rent-to-own industry in



## NEWS BREAK

a variety of categories that are created either in-house or by an advertising agency. Winners will be on display during

exhibit hall hours.

• Exciting location—Tampa? Yes Tampa! Come see what you've been missing. Visit the

Channelside entertainment area, Ybor City, the center of Cuban culture, and experience a new old-fashioned trolley sys-

tem to get you where you want to go. [www.visittampabay.com](http://www.visittampabay.com)

• First-class accommodations—Casting its dramatic reflection onto the bay, the Tampa Marriott Waterside stands as the newest, largest and most striking hotel in the area. Its downtown location in the emerging Channel district and direct connection to the Tampa Convention Center makes it an ideal spot for business or pleasure.

Stay tuned for more information in the next issue of *Progressive Rentals*, on the APRO Web site at [www.APROVision.org](http://www.APROVision.org) and in the biweekly online newsletter, *Rental Viewpoint*.

### RTO customer and RTO employee of the year call for entries

The search is on for the best RTO customer



### ENTRY FORM

## 2004 APRO Rental-Purchase Customer of the Year and Employee of the Year competition

This is a nomination for (check one):  Customer of the Year or  Employee of the Year

Nomination for \_\_\_\_\_

Company (if applicable) \_\_\_\_\_

Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip code \_\_\_\_\_

Telephone ( \_\_\_\_\_ ) \_\_\_\_\_ Fax ( \_\_\_\_\_ ) \_\_\_\_\_

E-mail \_\_\_\_\_

Your name, (if other than nominee) \_\_\_\_\_

Company (if applicable) \_\_\_\_\_

Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip code \_\_\_\_\_

Daytime telephone ( \_\_\_\_\_ ) \_\_\_\_\_

E-mail \_\_\_\_\_

Explain why you think your nominee deserves to be named the 2004 Rental-Purchase Customer of the Year or Employee of the Year (attach a separate sheet if necessary):

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

I certify that the information provided is correct and true and can I can attest and stand judgment pending possible further inquiry.

Signature \_\_\_\_\_ Date \_\_\_\_\_

Mail this form to APRO Contest, 1504 Robin Hood Trail, Austin, TX 78703; or fax to 512/794-0097; or nominate on the APRO Web site at [www.APROVision.org](http://www.APROVision.org).

2004

## APRIL

22-28  
High Point Furniture Market,  
High Point, NC,  
336/888-3700, [www.ihfc.com](http://www.ihfc.com)

27-29  
Arkansas Rental Dealers  
Convention and Trade Show,  
Hot Springs, AR,  
870/910-0058, ext. 305

## MAY

4-5  
APRO Legislative Conference,  
Washington, D.C.,  
800/204-2776,  
[www.APROvision.org](http://www.APROvision.org)

11-15  
TRIB Group annual meeting,  
Salt Lake City, UT,  
770/451-4302,  
[www.tribgroup.com](http://www.tribgroup.com)

18  
Kansas Rental Dealers  
Association meeting,  
Topeka, KS, 785/738-2180

## JULY

7-11  
ColorTyme National Convention,  
San Diego, CA, 972/403-4905,  
[www.colortyme.com](http://www.colortyme.com)

16-19  
San Francisco Furniture Mart,  
San Francisco, CA,  
415/552-2311, [www.sfmart.com](http://www.sfmart.com)

## AUGUST

4-7  
APRO Convention and  
Buying Show, Tampa, FL,  
800/204-2776,  
[www.APROvision.org](http://www.APROvision.org)

19-22  
Tupelo Furniture Market,  
Tupelo, MS, 662/844-1473,  
[www.tupelomarket.com](http://www.tupelomarket.com)

29-31  
Brand Source National  
Convention/Buyfair,  
Las Vegas, NV, 734/368-2283

and RTO employee for the 2004 Rental-Purchase Customer and Rental-Purchase Employee of the Year contest. As in previous years, this contest is a wonderful vehicle that can extend beyond APRO and can be customized for your stores to find your best employee and your best customer.

Entrants get a chance for an all-expense paid vacation to Tampa, FL, if selected as the Employee of the Year or a similar package tailored to the winner's choice if selected as the Customer of the Year. By participating in this year's competition, dealers will indirectly encourage their employees to stop and reflect on what they do and how they positively impact the lives of their customers on a daily basis.

And before you send off your entry forms to APRO, you may want to select your own winners.

The Rental-Purchase Employee of the Year and the Customer of the Year contest is not just a contest, but a rallying point around a little-known industry that is filled with human interest stories in every store in every community.

"We're putting a face and a story to the industry with this annual competition," says APRO President Lyn Leach.

For the past four years, APRO has received some of the best stories



Harper, right, with Commission for Women Chairperson Huffines

## APRO board member Harper appointed to State Commission for Women

**A**PRO board member and APRO PAC Chairman Mamie Salazar Harper recently was installed as a commissioner of the Governor's Commission for Women in Texas. The veteran industry operative and political star joined other appointees of the governor to work closely with the first lady of Texas, Anita Perry, to address a variety of issues affecting Texas women including domestic violence and childhood immunization rates. The commission also supervises the operations of the Texas Women's Hall of Fame, which highlights the accomplishments of notable Texas women.

After being sworn into the position in a public ceremony on February 25, Harper and others participated in several seminars focusing on the various aspects of her appointment. Harper took time out from her training seminars in Austin to pose for a picture with Commission Chairman Patty Huffines. For more about the commission and its mission, visit [www.governor.state.tx.us/divisions/women](http://www.governor.state.tx.us/divisions/women).

around the nation on how and why rent-to-own is more than just a place where people go to lease appliances, furni-

ture or electronics. RTO fills a unique niche in the marketplace that helps individuals become better parents, civic leaders



## 2004 Legislative Conference set for May 4 and 5

**W**ith more than 20 Senate co-sponsors, 84 House co-sponsors and leadership support, the rent-to-own federal legislation is in a prime position for passage. Never before has the industry succeeded at such a level with such a large contingent of congressional support. Attending APRO's 2004 Dave Egan Legislative Conference in Washington, D.C., is one of the predominant catalysts for gaining co-sponsors. Attendees of the 2003 Legislative Conference signed up 40 additional co-sponsors and continued the commitment the industry received last session when the bill passed the full House.

The annual Legislative Conference is the perfect venue for the grassroots lobbying of our elected officials on the benefits of rental-purchase to consumers. With the industry's federal effort so close to passage, you cannot afford to pass up this opportunity to come on board and help see it through.

Here's a rundown of some of the highlights of this year's conference:

### OUR MESSAGE TO CONGRESS

*10 a.m.-12 p.m., May 4*

This is an educational session on current issues facing rental-purchase dealers across the country, along with an update on the status of the industry-supported federal bill and what needs to be done to secure its passage.

### APRO PAC DINNER AT DUMBARTON HOUSE

*6-10 p.m., May 4*

Conference attendees are invited to cocktails and dinner

at Dumbarton House in Georgetown, an historic home that offers visitors an opportunity to enhance their appreciation of early American history. From the library to the dining room, through the music room to the parlor to the bedroom upstairs, visitors to Dumbarton House today see a wealth of furniture, paintings, textiles, silver, and ceramics that were made and used during the Republic's formative years.

There is no registration fee for the 2004 APRO Legislative Conference. However, if you attend this special event, APRO PAC requests a minimum \$200 donation (personal checks or personal credit cards only) for each person in your party attending.

### U.S. FLAG CONTEST

The individual(s) with the highest number of meetings with his or her members of Congress will be honored with a U.S. flag that will be flown over the nation's Capitol. This flag will be presented to the winners at the 2004 APRO Convention in Tampa, FL, in August.

### REGISTER TODAY!

To register or for more information, contact Laurie Hill at APRO at 800/204-2776 or 512/794-0095; or visit APRO's Web site at [www.APROvision.org](http://www.APROvision.org) on the Legal Channel. For hotel reservations, contact Wyndham City Center, 1143 New Hampshire Ave., NW, Washington, D.C., 20037, 800/526-7495 or 202/775-0800. The hotel deadline was March 31; however, there may still be rooms available.

and human beings.

Each rental company may nominate as many employees and customers as it sees fit. Only APRO member companies are eligible to enter the competition. Anyone can nominate an employee or customer—you can even nominate yourself. The nominees are narrowed down to five finalists in each contest and then an impartial panel of judges selects one from each. The entry deadline is June 1. To enter, just fill out the entry form on page XXXX. Feel free to make multiple copies of this form or customize your own entry form if your store is sponsoring its own contest. A blank entry form in PDF format can also be downloaded from the APRO Web site at [www.APRO-Vision.org](http://www.APRO-Vision.org). If you have any questions, contact Richard May at APRO at 800/204-2776.

### Buddy's joins forces with missing children's group

Buddy's Home Furnishings, based in Tampa, FL, has taken an active role in supporting Child Protection Education of America Inc., a non-profit organization dedicated to working with missing and exploited children. Over the past year and a half,



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## NEWS BREAK

Buddy's has donated approximately \$10,000 to the organization by acting as a corporate sponsor for CPEA's annual "Leather & Denim Biker Ball" and sponsoring the annual "Missing Children's Walk" in Florida. In addition, about 15 "ID Me Now" one-day events—where parents can have their children's fingerprints done in the store—have been held in Buddy's stores across the state.

Buddy's current goal

is to include a missing child's picture in each of Buddy's monthly state-wide 2 million direct mail pieces. According to

U.S. Department of

Justice statistics, one of six missing children is found because someone recognizes a photograph. CPEA distributes hundreds

of thousands of missing children's photographs and maintains a database of approximately 125,000 locations that display the photographs while working directly with parents of missing

children and law enforcement agencies in charge of these cases.

Buddy's Marketing/Web Director Melissa Sulsberger says Buddy's Marketing Assistant Jody Katz deserves the credit for bringing Buddy's and CPEA together. Katz took his children to an "ID Me Now" event and left thinking what a great fit CPEA and Buddy's stores would be. "I can't think of a greater cause for Buddy's to be involved in than finding missing children," says Sulsberger.

For information about

Child Protection Education of America Inc., visit [www.find-missing-children.org](http://www.find-missing-children.org). For information about Buddy's corporate sponsorship, contact Melissa Sulsberger at 813/623-5461, ext. 114, or e-mail her at [melissa@buddyrents.com](mailto:melissa@buddyrents.com).

—Jeannie Hutchison

### Rent-n-Roll keeps rockin'

Ohio rental dealer Ernie Lewallen is the latest addition to Rent-n-Roll's ([www.rentnroll.com](http://www.rentnroll.com)) growing list of franchisees,

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Al Benson — Sales Manager RTO Division

[al@centralfileinc.com](mailto:al@centralfileinc.com)



having signed a market development agreement with

the Tampa, FL-based company to develop a number of Rent-n-Roll Custom Wheel and Tires stores. The MDA covers the entire Cincinnati, OH area, as well as parts of southwestern Ohio, southeastern Indiana and northern Kentucky.

"Not since the early 1980s have I felt this much excitement about the RTO concept," says Lewallen, a former APRO president and owner of UHR Rents. "Our team looks forward to joining with Larry Sutton and his group to open and operate a number of Rent-n-Roll stores in different cities and markets over the coming years. It is my belief that the concept of renting to own custom wheels and performance tires will be the biggest product introduction since RTO stores added furniture!"

This latest agreement will bring the total number of Rent-n-Roll stores opened or under contract to more than 40 units in six states. The first store under the market development agreement, signed late last year by Bill Wendell of Blue Ribbon Rentals with Rent-n-Roll Custom Wheels and Tires, opened in March in Youngstown, OH. This is

## "May I help you?" is not a rhetorical question



Does it seem to you that, somewhere along the line, work ethics changed? In our parents' day, weren't more people polite? And punctual? And didn't praise for a job well done make those workers swell with pride?

Time hasn't changed the way we do business at **TRIB Group**. For over twenty years, we've been serving the needs of independent rental dealers all over the nation, negotiating price structures with vendors and manufacturers and giving all our members the buying power of The Big Guys. Our goal is simple: you must be satisfied with our services. Or we'll give you your money back.\* Pretty straight-forward guarantee policy.

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Lawrenceville, GA 30044  
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① TOLL FREE 866-800-TRIB  
☎ fax 770-451-4312  
🌐 www.tribgroup.com



\* If, after 90 days, you do not perceive significant benefits from membership, we will refund your joining fee in full. You must be in good standing at the time of the refund.

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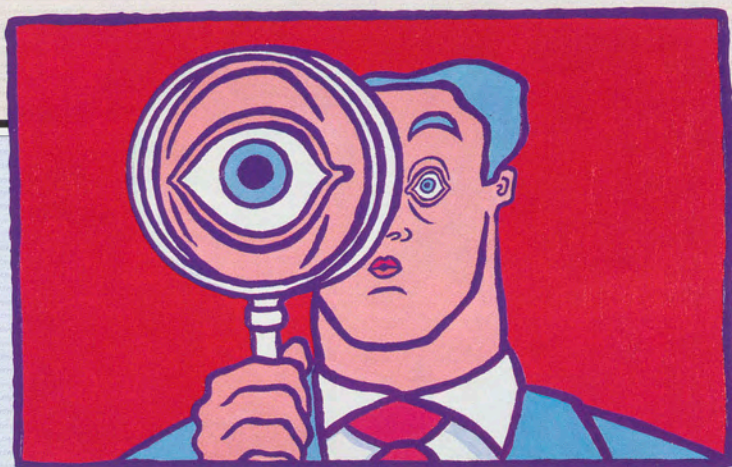
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## Initial RTO public image survey findings released

**T**he public image of the industry has witnessed some positive changes in two key areas, according to a recent survey of potential RTO customers conducted by Trenholm Research Group. The initial research findings of the survey were presented at APRO's Mid-Year Conference in Palm Springs, CA, on March 22.

Although rent-to-own still suffers from poor "top-of-mind" images and low familiarity, the image of rent-to-own offering "fair and reasonable prices" rose to 51 percent from 42 percent in 1997. Also, the perception that rent-to-own companies "won't hassle you if you are a little late" with a payment rose to 44 percent from 36 percent in 1997.

"The value of the transaction and our collection practices have been the center of enormous public, legal and legislative controversy for years," says APRO Public Relations Chairman Shannon Strunk. "For these areas to improve is a great sign that the industry's efforts are paying off and we're moving in the right direction."

The study is a follow up to a 1997 study and provides valuable findings on how rent-to-own stores should shape their advertising, marketing and promotional efforts to attract new customers. The study was a random sampling of Americans throughout every region of the United States and will be further developed with a series of focus groups this spring.

The potential customer survey is a reflection of Americans who fit the rent-to-own demographics but who do not rent-to-own in order to better understand the rent-to-own industry's image outside its existing customer base. According to U.S. population estimates, there are 45 million Americans who fit the under \$50,000 income per household category.

The survey is available to APRO members only and the executive summary will be sent out to all home offices within the next month.

the first of several free-standing Rent-n-Roll units to open in the Cleveland and Youngstown, OH, areas.

## Saunders promoted at Michels-Pilliod

Industry vendor Bob Saunders was appointed national sales manager-rent-to-own for Michels-Pilliod



(www.michelsfurniture.com) on February 24. Saunders will continue to serve the rent-to-own industry in most of south Florida for the furniture manufacturer. He can be reached at 727/867-3381 or via cell phone at 727/510-5727 or via e-mail at skipper01@earthlink.net.

## Aaron Rents forecasts for 140 more stores in 2004

The country's second largest RTO chain, Aaron Rents, plans on adding approximately 140 new stores in 2004, according to a press release issued by the company on February 24. The release also announced record annual and quarterly revenues for Aaron Rents, averaging 20 percent increases for the quarter and for

the year, bringing total annual revenue past the \$1 billion milestone.

"In 2004, we will continue to expand the company's store base [currently at 860 company-operated and franchised stores in the United States, Puerto Rico and Canada]," says Aaron Rents Chairman and CEO R. Charles Loudermilk Sr. During the fourth quarter of 2003, the Aaron Sales & Lease Ownership division increased its store count by 62 stores, comprised of 18 company-operated stores and 44

franchised stores. At the end of December, there were 241 franchise stores awarded development agreements that are expected to open over the next several years.

### Call for Rental Advertising Excellence entries

Entries are now being accepted for the 2004 Rental Advertising Excellence competition. This is an annual competition designed specifically to recognize the creative

advertising efforts of the rent-to-own industry in a variety of categories that are created either in-house or by an advertising agency. New in 2004

is the category for Web sites and/or online presence by a rent-to-own firm. Download the entry form today at [www.APROvision.org](http://www.APROvision.org). The deadline for entries is May 7.



### CapitalSource Finance is ready for RTO dealers

CapitalSource Finance LLC, a national commercial finance company, has opened its doors to rent-to-own dealers. Paul Whitley, a business

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# Thank you!

APRO thanks the following companies for their generous sponsorships at the 2004 Convention and Buying Show, August 4-7 in Tampa, Florida:



	<p><b>APRO HOSPITALITY ROOM</b> 2-5 p.m., August 4, and 9 a.m.-5 p.m., August 5 and 6, 9 a.m.-1 p.m., August 7</p>
	<p><b>WELCOME COCKTAIL RECEPTION</b> 6-7:30 p.m., Wednesday, August 4</p>
	<p><b>TOM KITCHENS/JOE EASON GOLF TOURNAMENT</b> 8 a.m., Wednesday, August 4</p>
	<p><b>SEMINAR REFRESHMENT BREAKS</b> Friday, August 6 (RES) and Saturday, August 7 (Zenith)</p>
	<p><b>GALA COCKTAIL RECEPTION: "SPLITSVILLE"</b> 6:30-9:30 p.m., Thursday, August 5</p>
<p>imagination at work </p>	<p><b>GENERAL SESSION, BUSINESS MEETING AND KEYNOTE SPEAKER</b> 10 a.m.-12 p.m., Thursday, August 5</p>
	<p><b>EXHIBIT HALL CHAMPAGNE WELCOME</b> 12 p.m., Thursday, August 5</p>
	<p><b>COMPLIMENTARY ICE CREAM IN EXHIBIT HALL</b> 3-4 p.m., Thursday, August 5</p>
	<p><b>APRO PRESIDENT'S RECEPTION</b> 5:30-7 p.m., Friday, August 6</p>
	<p><b>CONTINENTAL BREAKFAST</b> 9-10:30 a.m., Saturday, August 7</p>
	<p><b>AWARDS RECEPTION</b> 7-8 p.m., Saturday, August 7</p>
	<p><b>AWARDS DINNER: "HOT HAVANA NIGHTS"</b> 8-10 p.m., Saturday, August 7</p>
	<p><b>COMPLIMENTARY RELAXATION STATION</b></p>
<p>BDI Laguna</p>	<p><b>CONVENTION DAILY NEWSLETTERS/BADGES AND NECK STRAPS</b></p>
	<p><b>REGISTRATION COMPUTERS</b></p>
	<p><b>REGISTRATION ELECTRONICS</b></p>
	<p><b>INTERNET CAFÉ</b></p>
	<p><b>CONVENTION TOTE BAGS</b></p>

## NEWS BREAK

development officer for CapitalSource, says the company is now ready to offer loans to RTO dealers between \$1.5 million and \$100 million, though

the "sweet spot" is between \$2 million and \$40 million.

"It was a process of getting the company comfortable with RTO



APRO pioneers Chuck Sims, Tom Devlin and Jim Brown at the 2004 Mid-Year Conference

## APRO 2004 Mid-Year Conference a hit

**I**t was a fun, information-packed three days in Palm Springs for approximately 100 rental dealers and vendors who attended the 2004 APRO Mid-Year Conference, held at the Hyatt Grand Champions Resort, March 22-23. A packed crowd attended Rent-A-Center founder Tom Devlin's keynote address and 20 companies exhibited their wares at tabletop exhibits, which turned out to be a very profitable venture for vendors who wrote up orders in this debut of a "mini exhibit hall" during the meeting.

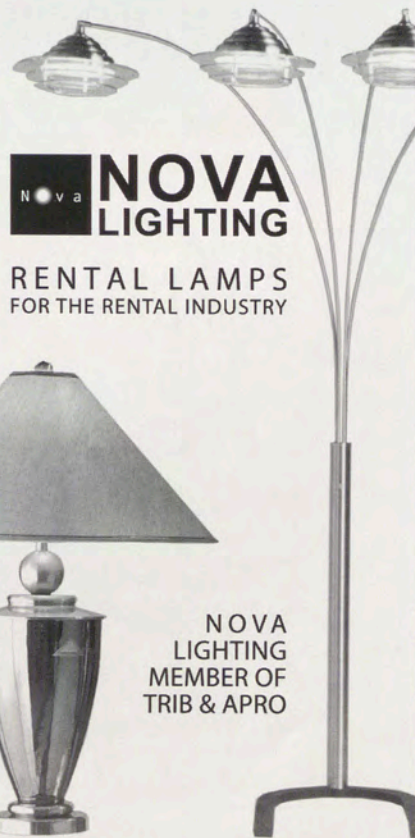
Results from the recently completed 2004 *Customer Survey* and 2004 *Potential Customer Survey* were presented and offered new insights into how the industry is faring, along with a roundtable discussion and industry updates. In addition, APRO board member Larry Carrico raised close to \$1,000 for the APRO Scholarship Foundation from 40 golfers who braved the 100-degree heat at the Golf Resort at Indian Wells. The winning golf team consisted of Ken Gay of Eureka, Todd and Bob Porter of Colorama and Harry Harwell of Super Store Rent-2-Own.

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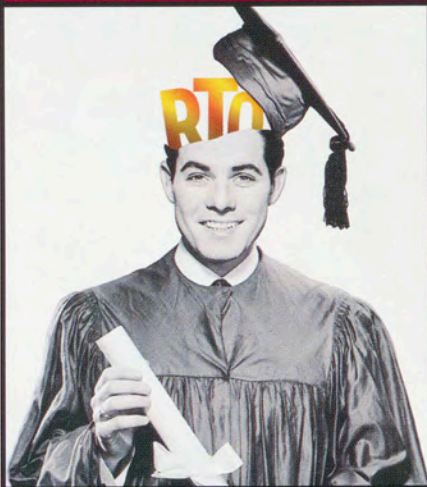
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## NEWS BREAK

business," said Whitley, who has been with the company for three years and previously worked with RTO dealers at FINOVA Capital Corp.

Whitley is not the only CapitalSource employee familiar with the RTO industry. In March of last year, the company acquired the rediscout division of FINOVA, which was in liquidation and slowly divesting itself of its assets. CapitalSource took on around 10 employees with the purchase who are familiar with RTO.

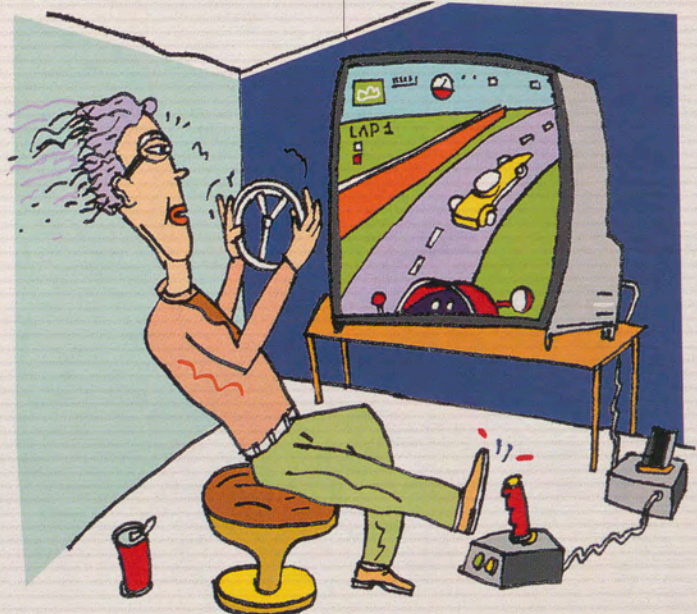
Dealers interested in more information about CapitalSource's program can call Paul Whitley at 972/764-1200.

## Gaming vendor announces Web site, digital cameras offering

RTO industry vendor

Florida State Games joined forces with High Touch to create a new Web presence at [www.floridastategames.net](http://www.floridastategames.net). "This is a great opportunity to assist new hires in product training from a beginner to an advanced level," says Brian Rosen, Florida State Games' customer service manager. "The site also has a comment section for input on products you would like to carry other than videogames."

Florida State Games also announces that it will be carrying brand-name digital cameras, including those made by Sony, Nikon and Canon, and digital camcorders, printers and accessories. "We would like to thank all the APRO and TRIB Group members for their continued support," says Rosen, who can be reached at 800/343-4263, ext. 219.



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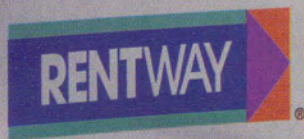
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We Are  
**Family!**

One of the most exciting changes ever to occur at APRO is underway. Tampa, FL, will be the site for the new APRO Convention and Buying Show, August 4–7. In the past, we have referred to the convention as a trade show, rather than a buying show. Because of an increasing number of members wanting this change, it has become a reality. There are several big changes that will add up to this new format being successful.

First, there is a big difference in registration fees. Each member will be able to send whoever is in charge of product purchasing to the convention

## Changes for the better

at no charge. While in many small companies the buyer may also be the company president, there is a buyer in most medium to large companies who may exclusively handle the inventory purchasing. This individual can attend the convention without a registration fee. Additional members of each company can attend at a cost of \$200 per person. This will significantly increase the number of member companies attending this year's convention. Because the convention is a very important member benefit, this will enable all companies, big and small, to attend this year's convention and get the most out of their APRO membership.

Second, the vendors are coming to the convention with show specials. Each vendor company will be asked to provide the details of their buying show specials two weeks in advance, so this information can be sent to the membership and be included in the packets distributed at the registration desk at the convention. These specials must be true specials—something that the buyers cannot get outside of the convention. The pricing and incentives must be so good that the members cannot afford not to come to the buying show. In fact, it is our goal to make the specials so good that a member will be able to cover the costs of the travel and lodging by placing some purchase orders at the show. This is going to require a genuine commitment on the part of the vendors to offer the best



By **LYN LEACH**  
APRO's President

show specials they can come up with and, consequently, write a considerable amount of business at the convention instead of focusing strictly on building and strengthening business relationships.

Third, there are going to be APRO purchase orders distributed to the vendors at the convention to be used in drawing up orders. Only the vendors who sent in their show specials will receive the blank purchase orders. These purchase orders will be very important. Incentive money is being given away this year and to be eligible for this money, members must place orders at the show. In other words, the more orders each member places, the better chance he or she has of receiving the incentive money. This will create a buying frenzy. The more you buy, the more you save and the potential windfall of incentive cash becomes more and more likely.

Last year at the convention, I attempted to place a couple of purchase orders I had brought with me. I was actually told to wait until after the show and place those orders over the phone, due to the fact that there was no advantage to buying during the convention. This type of attitude is dangerous and must change. Vendors must do their part by coming to the convention with specials that are so good they can't be passed up. We dealers must do our part by coming ready to place orders deliverable during what, for most of us, is our busiest time of the year—the third and fourth quarters. Both vendor and dealer members will profit.

APRO has always been about profiting from partnerships such as this. The convention has always been terrific. The educational, networking and communication opportunities alone have made the convention worth attending in the past. Now, with the actual cash dollars you are going to save by placing orders, combined with the new registration costs, make this year's convention one that you can't afford to miss. Make sure you are not caught saying, "I really should have gone to that convention." Come be a part of this history-making event. ■

*Lyn Leach is the owner of Ace Furniture and TV in Lincoln, NE.*

.....  
"Make sure you are not caught saying, 'I really should have gone to that convention.'"

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**I**n this year's annual budget, the APRO board of directors approved the commission of two studies. Trenholm Research Inc. was hired to study the "image" of the rent-to-own transaction with people who have either rented in the past or who have never rented. This is the second time APRO has conducted the Trenholm study. The first "Image Survey" was done in 1997.

The second survey, conducted by America's Research Group Inc., is a study to determine how people who have rented in the past or people who presently rent rate their total experience and their

## Survey results

satisfaction level with the rent-to-own transaction. America's Research Group

first conducted this perception study for APRO in 1994, with the second survey completed five years later in 1999.

Summaries of the results were presented at APRO's recent Mid-Year Conference in Palm Springs, CA, last month.

There is a wealth of information in these two comprehensive studies. It will take time to analyze and disseminate the information to our members. We will be sending executive summaries of both studies to all member home offices. However, I want to talk about some preliminary observations that stand out in my mind.

There are 45 million Americans who share the same demographic profile as rent-to-own customers. Today, the rent-to-own industry rents to 3 million of these. One way to look at this is to say that we have a 6.7 percent market penetration. The industry is not growing customers. Instead of broadening our customer base, we are stagnating while our potential customer base is expanding.



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

In summarizing her study, Linda Trenholm's first conclusion is that "rent-to-own continues to suffer from poor top-of-mind images and low familiarity." Her study, however, finds we have made positive shifts in some areas. Our greatest gain has been in the potential customer's perception that we offer "fair and reasonable prices." Yet, the analysis shows that this has not yet translated into increased interest in the rent-to-own transac-

tion among new customers.

Television advertising remains the prime source of information about our industry.

More than half of those surveyed listed the industry's television ads as their principle source of information about rent-to-own. Therefore, Trenholm says, the most motivating marketing messages to attract consumers include "fair and reasonable prices," "good selection of quality merchandise," "honest and reputable stores and staff," "service repairs and loaners while renting" and the "flexibility" inherent in the no-obligation rental agreement.

Britt Beemer of American's Research Group suggests we should continue to reinforce "have it today," "no credit hassles" and "return it when I want" as major benefits of renting over buying. Rent-to-own must advertise and offer concepts like "guaranteed satisfaction," "loaners at no charge" and "delivery included."

Eighty-seven percent of our customers, according to the America's Research study, said they have rented from one to three times. Forty-nine percent have rented only one time.

Clearly, there is a large, potential customer base that does not know the benefits of the rent-to-own transaction. As an industry, it seems we can do a much better job of promoting the benefits of the transaction—no credit needed, quality merchandise, loaners at no charge, etc. Both studies point to the fact that our own television advertising is the single most effective method of educating new customers. The industry can do a better job of this. Historically, we have had very high customer satisfaction. This, too, needs to be an emphasis in our daily lives. A customer treated well will not only be a very satisfied customer, but also a good spokesperson for the industry.

My hope is that we all renew our commitment to exemplary customer service. This is, in the end, the most effective method of building our industry. ■

*Bill Keese's e-mail address is [bkeese@apro-rto.com](mailto:bkeese@apro-rto.com).*

.....  
"Clearly, there is  
a large, potential  
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that does not  
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of the rent-to-own  
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**L**ately, we have welcomed Aaron's corporate back into the APRO family and are glad to have them back. The APRO family is bigger than ever these days. We have dealers with one store doing maybe \$500,000 per year and then we have a company doing more than \$1 billion per year and another doing more than \$2 billion per year. Not everybody in the family likes everybody else and that's a gentle way of putting it. There is a fair amount of finger pointing about whose fault something or other is and some bickering over how the business is run and how the business should be run. It's nothing new.

## Warts and all

We have an ever-more-diverse collection of family members and the disparity is not just in size. We have dealers who rent portable buildings, dealers who rent hunting rifles and other hunting paraphernalia, dealers who rent telephones, dealers who rent riding lawnmowers, dealers who rent cars, dealers who rent tires and wheels. And we love them all. They are family, after all.

We do all have one thing in common: we use the same transaction. We may call it different things, to be sure. We hold ourselves out to the public in every way imaginable, but at the core, we are all peddling rent-to-own. That hybrid, difficult-to-explain, fascinating-to-market concept of renting an item with no long-term obligation and also with the opportunity to own the product one day. We are an "other" family. We are fundamentally "other" than retail, although some of us are comfortable in our "otherness" and others want to get as close to mainstream retail as possible.



By **ED WINN III**  
APRO's General Counsel

We have gotten so big and so diverse that we cannot agree about many things anymore. We agree that we ought not to be regulated out of business and the laws on the books that were 20-plus years in the writing seem to be working pretty well. (A lot of family members sweated blood and money to get those laws passed, by the way.) Most of us would like to see Congress do something constructive about rent-to-own at the federal level, but some dealers' patience with the

federal dance is wearing thin. Most of us would like to see the family thought of in a more favorable light. We have united sporadically over recent years to accomplish various public relations projects toward that end with mixed results. We would like to see more consumers use our transaction. If you look at the numbers, the business could be—some say should be—anywhere from two to 10 times bigger. Everybody in the family is on board for their fair share of that.

And, of course, we have always had and always will have our black sheep, our runaways, our orphans, our juvenile delinquents, our Goth children in today's vernacular—dealers who do what we do but who refuse to recognize the family. We miss them. We wish they would do better. We wish they would come home. We just have to love them from afar and hope that one day they will see the light and come home.

In the meantime, when I look at the rent-to-own family, what I see is not so very different from what I see when I look at families in general. We aren't perfect by a long shot, but we are bigger and better than we used to be and intend to continue to improve. Most of us are together whether we like it so much or not. We might as well look at the good stuff among us of which there is a lot. None of us, after all, are without a wart or two. But what are a few warts among family? ■

*Ed Winn's e-mail address is [edwinn@e-bylaw.com](mailto:edwinn@e-bylaw.com).*

.....  
 "The RTO family isn't perfect by a long shot, but we are bigger and better than we used to be and intend to continue to improve."  
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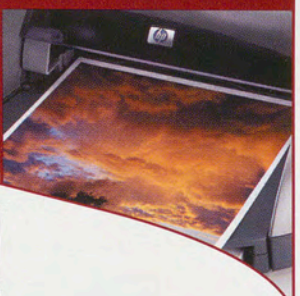
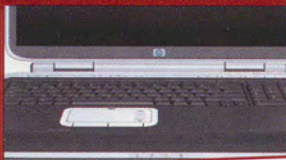
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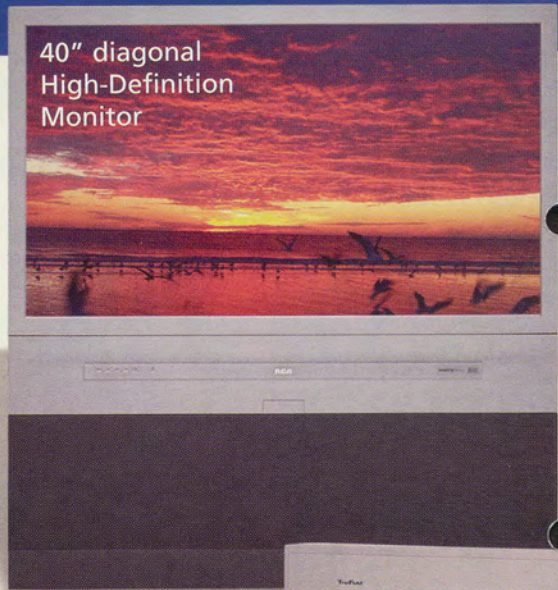
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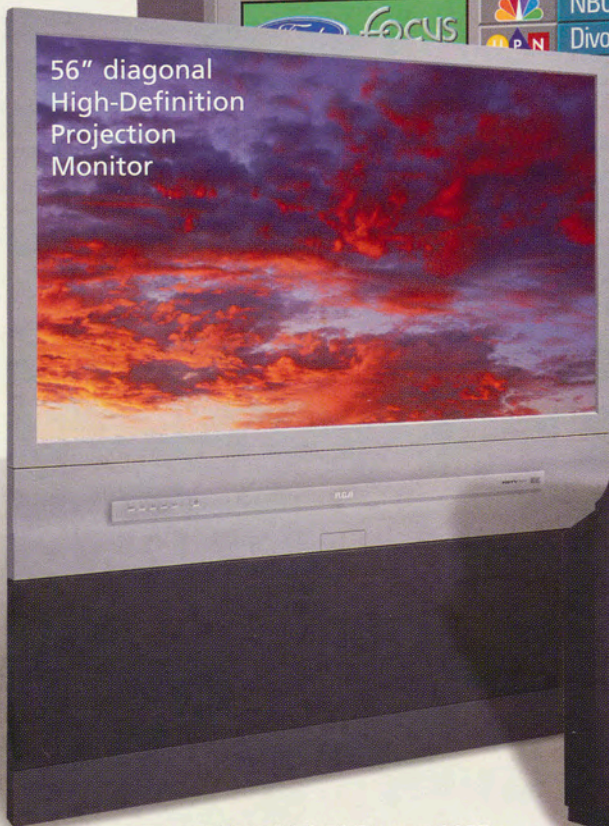
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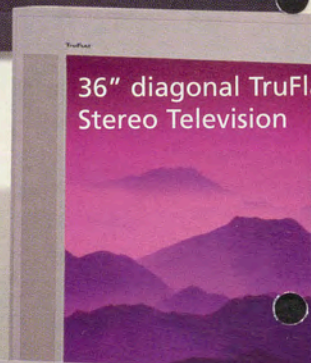
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56" diagonal High-Definition Projection Monitor



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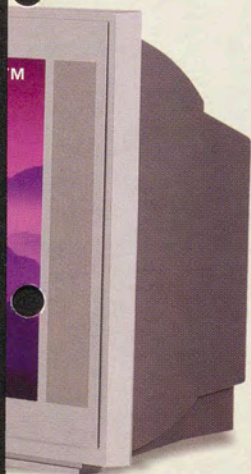
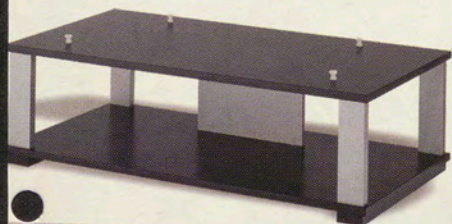
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# rento- misc.

**I**t is probably true that Wendy's and McDonald's executives do not sit around and talk about how to cook hamburgers. That is too bad in a way. If they did, the world might have better hamburgers. Rental dealers, on the other hand, do sit around and talk about how to rent TVs better. As a result, fast-food conventions are probably not much fun and not all that edifying. Rental dealers meetings, by contrast, are usually lots of fun and invariably instructional because of rental dealers' willingness to share ideas and business practices. Lessons are best learned from direct dealer-to-dealer contact so that the nuances of the practice may be gleaned. Here, nonetheless, is a summary of some rental dealer innovations, thoughts, issues and practices that have surfaced at recent rental dealer gatherings.

**WHEN RENTAL DEALERS GATHER, THEY TALK.  
AND HERE'S WHAT THEY TALK ABOUT...**

**BY ED WINN III**

#### MISCELLANY 1:

### IT'S 10 A.M., DO YOU KNOW WHERE YOUR TRUCKS ARE?

**O**ne dealer who didn't know the answer to this question decided to do something about it. He installed global positioning devices in his trucks. These are not the kinds of GPDs that sit on the dash with electronic street maps to help drivers find obscure addresses. These GPDs were installed out of sight with a wireless hookup to the owner's computer in the home office. At the touch of a button, the dealer can see on a map on his

computer in real time exactly where each of his trucks is. He already knows more or less where they are supposed to be.

For the first 90 days on the job, probationary employees are not told about the GPD. It ends up being a useful tool for measuring an employee's truthfulness, honesty and industry.

The dealer has also programmed the system to send him e-mail whenever a truck goes within a half mile of the driver's house. The cost of installing the GPD ran the dealer \$600 per truck (on the West Coast) and the real time tracking service runs \$30 per month. The dealer is persuaded that the installation of these devices in his trucks has dou-

bled the productivity in his company.

The GPD market is growing rapidly. Rental dealers should be able to locate local companies selling these devices and offering whatever kind of tracking service a dealer might desire.

#### MISCELLANY 3:

### COMPUTERS IN BULK

**E**veryone knows that Sam's and Costco and the other warehouse retailers sell in bulk. One enterprising rental dealer has made a virtue out of their practice by going around to his local warehouses and making a deal with each one to purchase their computer close-out inventories at their cost plus 10 percent. With computer technology continuing its intermittently feverish pace, there is a lot of inventory change in computers. These deals help the warehouses get rid of older inventory and give the dealer a great price on brand new, still-rentable machines. The dealer's deal-making ability did not resolve all of the issues that arise when getting more heavily into computer rental, but it did open up a reliable, economic source of supply of new machines. The dealer reports that Sam's and Costco are both buying computers at very good prices.

#### MISCELLANY 4:

### RENTING TO INSURANCE COMPANIES

**A**nother enterprising rental dealer went around to the major insurance companies in his markets and offered them a rental package for insured consumers whose houses burn down. The rental company will quickly provide an apartment full of furniture to the fire victims and the insurance companies have agreed to pay six months' rent on the furniture in advance. This merchandise is not going to stick and the dealer has to provide stellar service during a traumatic time. Not all of the insurance companies were interested, but the advance payments from those who were have done wonders for cash flow and the program has proven to be a helpful addition to the stores.

#### MISCELLANY 2:

### REPAIRMAN SCAM

**A** multi-store chain was happily using an out-of-house service technician to repair electronics for a number of years. The tech came and picked up the broken merchandise from the store, repaired it in a more or less timely fashion, billed the manufacturer for work covered by a warranty and returned the repaired items to the stores. Everyone was happy and life was good—the repair headache was seemingly solved. Until one day, entirely by accident, a store manager happened to notice the service tech in the front of the store copying information from the back of units for rent on the floor. He attributed no nefarious motives to the tech and didn't think much about it, but happened to mention it to the regional manager one day who, in turn, mentioned it to the home office.

The behavior was just quirky enough to get someone in the home office to call a supplier or two and ask for records of the warranty work billed by the tech on company-owned units. It turns out that the tech was billing and collecting on lots of TVs that the company had never marked for repair. He was sending in the serial numbers of the units on the showroom floor that he copied down on invoices to the manufacturer for repair work that he was not doing.

The higher than normal repair rate ascribed to the company was costing the company money when it came time to negotiate pricing with the manufacturer, but the specifics of the high repairs were never directly on the table for the rental com-

pany to see and analyze. This little scam had gone on for a long time and the tech collected thousands of dollars for bogus repairs.

There was an easy fix. Fire the tech and report him for theft, which happened. Now, the company gets a warranty repair work report from its manufacturers and matches those reports with store repair reports. The service tech is probably looking at some jail time.

Rental dealers know that most people are honest or they would not be able to stay in business. Most people, however, does not mean everybody and there is always somebody looking for a way to scam the system.



#### MISCELLANY 5:

### THE IRS AND OWNER COMPENSATION

In the old days of C corporations, the Internal Revenue Service would occasionally challenge a rental dealer for claiming what the IRS considered to be excessive owner compensation. The IRS argument was that the owner took too much from the company in salary to avoid having the corporation's profits taxed twice, first at the corporate level as corporate income and then again at the personal level when the owner took the money as a dividend.

Lately the worm has turned completely and the IRS has challenged a rental store owner who operates as an S corporation for not taking enough salary out of the company. The store threw off about \$200,000 in profits during the year in question. The owner took about \$50,000 in salary and took the rest as pass-through income on his K-1.

The advantage to the dealer is that he only had to pay Social Security, Medicaid and Medicare taxes on the salary and not on the pass-through income. So the IRS challenged the salary amount, maintaining that it was not high enough and the debate will be over what is fair compensation for the owner of a rental enterprise that throws off \$200,000 a year in profit.

This miscellany offers no answer to that question and is intended merely to alert rental dealers that this is an issue into which the IRS may inquire.

#### MISCELLANY 6:

### CAMERAS AND PRINTERS AND MEMORY, OH MY!

A dealer reports that he is having good success lately renting a digital camera/printer package. The printer is one of the many available that accepts memory cards directly from the camera with no need for a computer hook-up. The prices of high-quality digital cameras have come down dramatically lately, making the package attractive to rental customers.

The package does not come without issues, however. Few packages do.

#### MISCELLANY 7:

### CAN YOU SPELL OSHA?

One rental dealer who was feeling dunned and finally insecure by a recent barrage of offers to buy posters and notices for employees under penalty of near-death wondered aloud whether he had to comply with the new OSHA record-keeping procedures, with its own set of posters and notices.

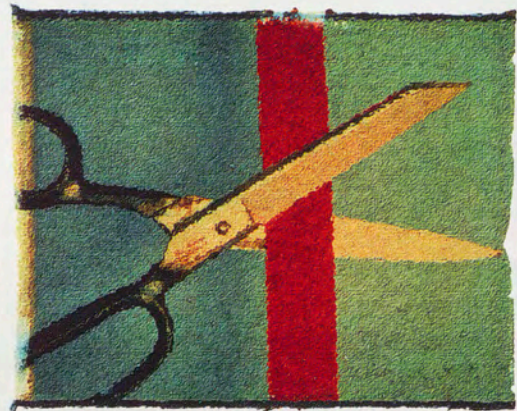
The OSHA rules require ornate and arguably cumbersome record keeping for all on-the-job illnesses and injuries. There are exceptions as to which employers have to keep the records. Small businesses with fewer than 10 employees are exempt—that is 10 employees per company, not per location, according to OSHA. Then, certain “low-hazard” industries are exempt. The problem is that the list of exempt industries is made by SIC code, the federal government’s Standard Industrial Classification. The list is, by OSHA’s own admission in the regulations, incomplete. Moreover, the four-digit SIC codes are not being used anymore and are being replaced by the six-digit North American Industry Classification System code. There are no exemptions listed in the regulations by NAICS number.

Confused yet? There’s more. Low-hazard industries are defined as those with an average DART (Days Away, Restricted or Transferred) rate at or below 75 percent of the national average DART rate. The DART rate has lately replaced the LWDII (Lost Workday Injury and Illness) rate. Please do not snicker. This is your government at work devising these acronyms and your tax dollars are paying for it.

So are rental stores exempt? Radio, television and computer stores are exempted. So are “retail stores, not elsewhere.” The specific SIC code that some rental dealers were using when SIC codes mattered includes furniture rental, television rental, airplane rental, industrial truck rental, oil field equipment rental, live plant rental and assorted other categories of things that people rent. It is not listed as an exemption. Remember that SIC code—and now NAICS code classifications—are determined by the merchant. These numbers are not ordinarily assigned.

Prudence would suggest that dealers post the notice and keep the records. It is difficult to say with any certainty exactly what the law requires of rental dealers. If any rental dealer has had occasion to ask this question of OSHA officially, APRO would like to know the answer.

No matter what, all employers must report to OSHA any workplace incident that results in a fatality or the hospitalization of three or more employees. For more information, go to [www.osha.gov](http://www.osha.gov). Once there, search for the document, “Record Keeping Policies and Procedures” (RKP). And good luck.



Another dealer reports that he has had to discontinue renting printers altogether (he used to rent them with computers) because so many customers were coming in to demand that the store replace the ink cartridges in the printers. At roughly \$50 per cartridge, replacements were not in the dealer’s pricing formula and when printing pictures, printers run through cartridges rapidly. Then there are questions of whether to stock and sell photo quality printer paper (the dealer with the

package does not) and whether to stock and sell upgraded memory cards to replace the modest memory that typically comes with the camera (again, the dealer does not).

So here is a product package that is working for some, but not for all. It may be worth investigating in your markets. Once again, good luck. ■

*Ed Winn III is APRO’s legal counsel. His e-mail address is [edwinn@e-by-law.com](mailto:edwinn@e-by-law.com).*

*Constitutional clamor in*

# Arkansas.

*By Ed Winn*

*You shall not lend upon interest to your brother; interest on money, interest on victuals, interest on anything that is lent for interest. To a foreigner you may lend upon interest, but to your brother you shall not lend upon interest, that the Lord your God may bless you in all that you undertake in the land which you are entering to take possession of it.”* — DEUTERONOMY 23:19–20

Given its location deep in the Bible Belt, it should perhaps be no great surprise that Arkansas treats the notions of money lending, interest and usury differently from most other states. In Arkansas, the regulation of the loaning of money is contained in the state's constitution, whereas almost everywhere else, it is entirely a legislative matter. ¶ California, Oklahoma, Tennessee and Texas all have constitutional provisions relating to usury, but have left regulation of interest to their respective legislatures. In these other states, there is a sort of default provision in the state constitutions that regulates usury if the legislature fails to do so. In Arkansas, the constitution sets the rate and the legislature has no say in the matter short of amending the constitution. Therefore, the situation in Arkansas via-a-vis usury limits is unique in the country.



# W

With this environment doubtless in mind, plaintiffs' attorneys have recently launched a frontal assault on the rental industry in Arkansas. They have sued the country's three largest rental chains in three separate class-action lawsuits alleging that all rental-purchase transactions entered into in these companies' stores during the past five years violate the state's constitution.

Until 1982, the Arkansas Constitution limited interest rates in the state to a flat 10 percent per year. In 1982, when the prime lending rate approached 20 percent in the United States, the state amended its constitution to provide some flexibility to interest rates. The amendment pegged the maximum interest rate to no more than 5 percent per year above the Federal Reserve discount rate or in the case of consumer transactions, 17 percent per year. However, a year later, the Arkansas Supreme Court read the amendments language in peculiar fashion and concluded that interest rates on consumer transactions in the state are also limited to the lesser of the floating rate or 17 percent. Today the floating rate is 10 percent.

Over the years, various legislative enactments have been challenged as violating the constitutional limit on interest rates. The courts have jealously guarded their right to decide what is and what is not usury in the state. From time to time, the Arkansas Supreme Court has knocked down some legislative pronouncement that the court deemed as infringing on the constitutional limit on interest rates. It did so most recently in 2001 in a case which held that the state's Check-Casher's Act was unconstitutional.

It is likely that the result in this case has emboldened plaintiffs' attorneys to take on the rental-purchase industry. Therefore, some understanding of the payday loan case is important to explain why the Arkansas rental-purchase industry has suddenly come under legal attack.

In the 1990s, the payday loan industry was successful in getting the Check-Casher's Act enacted. The statute specifically authorized merchants to charge a fee of up to 10 percent of the face amount of a personal check for providing the service of cashing it. The statute further authorized merchants to charge a fee of \$10 per check for offering a deferred presentment option, requiring the merchant to hold the check for a agreed period of time before cashing it in exchange for this fee. The statute had the following language:

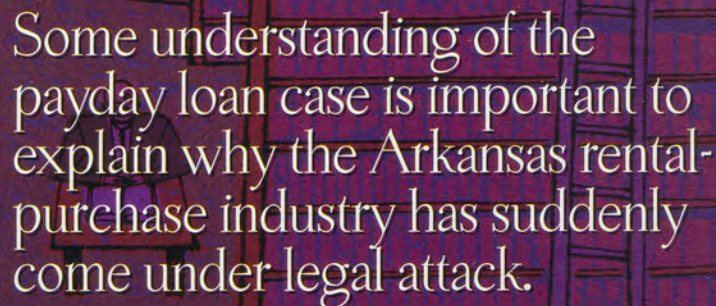
*The fee, when made and collected, shall not be deemed interest for any purpose of law, and a check-cashing transaction, including one (1) with a deferred presentment option, shall not be deemed to be a loan, loan contract, or a contract for the payment of interest notwithstanding any disclosures required by this chapter.*

Payday lenders used this statute as protection from the constitutional limit on interest charges, as payday loans

often carry triple-digit interest rates. Even so, payday lending paperwork disclosed annual percentage rates for the transactions, primarily not to run afoul of the federal Truth-In-Lending Act, which views payday loans as loans without attempting to regulate their interest rates.

In the lawsuit, *Luebbers v. Money Store Inc.*, it was undisputed that the defendant payday lender was in full compliance with the Check-Casher's Act. Plaintiff Luebbers had written a check for \$400 to the Money Store on September 3, 1999 and received \$350 in cash. The Money Store charged a \$40 check-cashing fee and a \$10 deferred presentment fee, promising to hold the check until September 17.

The question raised in the lawsuit was whether the



Some understanding of the payday loan case is important to explain why the Arkansas rental-purchase industry has suddenly come under legal attack.

Check-Casher's Act was constitutional and the state Supreme Court ruled that it was not. The defendant argued that the legislature intended to exempt the payday loan business from the usury strictures in the state. The court ruled that the legislature does not have the power to determine that a certain kind of transaction is not a loan or that a certain fee is not interest. The court viewed the Check-Casher's Act as "a patent attempt by the legislature to usurp a judicial function." The court went on to offer fairly standard judicial drross to the effect that courts must look to the substance, not merely the form, of a transaction to determine if it is usurious. This decision in *Luebbers* was immediately followed by a spate of lawsuits against other payday lenders in the state.

The argument in the three new rental-purchase lawsuits is whether rental-purchase transactions are really disguised conditional sales bearing interest at a rate in excess of the constitutional limit. Without more, the Arkansas rental-purchase industry might have cause for real concern.

However, the good news for the industry is that the

Arkansas Supreme Court has already ruled on the true nature of rental-purchase transactions. It did so in 1989 in a case called *Crumley v. Berry*, which held that traditional rental-purchase transactions with consumers for electronics and furniture of the type in use then and still in use today are true leases and not sales. The court made this ruling without resorting to the then-newly-enacted Arkansas rental-purchase statute. The court based its ruling on the established case law, not only in Arkansas, but also around the country and on the sound reasoning of the best legal scholars.

The court's holding in *Crumley* was that when the lessee has an option to terminate the lease at any time, the transaction is a true lease and cannot be a conditional credit sale. The court agreed to follow what it acknowledged in the opinion as the majority legal view in the country. The court acknowledged that there was a minority view that did not consider a terminability option as dispositive of the characterization of the transaction, but rather as merely one factor among anywhere from five to 14 factors to be considered when making the lease/sale distinction.

Of course, the rationale for the majority rule is that without an obligation to pay, there can be no debt as a logical matter and without a debt, there can be no interest. The logic of the majority rule also has the practical marketplace effect of providing legal certainty to lease transactions that will in turn foster commerce. This is one of the oft-stated goals of the all-mercantile law—to provide legal certainty. If merchants knew that every time they entered into a lease that the transaction might be scrutinized by a court and recharacterized for any one of as many as 14 reasons, there would be fewer leases written because of the risks involved.

There was a dissenting judge in the *Crumley* case. The dissenter thought that the rental-purchase transaction was a sale and clearly usurious and declared, with no analysis, that the lessee had in fact agreed to pay a set amount. The judge simply ignored the fact that the consumer had the unqualified right to return the property and terminate the agreement at any time with no further obligation.

Plaintiffs in the three new rental-purchase lawsuits have an uphill battle. They will have to persuade the Arkansas Supreme Court to overrule itself, as the facts in the *Crumley* case are substantially the same as current industry practices in the state today. In the intervening 14 years, the majority rule—no obligation is dispositive of the lease/sale issue—has continued to be followed in bankruptcy courts around the country and most state courts when the issue occasionally arises. There is no reason to suppose that the Arkansas Supreme Court will be persuaded to reverse itself and adopt this minority, cumbersome-to-apply, anti-business view. ■

Copies of the cases cited in this article are available to APRO members upon request to the APRO home office. Ed Winn III is APRO's general counsel. His e-mail address is [edwinn@e-bylaw.com](mailto:edwinn@e-bylaw.com).

# WE'RE LOOKING FOR THE BEST IN THE RENTAL-PURCHASE INDUSTRY

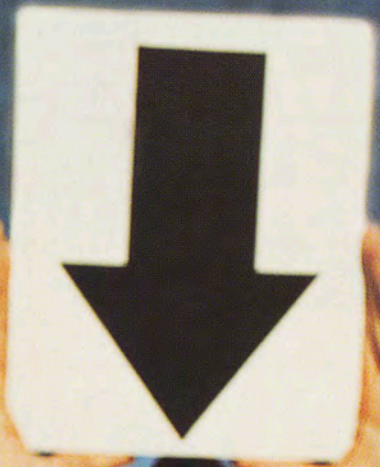
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Retooling





the employee appraisal

# Performance reviews

he performance review: Too often it's an ordeal that's loathed, feared and rescheduled until it can't be put off any longer. So

common is the tendency to disparage the traditional employee evaluation that we have to wonder if the annual ritual is worth the effort. Why not drop the whole thing and get to work? ▲ Successful employers, of course, have come to grips with such emotional reactions and recognize the performance review for what it is: The best tool for creating a motivated workforce that boosts the bottom line.

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By Phillip M. Perry

**H**aving a performance appraisal system is the most important step any organization can take, regardless of its size," says Dick Grote, a Dallas-based performance management consultant ([www.groteapproach.com](http://www.groteapproach.com)). "Every single person in every single company wants to know the answers to two questions: First, What is it you expect of me? Second, How am I doing at meeting your expectations? Performance appraisals are the one system we have that gives people the answers to both questions." ▲ And what if you don't have a good system in place? You end up with employees who work in the dark and who think they are doing the right thing because no one tells them different, says Grote. The fact is that people need continuing guidance in order to improve. "Too often managers don't say anything unless they catch someone doing something wrong," he says. ▼ So how can you perform a really great performance review? Here are some tips.

### Review throughout the year

**T**oo often performance evaluations are lumped together into a single high-stress meeting at the end of the year. Not good. Effective evaluation, say workplace consultants, is a continuing process. Successful leaders work closely with employees throughout the year to set expectations, evaluate progress and re-adjust performance.

Regular reviews obviate an otherwise all too common disaster—unpleasant surprises at evaluation time. Suppose you make a grand announcement about an employee's poor performance in an annual appraisal meeting. The target of your criticism is likely to come back with this retort: "Why didn't you tell me this earlier in the year?"

That's a good question, Grote says: "People want to do a good job," he says. "It's the responsibility of the managers to let them know how to do it." That means communicating expectations at the beginning of the year and giving feedback regularly as the months pass.

So just how often should you interact with employees? It depends on the individual and the role he or she is in, says Grote. Maybe with senior executives annual reviews are adequate. Moving down the ranks, however, means more frequent reviews. Much also depends on how long the person has been in his or her current position. For a seasoned employee, you may review performance a couple of times a year. A new employee may benefit from a chat each week.

The best system has no predictable dates for reviews, according to Don Schackne, president of Personnel Management and Administration Associates in Delaware, OH. "Employees maintain a high level of productivity if they don't know when their supervisors will say 'we are going to sit down this afternoon for a per-

formance review.'"

Conversely, a formal schedule for annual or semi-annual reviews can create what Schackne calls a performance halo effect. "As you approach the review date, the employee begins to perform better," he says. "Then the review takes place and now the employee sits back and performance slides again." That's bad for everyone.

**A formal schedule for annual or semi-annual reviews can create a performance halo effect: "As you approach the review date, the employee begins to perform better. Then the review takes place and now the employee sits back and performance slides again."**

### Quantify performance

**S**o John's work performance has been deteriorating over the past few months. How do you know? And just how can you communicate your observation to John in a convincing way?

To find the answers, we spoke with Daniel P. Moynihan, a principle at Compensation Resources, a performance and evaluation training firm based in Upper Saddle River, NJ ([www.compensationresources.com](http://www.compensationresources.com)). He boils down the secret to this, "Keep records on employee actions and results, then base

performance ratings on those records rather than on subjective feelings."

Here's the reason: Numbers can make a difference in communicating your concerns to under performers. Suppose you have received lots of complaints from customers about an employee. You'll only cause the person to balk if you say, "You need to improve your customer relations skills." Instead, say, "We received six complaints from customers about you during the past year." Then read the details of each complaint from written records.

Use numbers, then, when possible. How many times did the employee arrive late for meetings and by how many minutes? How many arguments erupted in the work place? By what percentage was the employee under

a certain required performance level? How many times did the employee take an extra half hour for lunch?

This calls for careful record keeping. Moynihan suggests committing notes to paper rather than trusting your memory. "Keep a spiral notebook in your desk drawer with one page for each employee," he says. "Then write down the good and bad things that occur throughout the year." Discuss these events with the employees as they occur. During evaluations, refer to your notebook as evidence to convince employees of your desire to give fair assessments based on recorded performance.

Failing to tie evaluations with provable workplace events can result in a damaging condition called "performance creep." Moynihan explains how it works. "Suppose an evaluation form calls for ratings from 1 to 5 on an escalating scale of performance. The first year the supervisor says, 'I think you met my expectations so I will give you a 3.' The next year the supervisor says, 'well you did better this year and I don't want to give you a 3 again so I'll give you a 4.' Over time everyone's ratings skew toward the 'outstanding' end of the scale." As collective evaluations rise over time, the reviews become useless from the standpoint of assessing and improving performance.

Performance creep can also result from disinclination from confrontation on the part of supervisors who may be uncomfortable with the whole review process. Sometimes if the supervisor assigns a 3, the employee will claim they deserve a 5 and the supervisor backs down and raises the rating.

All this doesn't mean personal characteristics can't be assessed. You can rate abstract characteristics such as attitude, leadership, initiative, cooperation, interpersonal skills and maturity. But when you do so, make your point with examples from the employee's performance record. The work diary is invaluable for recording examples and numbers.

How about those individuals whose work cannot be measured quantitatively? An example would be a telephone operator or a receptionist. "The receptionist's job is to meet and greet people as they come in the door," says Moynihan. "How do you evaluate how effectively they do that? Maybe you go after customer feedback. Ask clients and vendors: Has the receptionist greeted you well

## Get SMART

When setting goals for the coming year with your employees, take care to challenge their capabilities without getting so ambitious as to set them up for discouraging failures. How? Make sure each goal meets the SMART standard:

- S = Specific:** Is the goal stated in concrete terms?
- M = Measurable:** Does it call for quantified performance?
- A = Attainable:** Can the employee stretch enough to meet the goal?
- R = Result-oriented:** Does the goal describe a beneficial outcome?
- T = Time bound:** Does it indicate a time by which the goal will be achieved?

Here's an example of a goal that meets the SMART test: "Reduce absenteeism next year from 10 days to five." This statement is specific in addressing absenteeism; measurable in specifying exact days; attainable because the employee can reach it; result-oriented because it leads directly to conduct beneficial to everyone; and time-bound in that it states the goal must be reached by the end of the year.

Source: Compensation Resources Inc., Upper Saddle River, N.J.

and treated you kindly and answered the questions you need answering?"

If you can't come up with good measurable objectives, then take the three or four main components of the person's job description and evaluate them against actual performance. Ask yourself what are the key metrics to get the job done and is the person performing well?

### Identify causes of poor performance

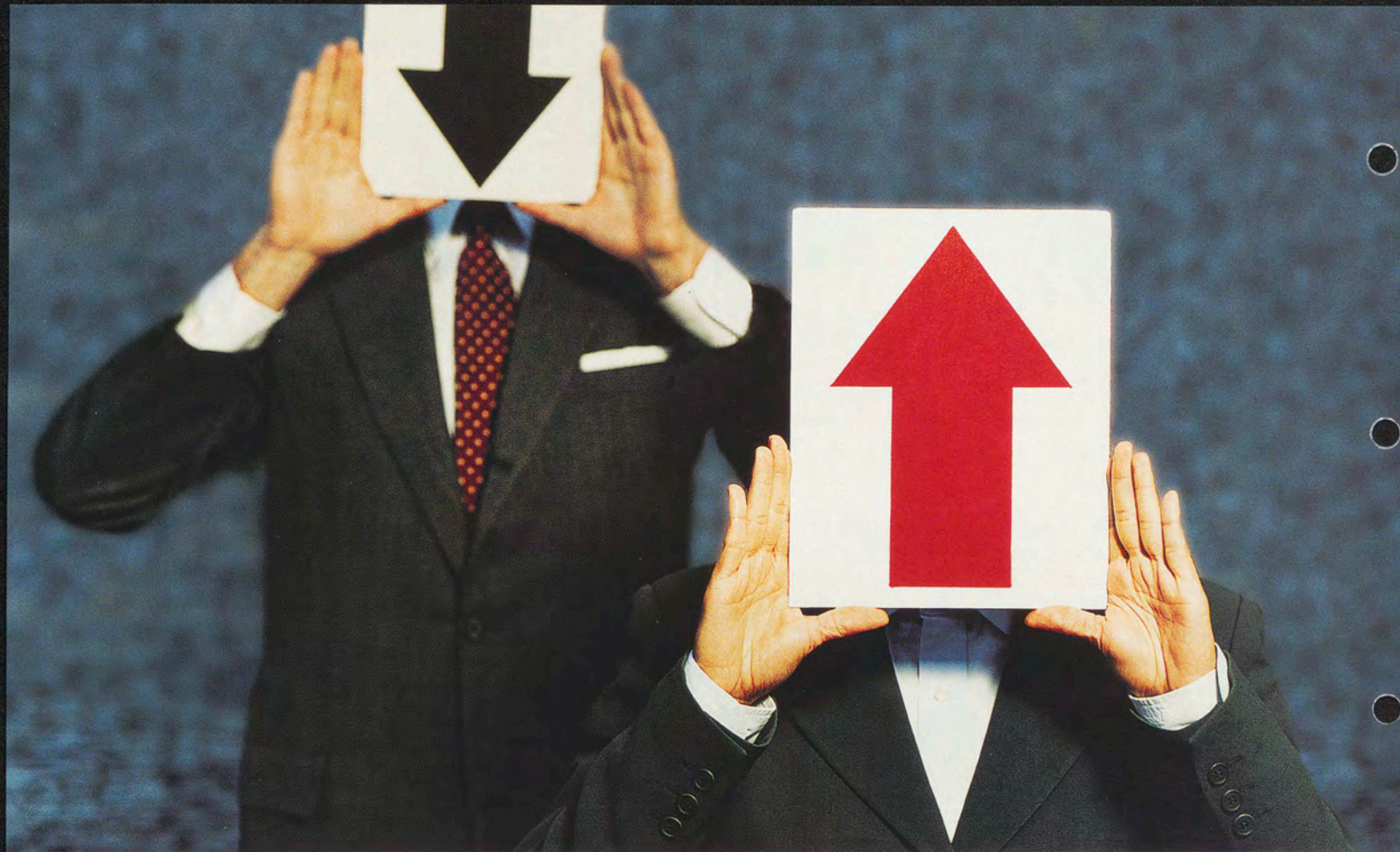
So Joe is doing poorly. But why? The causes of poor performance can be difficult to determine. Sometimes people are in the wrong role or outside prob-

## Discuss pay raises in a separate meeting

Do you discuss salary increases in the same meetings as performance reviews? Big mistake. "You want to avoid a situation in which the employee is interested only in the last 30 seconds of the meeting and keeps wondering 'how much am I going to get?'" says Don Schackne, president of Personnel Management and Administration Associates in Delaware, OH. You want employees to be focused on self-improvement in their evaluation meetings.

Employees must realize performance is valuable for its own sake rather than as a stepping stone to higher pay. They will never make that distinction as long as you hold out pay raises as carrots.

"Separate salary increase announcements from performance reviews," says Schackne. "Start out with a statement such as this: 'We are going to sit down today and we are going to talk about performance—we are not going to talk about money.'"



blems are impinging on their work. Other times there is a manager-employee personality conflict. Try asking the employee, "What would you say is one of the key reasons for your poor performance?" Most people tend to shift blame away from them, so you need to get a discussion going. Try asking, "What can we do to improve the work environment to help you perform?"

These conversations can be difficult because they often touch on issues of personality and style. It's important, therefore, to encourage the employee to open up and contribute. "Make the review a two-way conversation," says Schackne. "Maybe you say, 'Here is how I see your performance,' and then the employee can come back and say 'here is what I think.' Make each of your statements a discussion point rather than a threat." A good program, says Schackne, lets the employee leave saying, "my boss didn't tear me apart or belittle me or make me feel like less than a whole person."

## More information...

**T**he Performance Appraisal Question and Answer Book, by Dick Grote. This text provides answers to more than 100 of the most commonly asked questions about workplace performance evaluation. Grote suggests approaching the topic as a process that encompasses performance planning, execution, assessment and review. New York: AMACOM, 2002. Price: \$17.95.

### Set goals

**I**t's not enough to delineate the good and bad points of the past year. Set specific goals for the coming 12 months. List a "vital tasks" agenda in which every measurable high priority task is outlined. (See sidebar, "Get SMART.") Sometimes your verbal prompts will be sufficient to stimulate the employee toward realizing what needs to be done, but you should also ask the employee for insight. What performance would bring the greatest personal satisfaction one year from now? What talents can be honed?

Set timetables for improvement. Timetables are important milestones that help avoid procrastination. The manager, too, needs to follow a schedule. One of the traditional failings of evaluations is lack of follow through. Mark your own calendar at checkpoints that have been coordinated with the employee. Meet with the employee on these dates to discuss progress.

Bottom line: The annual performance review, far from being something to dread, is the No. 1 tool for creating a dynamic workforce. Help your employees set their own goals to assure they are invested in the process. Review performance on a regular basis to avoid surprises at the annual review. And finally, go by the numbers. Quantify performance to make sure that facts, not opinions, are the operating mechanisms that assure fairness for all. The result will be motivated workers and a profitable organization. ■

*Phillip M. Perry is a free-lance business writer based in New York.*



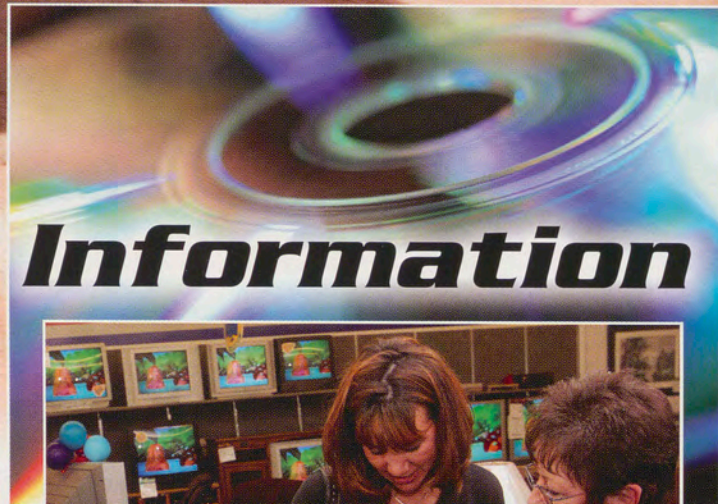
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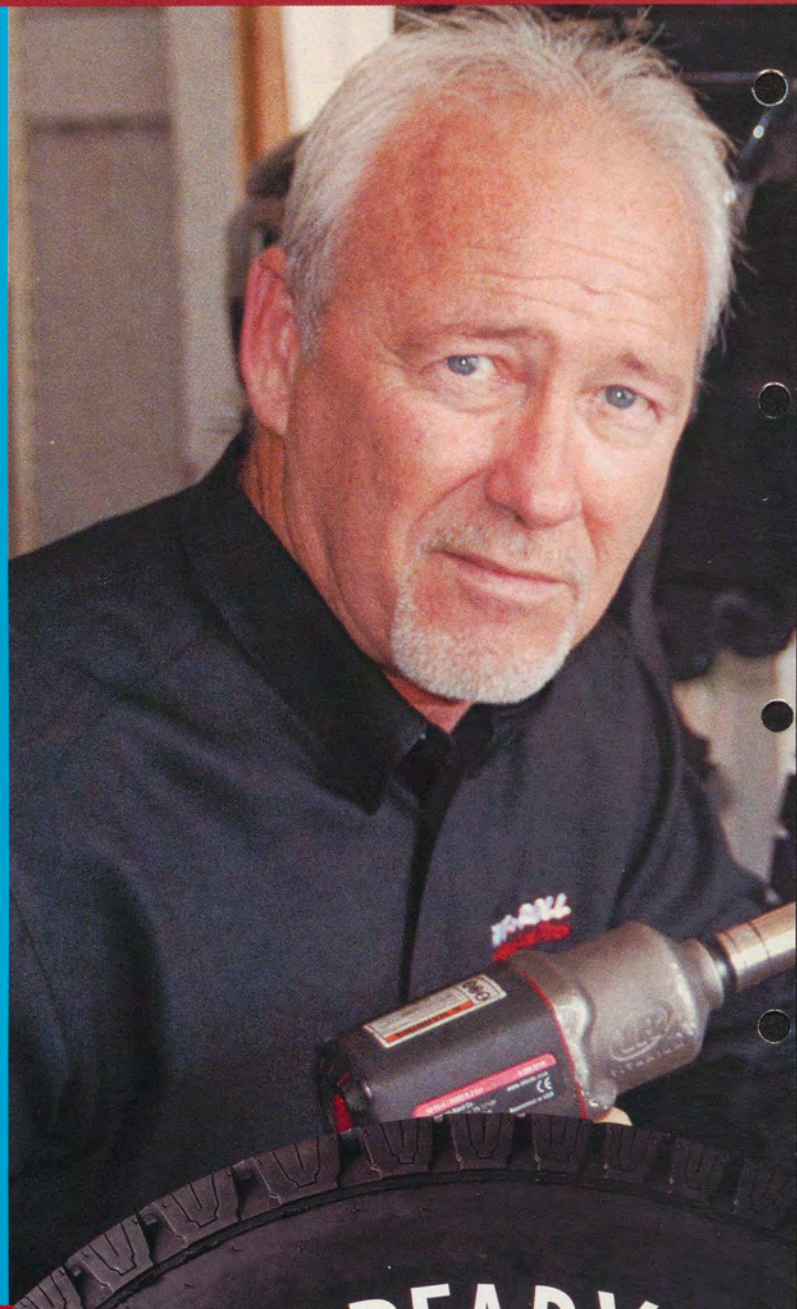
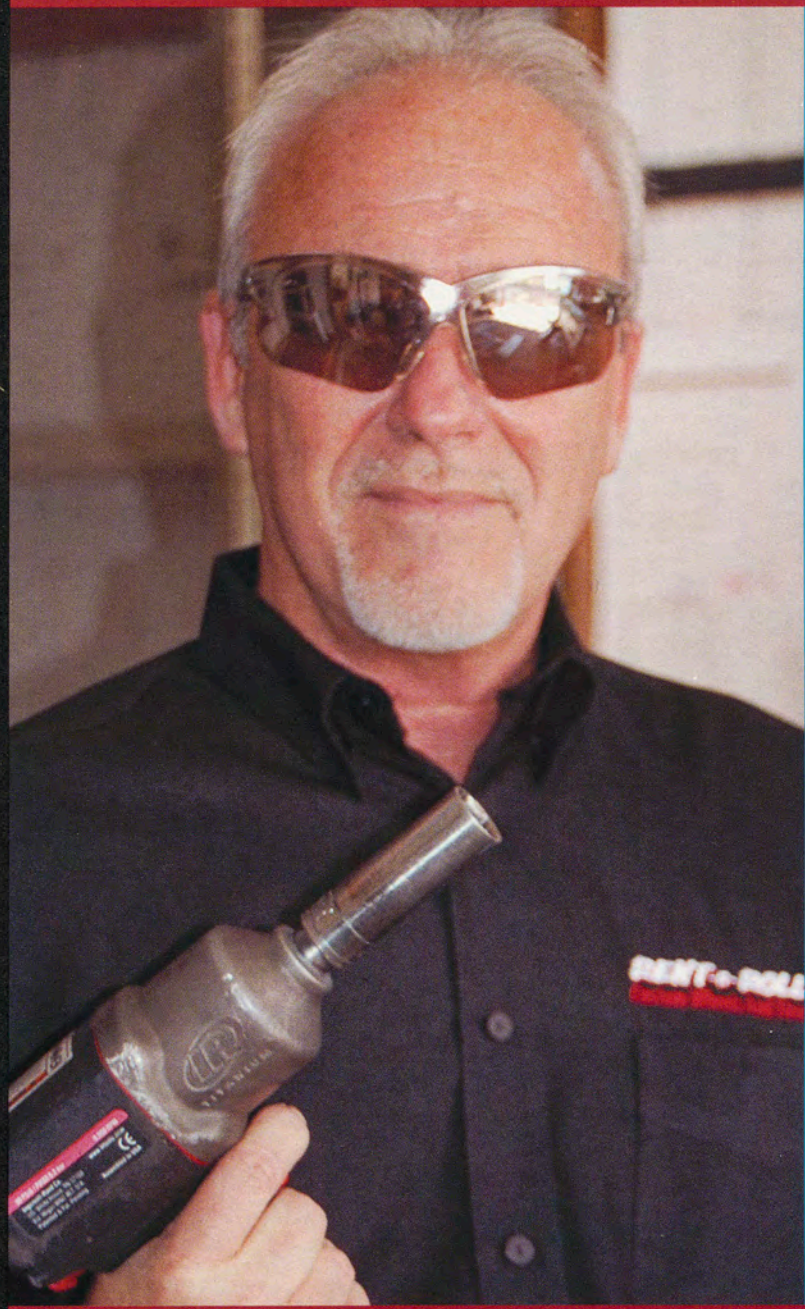


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Larry Sutton's passion for rent-to-own has been reignited—and this time around, it's got wheels



APROfile by Kristen Card  
Photographs by Ashley Dial

# Rent -n- Roll

**L**arry Sutton—aka “The Reverend of Rent-To-Own”—is in the proverbial pulpit, preaching the gospel according to his beliefs. “It’s not that different than the ’60s,” Sutton begins with measured tones. “We said, ‘These people need access to washers and dryers. They need access to televisions.’

And before long, it was furniture and jewelry and all these things.” Sutton’s voice begins to rise. “There’s a big part of our society that’s just left out. They’re left out of the opportunity to acquire nice things because of the way our society is structured. There’s one thing about being part of the rent-to-own industry and that’s that we don’t leave anybody out. We give everybody the same opportunity to have something nice.”

“And boy, what could be better than having something nice on your vehicle when you’re driving around? That’s people’s sense of pride. They use that automobile to envelop who they are.”

He’s getting to the heart of it now; you can practically hear his hand slapping the lectern. “And hey, there’s nothing better than that car with a terrific-looking set of rims on it. It makes people feel that much better about themselves. And guess what? If they feel that much better about themselves, then they’re going to be more productive human beings. They’re going to achieve more personally, both inside and outside. And that’s [slap] a great deal.”

### Can he get an amen?

**A**ctually, Larry Sutton is getting much more than just verbal confirmation of his beliefs. His affirmations are being delivered via the almighty dollar, as franchises of his company, Rent-n-Roll Custom Wheels and Tires, sprout up around the country.

If you haven’t yet heard about the entry of custom wheels into the rental-purchase industry, you will. Sutton intends to make sure of it. With four Rent-n-Roll stores of his own within Florida’s Tampa/St. Petersburg area, 11 other locations in operation from Louisiana to New York, 30 more under contract to open and several more in franchise negotiations, the 53-year-old Sutton—who once left the RTO fold—today has all the fervor and gusto of a man who has been born again.

### The road to success

**Y**es, Sutton’s road to custom wheels has been a long and winding one, complete with family ties, terrific success, mergers and acquisitions, smoothie bars and a deteriorating golf game.

It begins when Sutton moved with his mother and two siblings from Ardmore, OK, to Tampa, FL. His uncle, Norman “Slats” Slatton Sr. (APRO’s 1999 Lifetime Achievement Award recipient), owned a Tampa-based TV and appliance retail business at the time and

wanted Sutton’s mother, Faye, to help with bookkeeping. Then just 15, Sutton began helping around the store as well, first with deliveries, then with service.

By his senior year of high school, Sutton had graduated to the floor, studying sales under his Uncle Slats’ tutelage.

“At the time, I didn’t know how wonderful it was to get to sit at my uncle’s feet and learn the things he taught me,” says Sutton. “What an opportunity.

“He taught me to be humble. I’m not sure I’ve learned it yet,”

says Sutton, “but he used to tell me all the time, ‘Be humble. You can manage people by building up others around you. Show them how to shine. Let them make mistakes, but give them room to shine and they’ll shine like you won’t believe.’”

Sutton began a college career, but found it impossible to resist the appeal of the sale. Working on commission, he skipped classes in order to get more “ups” and eventually left school to work full-time.

Sutton and his uncle briefly went into business together and then Sutton spent some time managing a television and appliance store for a major retailer. Eventually, he interviewed with Curtis Mathes and was hired as the company’s western Florida rep, hawking TVs to dealers and helping develop the company’s rental-purchase venture.

“Our mission was to get our dealers into the rental business,” says Sutton, “just enough to keep them afloat, making some money, because the retail business was so competitive at that time you had to have something extra to stay in it.” Sutton had already discovered his talent for persuasion and convincing dealers across the nation of the benefits of rent-to-own became his full-time job.

But in 1980, an opportunity Sutton didn’t want to refuse presented itself: he became business partners with a man named Bill Ogle and, together, they launched two Westgate TV stores. Retail business was good, but it was clear to Sutton and Ogle that the rental business was better. They changed their company name to Champion Rent-to-Own and off they went, opening up locations throughout western Florida, up to Georgia and over to Alabama. By 1993, they were running about 28 successful stores.

### The winds of change

**W**hen the great RTO consolidation of the 1990s hit, Champion was handpicked by industry veteran Bill White and the brains behind Blockbuster, George Johnson, to merge with their company, which would eventually become HomeChoice.



“There’s a big part of our society that’s just left out. They’re left out of the opportunity to acquire nice things because of the way our society is structured. There’s one thing about being part of the rent-to-own industry and that’s that we don’t leave anybody out. We give everybody the same opportunity to have something nice.”



Sutton, center, with Rent-n-Roll employees Manny Arenas and William Velasco

**“People have realized you can take any car at all, doesn’t matter what it is, put a great-looking set of wheels on it and make it, like, WOW! It’s like the frog and the prince: BAM! He was a frog, he got wheels, now he’s a prince.”**

“I loved my business and had never thought about selling it,” says Sutton. “But I got excited about merging my company with them and going to work for them. I went from managing 28 stores to being responsible for more than 200 stores throughout the eastern United States. It was a real learning experience.”

But the lesson lasted only about a year and a half, during which time HomeChoice merged with Alrenco, which was subsequently sold to RentWay. And while all that merging and acquiring was happening around him, Sutton experienced an epiphany.

“I found myself really not being a good corporate citizen,” says Sutton. “Having been an entrepreneur and my own boss for almost 20 years, I just didn’t take to being one of those corporate guys. I decided to take some time off and reflect about everything. So, by March of 1998, I was retired and did exactly what I said I was going to do—I played golf.”

In fact, in the first year of what turned out to be his first retirement, Sutton played almost 300 days of golf.

“My golf game got hideous,” Sutton says, laughing. “The more I played, the worse I got. I realized I didn’t have a passion for playing golf. It began to be some-

thing to do because I didn’t have anything else to do. To put it mildly, I became not a real happy guy.”

Sutton’s next epiphany was that, “No man should retire at 47 or 48 years old. All of us are driven by our passions and our learning experiences. If you’re not learning, you’re not growing and if you’re not growing, you’re done. When you’re at a job, you’re always learning new stuff. Your brain gets a chance to exercise and you feel good about coming to work and going home every day. None of that was happening for me. So I started searching for something to do.”

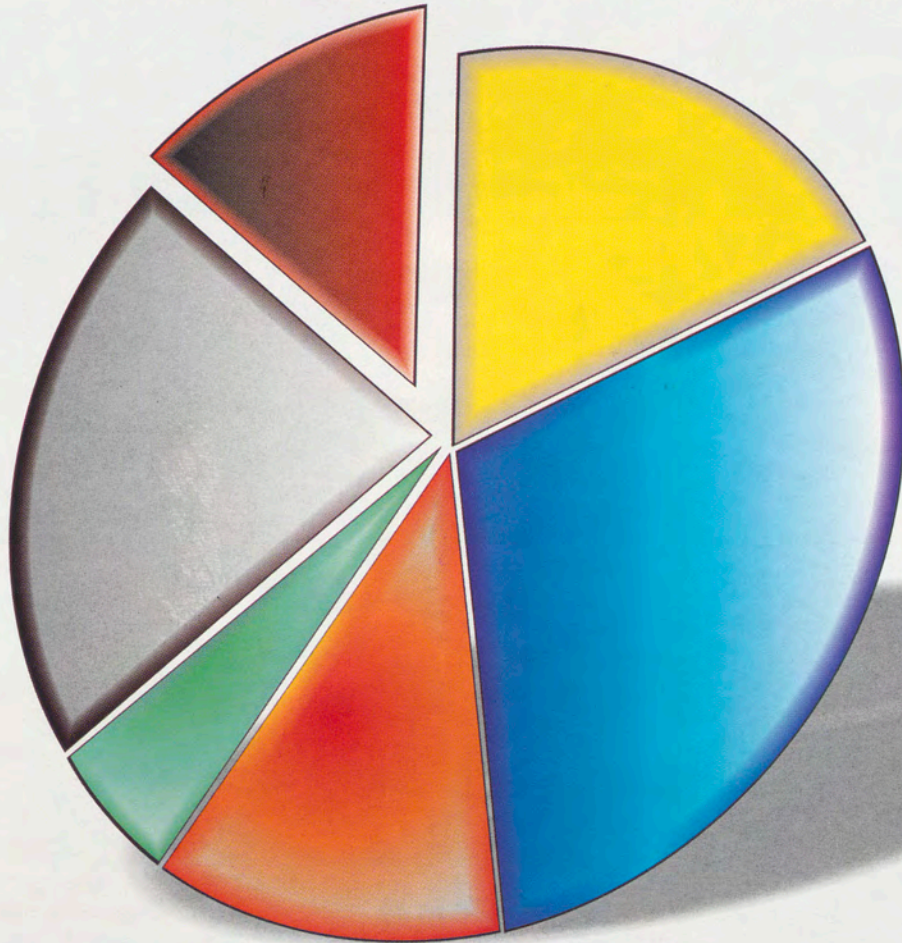
Sutton tried smoothie franchises, then the check-cashing business, but they just weren’t a fit for him. Then, during a trip to Atlanta to investigate still another professional opportunity, Sutton was told by a friend about

some folks out in Texas renting tires.

Renting tires? Sutton was intrigued. So he went to Texas to see what Rent-A-Tire was all about.

“What I found was a rent-to-own custom rim business,” says Sutton. “I liked what I saw, but we entrepreneurs always think we can take an idea and do something different and make it better. So I promptly came home to Florida and started up Rent-n-Roll Custom Wheels and Tires.”

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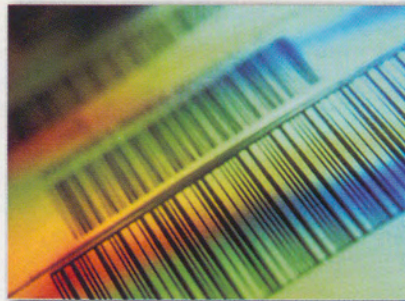
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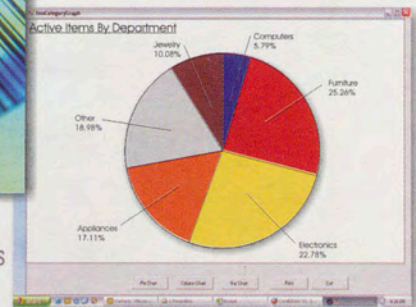
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## A “bling” biz

The first Rent-n-Roll Custom Wheels and Tires opened in October 2000 in Tampa. Sutton has since opened three other stores within the area; his fourth location opened just last month. He began licensing the concept in 2001 and business is booming.

“We think this is going to be a banner year for us, getting folks aboard the Rent-n-Roll freight train,” says Sutton. “And next year is going to be great for store openings. We’re crawling right now, we hope to be walking by the end of the year and next year we hope to run a little.”

The RTO custom rim business works almost exactly like the rest of the rental-purchase industry. In fact, just as it is with televisions, the “bigger is better” theory helps drive business.

“People want bigger rims,” says Sutton. “The demographic that wants that has exploded. Everybody’s watching MTV—there are songs about rims—and the first thing the guys on *MTV Cribs* (a sort of *Lifestyles of the Rich and Famous* for MTV celebrities) show you is their rims. People wanted a \$3,000 set of rims, but they’re not going to accumulate \$3,000 in cash. So they were going without. Now, all of a sudden, there’s access to a product everybody wanted, but didn’t have the cash to get. That’s why it’s taking off the way it is.

“It’s really a fashion business,” says Sutton. “People want a new look, a new feel or they change cars. Let’s say you go to a car lot today and want a [Toyota] Corolla. You go there and look across the parking lot and there are 20 Corollas. The only difference between them is one’s blue, one’s red, one’s silver, one’s black. That’s it. They all have the same features.

There’s nothing left to personalize that vehicle to really make it personal to you.

“What’s happened is people have realized you can take any car at all—doesn’t matter what it is—put a great-looking set of wheels on it and make it, like... *wow!*” Here comes The Rev. “It’s like the frog and the prince: *Bam!* You just kissed him and made him a prince. He was a frog, he got wheels, now he’s a prince. It’s that dramatic. It really is.”

But, according to Sutton, it’s not just the princes who want to pump up their rides; the princesses want



Rent-n-Rollers—top row: Gina Stewart, Jason Sexton and Linda Petco. Bottom row: Sutton and Vince Ficarotta.

a little “bling” for their coaches, too. “More than 30 percent of our customer base is women,” he says. “Guys come in, get wheels and dress up their cars and it isn’t long before mama is coming in and saying, ‘Hey, it’s my turn now.’”

**“The fact is, there’s no one company that can go and change the way America feels about rent-to-own. That’s what APRO has done.”**


### Spreading the good word

With his return to the rental-purchase fold, Sutton’s ties to the Association of Progressive Rental Organizations have also been reconnected. The first time around, during his Champion heydays, Sutton became extremely involved in the then-fledgling organization.

“I began traveling around to the different state organizations and hold a seminar and share some of the ideas we were using at Champion to improve our business,” Sutton says. “Then at the end, I’d ask for all

of the dealers to commit \$300 per store to something we at the time called Team APRO.

“That became my function for the industry—to go and try to raise Team APRO dollars. Then we took that money into the political arena, hired the people we needed to hire and really got the word out across America: ‘Hey, this is not a bad thing, this is a good thing. We’re not hurting people, we’re helping people. We’re a terrific source of education and entertainment for people who would otherwise not have it.’ The fact is, there’s no one company that can go and change the



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way America feels about rent-to-own. That's what APRO has done."

Sutton believes it was at these fundraising seminars where he originally earned the "Reverend of Rent-to-Own" title, though he can't remember who coined the moniker. While strutting around the podium, he had the ideal occasion to show off his larger-than-life persona, ad-libbing and generally overpowering his audience with charisma and contagious enthusiasm. And the big finish, of course, was the call for a contribution—just like a real parson.

Sutton served as an APRO board member for four years and worked diligently with the Association's public relations committee. In 1994, Sutton was presented with APRO's President's Award of Excellence.

"To this day, that's the proudest moment I've had professionally," he says. "It meant I was contributing something and not just taking."

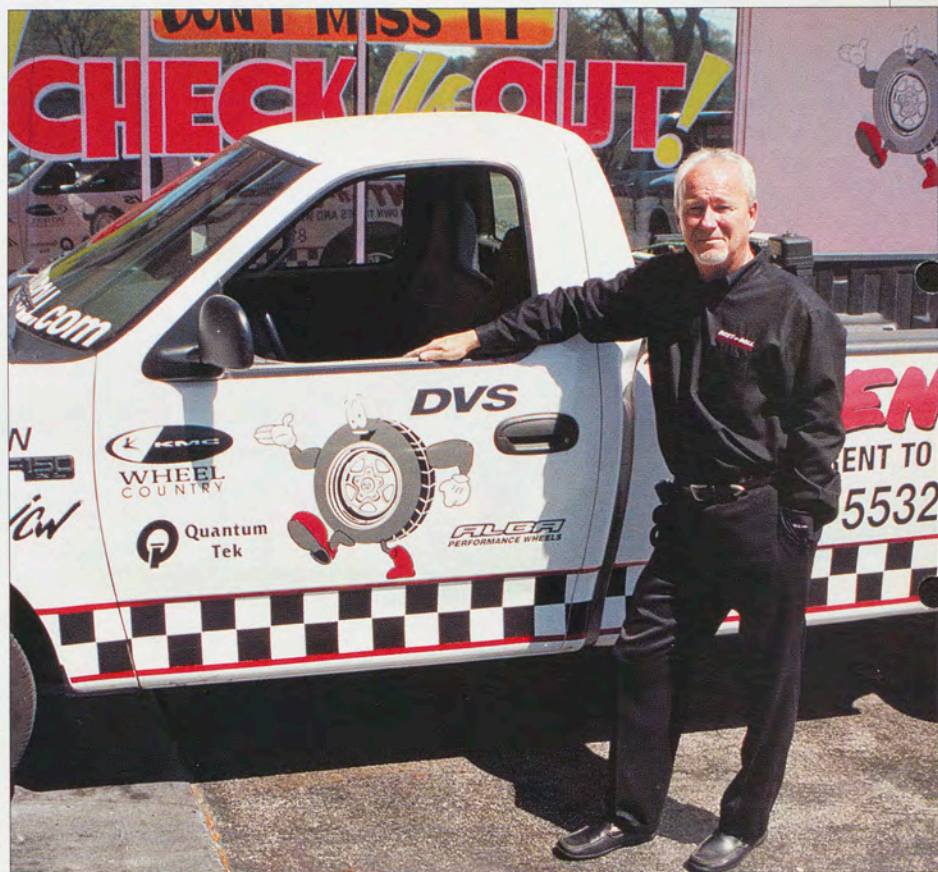
Today, Sutton serves as a board member with the Florida Rental Dealers Association, but has chosen to accept a more passive position with APRO the second time around. While he still feels strongly about the important role APRO plays for RTO dealers, he now has other commitments to fulfill: when he's not busy growing a new business, he spends as much time as he can with his wife, Susie, and his six kids, who range in age from 25 to 7. A self-proclaimed "frustrated entertainer," Sutton also plays guitar and sings Joe Cocker-style karaoke.



Sutton, right, with Mike Kent Jr. and Mike Kent Sr. Kent Sr. was one of RTO pioneer Ernie Tally's first district managers.

might expect, this once-was-lost-but-now-am-found veteran has plenty of lessons learned to pass along to the next generation of RTO go-getters.

"No. 1 is, provide customer service that is heretofore unheard of," says Sutton. "Go beyond the call of duty, go beyond whatever book you can read, step up and just make a decision that no matter what happens, you are going to serve your customers way beyond their expectations. I mean, hey, these people have a



choice, every single week: 'I can give it back or I can rent it for another week.' In that environment, it's just basic economics. You've got to give them over-the-top customer service.

"No. 2 is, hire people who believe in what they're doing," he says. "Instill in them that what we're doing is not just building a company and making money. What we're doing is providing access to a group of folks who haven't had access before. If your people buy into what you're saying—buy into the truth—then they get excited, they get motivated and you get business."

Another key to his success, says Sutton, has been a rare quality he got from his mother, Faye. "She taught me, by her example, to forgive anybody of anything immediately," Sutton says. "I've never been one to sit around saying, 'If it wasn't for this, if it wasn't for that,' because it's never been an issue. I've never wasted my time or energy there. I can honestly say I've never held a grudge against anybody for anything. It's just, 'OK, let's forgive and go on.' What a great way to live."

And finally, the Sutton Golden Rule, which is so evident in everything about Larry Sutton he might as well have it tattooed on his forehead: "Be passionate about what you're doing. And if you can't be passionate about what you're doing, then for goodness' sake, do something else." ■

*Kristen Card is an independent business writer in Austin, TX.*

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### Strachan & Assoc. \*\*

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Bolton, Ontario L7E 5R8 Canada  
905/880-7422; fax 905/880-7421

### Tritronics Inc. \*

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### United Furniture Industries \*\*

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fax 662/447-3663

### Vance Baldwin Inc. \*

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### Vaughan-Bassett Furniture Co. Inc./Ramel & Assoc. \*\*

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 909/390-0145; fax 909/390-0156

**Simmons Co. \*\***  
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**Ther.A.Pedic International \*\*+**  
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 732/314-4433; fax 732/968-7568

**Thurmo-Pudic ^**  
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 336/886-3368, ext. 5;  
 fax 336/886-6573

**United Sleep Products \*\***  
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## TARA convention a resounding success

**T**he Texas Association of Rental Agencies 21st annual convention and trade show went off without a hitch March 6–9 in San Antonio. A record 310 attendees and 56 exhibitors in 80 booths set the tone for “Building the Future Together”—the theme for the 2004 show.

Changes in this year’s TARA convention included inviting rental dealers from neighboring states, such as Louisiana, Oklahoma and New Mexico. Also, the trade show was transformed into a buying show and TARA Executive Director Lynn Clark boasted that the total number of orders written up in the exhibit hall was up 15 percent from the 2003 convention.

The keynote speaker, Jason Young—a former Southwest Airlines trainer—was very well received, says Clark. “The board commented that he was the best speaker we have ever had,” she says.

During the TARA board meeting held the last day of the show, ColorTyme dealer Sam Lowe was elected to the TARA board and Ace Rent To Own’s Tim Carpenter was elected to the TARA advisory board.

## Florida holds annual legislative conference

**F**RDA held its fifth annual legislative conference March 3–4 in Tallahassee. Fifteen FRDA members representing eight companies attended, including six first-time attendees.

During lunch with former RTO dealer state Sen. Michael Bennett, FRDA attendees were honored to have Gov. Jeb Bush and Lt. Gov. Toni Jennings drop by and share their priorities for this year’s legislative session.

Attendees visited the offices of all

40 elected senators and several House members. The goal this year was to meet with every senator or his or her key legislative aide and get their support and/or sponsorship for a bill coming out of draft sponsored by Sen. Victor Crist. Attendees also presented a fact sheet introducing the new bill, which would once and for all eliminate the exclusion of rental dealers in Florida from sometimes not being able to prosecute customers who steal RTO merchandise.

—Terry Beville, FRDA president

## Idaho association jumpstarted

**I**daho rental dealer Joe Recla of Central-Your Rental-Purchase Store—who also has two stores in Oregon—attended a meeting of Oregon rental dealers last year and decided it was time to reinvigorate the dormant Idaho Progressive Rental Association. IPRA was created in the early 1990s with the goal of getting favorable rental-purchase legislation enacted in the state. Once that goal was accomplished in 1993, the group lost its focus and has not had a sit-down meeting until February 20.

To prepare for the February 20 meeting, Recla called all the rental companies in the state and personally invited them to come to Boise. Most did. Dealers estimate that there are about 25 stores in the state and all but a few were at the meeting.

Dealers reviewed the group’s bylaws and elected a new board and officers. Joe Reger, an Aaron’s franchisee, agreed to serve as president, and Recla agreed to serve as secretary/treasurer for the group.

Also on the agenda was the topic of a regional trade show. APRO board member Kevin Quinn, who has stores in nearby Washington,

came to the Idaho meeting to discuss the possibility of a three- or four-state trade show to be held in September at some convenient location, such as Portland or perhaps a city farther east. Dealers from Washington State, Oregon, Idaho and Montana would be invited.

“Overall, we had some pretty good participation. I think what we in Idaho want to do is tie in our meetings with the other three states in the Northwest because we’re all pretty small. And we already have some vendors ready to jump on board if we proceed with the regional trade show,” says Recla.

## Missouri’s winter meeting

**S**eventy-five members of the Missouri Rental Dealers Association gathered in Columbia, MO, February 11 for its annual winter meeting. The day began with a vendor breakfast meeting where the topic of discussion was devising ways to improve MRDA’s annual meeting and trade show. MRDA President Chuck Kuluva summarized activities and accomplishments over the past year, including beefing up its Web site ([www.missourirentaldealers.org](http://www.missourirentaldealers.org)).

Board member “Tiger” Cleek announced that Senator Kit Bond’s office has agreed to co-sponsor the industry-supported Senate bill. “We now have both Missouri senators on board,” says Cleek.

Keith Carrico of Innovative Insights presented a seminar in the afternoon about the do’s and don’t’s of hiring. The MRDA fall meeting and trade show is scheduled for September 13–15. ■

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