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CORRECT COLLECTION PRACTICES | A PROFILE: WAYNE CHAMBERS

PROGRESSIVE
Rentals

THE VOICE OF THE RENT-TO-OWN INDUSTRY | JUNE-JULY 2006



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WHEN IT'S APRO!

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APRO 2006

Convention and
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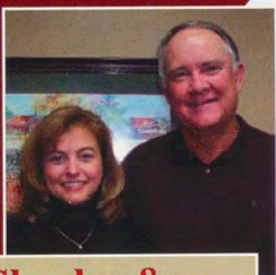
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As former accountants, my wife Holley and I know a good deal when we see one. In 1991, we left thriving accounting practices to begin again in RTO. And what began as a casual conversation with a friend at a fish fry grew to eight independent RTO stores in five years.



**Charles &
Holley Hobbs**

By 2004, things changed for our company. We required

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Bruce Emory

In my 20 years in RTO I have learned that finding the right company and people that believe in you is as important as determination and hard work.

My career in RTO started in 1986, by way of a temporary job when I was just 20 years old. Dedication to my work lead to quick success and opportunity. But in 1992, when I approached my company to become a franchisee, the door of opportunity closed – I wasn't taken seriously.

So I did it on my own, with the help of my family, and built a solid business over the next 10 years. For a time, we had eight stores but were limited financially – unable to carry the big ticket items my customers wanted. In the summer of 2005, I decided to streamline the business down to our top three performing stores and in November of 2005, converted to ColorTyme.

Now we have access to Rent-A-Center's financial power and product pricing and ColorTyme's training programs – which are some of the most intensive in the industry. We have seen a dramatic turn in our stores and staff and can plan for significant growth which used to be beyond our reach.

Sales are up 5.3% and revenue is up over 10% since the conversion. Equally as important, we have the continued, hands-on support from Bob Bloom, Pat Sumner and all the folks at ColorTyme who made the transition easy and the inventory available for our customers.

People, financing, product and training – four reasons I know I have found the right company – for myself, my family and my team.

Bruce Emory, Franchisee

Like so many of us in the RTO industry, I've been in this business a long time – working in many roles with several companies since 1988. I guess you could say that



Joe Huck

RTO is in my blood. I love what I do—I love our customers and always wanted to have my own store. So in 2002, I opened up Big House Rentals and watched our independent store grow. By October 2005, I needed more inventory but didn't have near enough capital to get the job done.

I considered several franchises, but ultimately was drawn to ColorTyme for their 100 percent inventory financing program – including a nice discount on my franchise fee based on my RTO experience. Almost overnight, I had access to the inventory I needed and complete support from the ColorTyme team.

Today, my business is thriving! I count my decision to convert my store to ColorTyme as one of the best choices I've made. And while change is good, some things have changed very little. I still run my store like a family business and I intend to keep it that way.

Joe Huck, Franchisee

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PROGRESSIVE

Rentals



APRO2006

SEE YOU IN
SEPTEMBER!

JUNE-JULY 2006

25 | APRO'S 2006 CONVENTION AND BUYING SHOW

Here's your invitation to attend rent-to-own's premiere event, September 20-23 in Orlando. APRO has lined up a terrific smorgasbord of special events, seminars, a money-saving buying show, honors for the industry's finest and the opportunity to meet and mingle with fellow dealers and vendors from across the country.

40 | BRIDGE OVER RTO

APRO's Vendor Advisory Committee connects rent-to-own vendors and the association's board of directors, addressing the needs and issues of this vital group. Find out how the committee helps everyone in the industry.

BY CINDY FERGUSON

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Contrary to what you may believe, you don't have to double your revenue in order to double your profit. Get out your calculator, turn to page 42 and make some money!

BY SIDNEY BURTON

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When it comes to the sometimes unpleasant task of retrieving merchandise from accounts that have gone south, do you follow the rules? Here's a review of the do's and don'ts.

BY ED WINN III

50 | YOU CAN GO HOME AGAIN: AN APROFILE OF WAYNE CHAMBERS

After 30 years away, High Touch's Wayne Chambers, a former APRO president, has returned—to Kansas and to rent-to-own.

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APRO

news

B R E A K

**COMPILED BY
SHELLIE FAUGHT,
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RICHARD MAY AND
ED WINN III**

Regulatory relief bill passes without RTO

U.S. Senate Bill 603, the consumer rental-purchase agreement act, was not included in the Regulatory Relief Act of 2006 when the bill passed out of the U.S. Senate Banking Committee on May 4.

APRO submitted written testimony to the committee supporting the inclusion of the rent-to-own federal legislation on June 21, 2005, and has supported its inclusion through grassroots communications and meetings for the past three sessions. APRO members residing in banking committee member states actively communicated their support for the bill's inclusion and passage into the Regulatory Relief Act.

The Senate Banking Committee considered the bill's inclusion into the Regulatory Relief Act, but decided against it in order to keep the bill less controversial. Several

Democratic Senators opposed rent-to-own's inclusion, as well as other controversial items. The bill, authored by Sen. Mary Landrieu (D-LA),

has 19 Senate co-sponsors—11 Republicans and eight Democrats. Of the 19 co-sponsors, five serve on the banking committee, including the chair.

The rent-to-own transaction is currently undefined at the federal level. The industry has supported the passage of the consumer rental-purchase agreement act to define the rent-to-own transaction as a lease and provide meaningful consumer disclosures.

Rent-A-Center asks New Jersey Supreme Court for another hearing

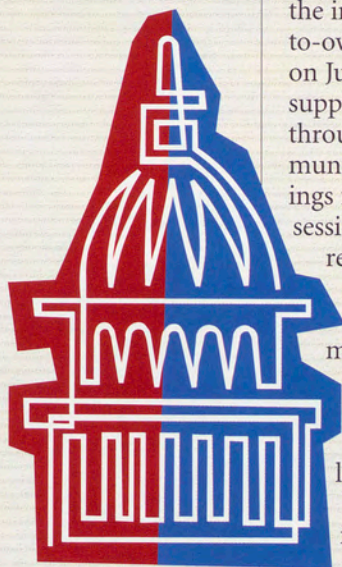
Rent-A-Center announced in late May that it intends to ask the New Jersey Supreme

APRO submits "Friend of the Court" brief in New Jersey

On May 24, APRO submitted a "Friend of the Court" brief in the recent New Jersey lawsuit against Rent-A-Center. Rent-A-Center filed a motion to request that the New Jersey Supreme Court reconsider its ruling against the company (see related article above).

APRO is supporting the request in its brief by explaining the devastating impact the case would have on small rent-to-own dealers around the state unless the court makes its ruling prospective—as opposed to retroactive—only.

Since the decision against Rent-A-Center, the same law firm that sued Rent-A-Center has now sued Aaron's. APRO filed the brief at Aaron's request because a favorable response from the court would help Aaron's.



NEWS BREAK

Court to rehear arguments in the recent *Perez* case. On March 15, the New Jersey court ruled that the rent-to-own industry in that state must comply with the same interest rate cap as other retailers who offer consumers installment payment plans. The interest rate cap per year is 30 percent under several of that state's laws. The ruling concludes the case that began when a Camden, New Jersey, woman (*Perez*) sued Rent-A-Center for allegedly repossessing her appliances.

Depending upon the

outcome of the request for a rehearing, Rent-A-Center may ask the U.S. Supreme Court to consider aspects of the case on due-process grounds; however, its first request takes the case back to the New Jersey Supreme Court. It is not unusual for litigants to ask an appeals court to reconsider a matter. In lower courts of appeal, often the request is made that the appeals court consider the matter *en banc*—with all of the judges reviewing the issues instead of the three that initially decided the case. The New Jersey

Supreme Court is already sitting as a body and cannot add judges to rehear Rent-A-Center's arguments. However, Rent-A-Center can ask the court to review its decision and to clarify it where there is some doubt.

For example, Rent-A-Center will argue that it should have been entitled to rely on the decisions of the trial court and the New Jersey Court of Appeals, both of which tribunals had ruled in favor of Rent-A-Center, holding that the rental transactions were true leases and not cov-

ered by the Retail Installment Sales Act, the Usury Statute or the Consumer Fraud Statute. If the New Jersey Supreme Court agrees that Rent-A-Center should have been entitled to rely on those opinions, a new ruling could have considerable impact on the amount of damages assessed against the company. Plaintiffs will argue that Rent-A-Center is liable for damages on all rental agreements written in the state going back as far as the statute of limitations will allow. Rent-A-Center will argue that the company should only be liable to agreements written after the supreme court ruling, since the law until that ruling was that Rent-A-Center's agreements did not violate any state statutes.

The New Jersey Supreme Court does not have to reconsider anything, of course, but it can't hurt for Rent-A-Center to ask. If the request to the state court fails, Rent-A-Center can ask the U.S. Supreme Court to look at the case, probably on due-process grounds. The argument might be that Rent-A-Center was relying on a court of appeals decision and that to make the company pay damages for agreements written before the state supreme court ruled would be to take property away from Rent-A-Center without

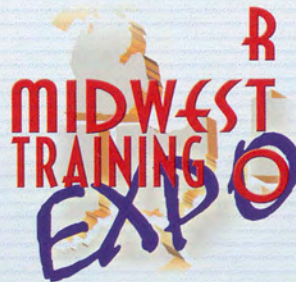
Midwest Expo get new name and dates

The Ohio Rental Dealers Association's annual expo is changing its name and dates to better suit the Midwest rent-to-own community. The 2006 ORDA expo will be held August 8–9 at the Concourse Hotel and Conference Center in Columbus, Ohio. Along with the new dates, the conference also has a new name—Midwest Training Expo. Registration opened on June 1.

"The success of training and its impact on managers created the need to go in this direction," says Mike Tissot, president of ORDA.

On August 8, attendees are invited to a cocktail reception and an evening of bowling. Bowling ball and shoes will be provided. The expo's signature training-focused trade show opens on August 9 and provides attendees quality time with vendors. Non-product training sessions will also be offered and lunch will be served.

The Midwest Expo debuted in 2004 as the first "regional" association activity. In its first two years, attendees representing eight states participated. The trade show has featured more than 40 vendors. Previous training sessions have featured discussions on customer service, legislative rules regarding accounts management, product refurbishment and sessions about specific product categories. For more information contact Mike Tissot at 740/634-2666.



the due process of law, in effect making the state supreme court's ruling apply retroactively to agreements signed before the court ruled. Ordinarily, it is unconstitutional to apply law retroactively.

There was a similar situation a few years ago when the Minnesota Supreme Court overruled a court of appeals and declared rent-to-own agreements to be credit sales notwithstanding the Minnesota Rental Purchase Statute. In that case, the Minnesota Supreme Court refused to rehear the matter and the U.S. Supreme Court also declined to review the case. Once a state supreme court has ruled as definitively, as New Jersey's did in *Perez*, it is an uphill battle for the losing litigant. But when the stakes are as high as they are in News Jersey, if a company can afford to continue the fight, it is foolish not to try. Rent-A-Center can be expected to continue this fight for as long as it can.

TRIB Group and AVB/Brand Source form strategic alliance

TRIB Group, America's oldest buying group specifically for the rental industry and representing the largest collection of rental locations in the country, has formed a

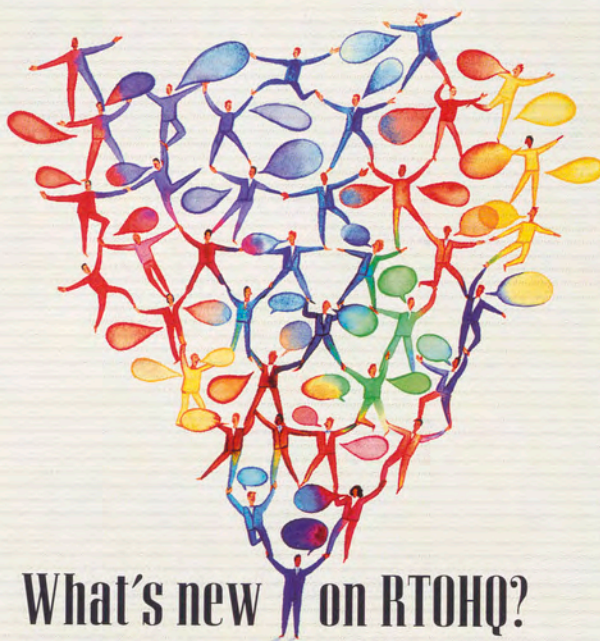
strategic alliance with AVB/Brand Source. The first major roll-out of the alliance was at the TRIB Group annual membership meeting and convention, "Play Ball in Cincy," in Cincinnati, Ohio, held in May.

Under the terms of the agreement, TRIB Group will continue to operate autonomously and manage its rent-to-own members. In addition, TRIB Group will manage the AVB/Brand Source RTO dealers, operating as a division of AVB Inc. Other divisions of AVB include Home Entertainment Source, Sleep Source, MARTA

and Flooring Source. TRIB Group will continue to be headquartered in suburban Atlanta, Georgia, under the leadership of Executive Director Dennis Shields.

"It is an exciting time for TRIB. It gives us added opportunities to make existing members more profitable, as well as additional programs to grow the TRIB Group membership," says Shields. "We look forward to working with all our existing vendors, as well as all the new contacts and services provided by our alliance with AVB/Brand Source."

The relationship will



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2006

JUNE 2006

22

Rent One 12th Annual Vendor Appreciation Golf Outing, Green Hills Golf Course, Mount Vernon, Illinois. For more information, contact Kris Lowe, 618/242-8448, ext. 218, www.rentone-rto.com

JULY 2006

5-9

ColorTyme 2006 National Meeting, Peabody Hotel, Memphis, Tennessee. For more information, contact Rhonda Davis, 972/403-4945, www.colortyme.com

14-16

NAMM—The International Music Products Association Summer Session 2006, Austin Convention Center, Austin, Texas. For more information, contact NAMM's tradeshow coordinator, 760/438-8001, www.namm.com

24-28

Las Vegas Market Summer Furniture Market, World Market Center and Pavilions and Las Vegas Convention Center, Las Vegas, Nevada. For more information, contact Dana Pretner, 888/416-8600, ext. 3060, www.lasvegasmarket.com

AUGUST 2006

8-9

MidWest Training Expo 2006, Columbus, Ohio. For more information, contact Mike Tissot, 740/634-2666

16-19

Tupelo Furniture Market Summer Market 2006, Tupelo, Mississippi, 662/844-1473, www.tupelomarket.com

20-23

RentDirect Nationwide Buying Show, The Venetian, Las Vegas, Nevada. For more information, contact James MacAlpine, 336/714-8802, www.gorentsmart.com

NEWS BREAK



Cynthia Baber-Strunk receives TRIB Group's 2006 Norman W. "Slats" Slatton Sr. President's Award from TRIB President John Spangle.

bring TRIB Group members additional manufacturer leverage and infrastructure programs,

including wholesale financing, health care and more opportunities through AVB/Brand Source. The alliance also expands AVB/Brand Source core programs and completes a distribution link for AVB/Brand Source "Whole Home Solution" by adding a rent-to-own component.

"This is a great opportunity for all TRIB and

AVB/Brand Source members," says Bob Lawrence, executive director of AVB/Brand Source. "It creates additional opportunity by increasing total volume, increasing channel reach and increasing core program participation, which increases profitability to all members."

At TRIB's "Play Ball in Cincy" convention, the group kicked-off its annual buying show with an auction featuring specially priced products. TRIB solicited participating member vendors to submit products to be auctioned and TRIB

members had the opportunity to buy quantities of the products at low one-time prices.

After the auction, rental dealers and TRIB vendors were taken by bus to the Great American Ball Park, the home of the Cincinnati Reds, for an exciting evening of food, music and tours of the ballpark.

Later in the week, Cynthia Baber-Strunk received TRIB Group's 2006 Norman W. "Slats" Slatton Sr. President's Award. TRIB President John Spangle recognized Stunk at a banquet on

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May 20 for her outstanding contributions to TRIB and the rental industry. Spangle also presented the Lowry Schrader People's Choice Award to Steve Sherman of Welton USA.

During TRIB Group's annual meeting, Kathy Windsor and Terry Beville were re-elected to the TRIB board. Bob Bloom, president of ColorTyme, was elected to the board of directors. The new officers for this year are John Spangle, president; Ernie Lewallen, vice president; Terry Beville, treasurer, and

Kathy Windsor, secretary.

The show was a success with more than \$15.5 million of products purchased during the event.

Fraenkel introduces new technology on bedding

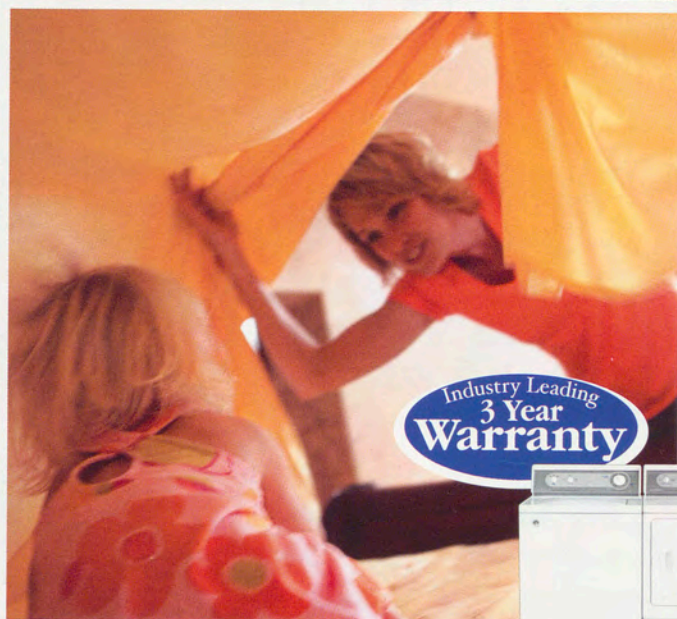
Fraenkel Co. introduced a new line of bedding in May at TRIB Group's show. The three new USA System models include the Majestic, Freedom Pillow Top and Independence Pillow Top.

All three models feature Marquesa fabric, a new fiber technology that uses no topical treatments, yet is anti-

microbial, stain proof, hypoallergenic and environmentally friendly. Soap and water is all that is needed to eliminate



Fraenkel's Eddie Wilkes at TRIB Group's May show.



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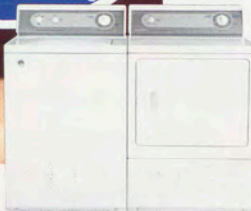
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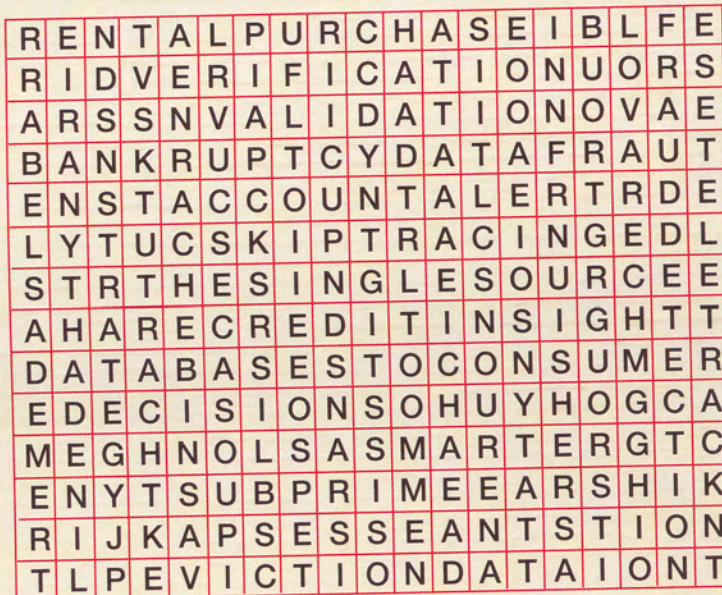
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NEWS BREAK

spills of wine, blood, coffee, makeup lipstick and oil. Heavier stains can be removed with a simple bleach solution.

Aaron's weekend a dream for fans, guests

Aaron's Dream Weekend in Talladega, Alabama, was full of surprises, not the least of which was the inclement weather on April 30 that caused speedway officials to reschedule the Aaron's 499 NASCAR Nextel Cup Series race for May 1.

"Miracle Miner" Randal McCloy Jr., the sole survivor of the tragic coal mining explosion in January that killed 12, and seven members of his family traveled from West Virginia to attend their first NASCAR event. McCloy and his wife, Anna, were on stage during driver introductions before both races. They were able to shake the hands of each driver

and visit with race Grand Marshal Will Ferrell, one of McCloy's favorite actors.

Another special guest was 6-year-old Benec Calderon, who won the nationwide Color Your Way to Talladega Sweepstakes. Benec and his family won an all-expense-paid trip to watch Michael Waltrip take the wheel of the No. 99 Aaron's Dream Machine in a paint scheme designed by Benec.

The Talladega race was a close one with 17 cars finishing within one second of Jimmie Johnson's winning time. Aaron's Vice President of Marketing Mark Rudnick presented the trophy to Johnson in Victory Lane.

"Being in Victory Lane to present the Aaron's 499 trophy was the perfect way to top off our most successful Talladega Dream Weekend yet," says Rudnick. "It'll be hard to top this next year, but we're already working on Talladega 2007!"



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NEWS BREAK

Furniture and Appliances Now celebrates 10th anniversary

Arkansas-based FAN Sales and Leasing, dba Furniture and Appliances Now, celebrated its 10th anniversary with an awards and recognition banquet. The event featured a Hollywood theme, in which employees and guests made a red carpet entrance. The anniversary and recognition gala was attended by more than 130 employees, guests and vendors.

At the banquet, the company recognized high-performance stores, managers and employees. Among the many recognized was Ed Martin, manager of the Batesville store, who was recently honored as one of two Arkansas Rental Dealers Association Managers of the Year at the ARDA spring conference. FAN honored General Electric as its Vendor of the Year and also gave special recognition to Ashley Home Furnishings and Woodson-Bozeman Distributing for exceptional



FAN's president Geron Vail with former co-owner Fred Pearson.

service during the previous year.

The keynote speaker for the evening was former co-owner Fred Pearson, who spoke on creating memorable customer experiences, which

will be the subject of a presentation he will deliver at September's APRO Convention and Buying Show in Orlando.

FAN includes 19 showrooms in Arkansas and is operated by Geron Vail.

Vail not only serves as president of Furniture and Appliances Now, but also volunteers on the APRO board of directors and is a former president of the Arkansas Rental Dealers Association.

The first FAN showroom was in Trumann, Arkansas. Today, FAN is



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Arkansas' largest independent RTO dealer. A 20th location is on the drawing board and will be announced during the third quarter.

Aarons set to increase Rimco franchises

Kevin Leary, director of franchise development and operations for Rimco Sales and Lease Ownership, has announced that parent company Aaron Rents is executing a plan to franchise the Rimco concept nationally.

Rimco will offer custom wheels, rims and services in freestanding stores. According to the Specialty Equipment Marketing Association, the national rim market tripled in size over the past decade, from \$1.3 billion in 1995 to \$3.9 billion in 2004.

"The market is booming across all demographics and our goal is to build the first national custom wheel and rim chain," says Leary. "We'll do that by franchising our Rimco concept to meet consumer demand and by operating the stores on

the proven Aaron Sales and Lease Ownership business model."

The first franchise stores are in Columbus, Georgia, and Farmington, New Mexico. Leary plans to have 25 locations by the end of the year. "We're at the right place at the right time," says Leary.

Rent World's Keeling passes away

Rent World Chief Operating Officer and TRIB Group member

David W. Keeling passed away on May 2.

Keeling, a 20-year resident of Athens, Georgia, spent 18 years as an owner/operator for 10 rent-to-own stores in North Carolina and South Carolina. After the sale of these stores, he spent two years operating a management consulting business before he was appointed to be chief operating officer for Rent World in Memphis, Tennessee.

Keeling began his career in the RTO industry as a lender during the early days of the industry.

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Whirlpool takes steps to integrate Maytag

Whirlpool has announced a series of changes within its North American organization relating to the integration of Maytag operations. Approximately 4,500 positions will be eliminated as a result of the changes. About 1,500 new positions will also be created at other Whirlpool locations, resulting in a net total elimination of 3,000 positions when all changes have been completed. Details on the number and location of new positions created at other Whirlpool locations will be announced in the near future.

"We are taking these actions to rapidly restore the competitiveness of the Maytag brands," says Jeff M. Fettig, Whirlpool chairman and chief executive officer. "This is an important step in our integration process that will allow us to drive continuing performance improvements and will better align our brands, products and operations with the markets we serve."

Over the course of his career, he worked as a front-line supervisor in developing markets, business development plans and supervising existing assets and operations.

"Dave was very well liked by those who knew him. He was very passionate about family, church and his work," says TRIB Group Executive Director Dennis Shields.

Keeling was a member of four state rental dealer associations. At the time of his death, Keeling was a nominee for the TRIB Group board of directors.

Buddy's holds fingerprint event

In conjunction with Take Your Child to Work

Day on April 27, the Tampa International Airport hosted a child fingerprinting event sponsored by Buddy's Home Furnishings. More than 600 children were fingerprinted in an airport hangar.

Buddy's charitable involvement with Child Protection Education of America to aid law enforcement with missing and abducted children has resulted in fingerprinting events at each of its stores throughout Florida since 2002. The event at the Tampa International Airport was the first event outside of a Buddy's Home Furnishing store. Along with the employees of the Tampa International Airport, more

than 15 airline and airline service companies participated in the event.

"The word is getting out," says Buddy's Sales Coordinator Jody Katz. "They needed an entire hangar to accommodate the event."

ColorTyme taps Woods for new director of marketing

Amy Woods joined the ColorTyme team on March 15 as its new director of marketing. A Dallas native,



Woods has more than 15 years' experience in advertising and market-

ing combined with a background in franchisee relations.

"I admire ColorTyme for its committed management team and entrepreneurial mindset that empowers its franchisees," says Woods. "I'm honored to join the group, I respect what they do and look forward to developing programs that will help ColorTyme franchisees succeed."

Woods came to ColorTyme from Pizza Inn, where she served as director of marketing for the 400-plus store chain after joining the company in 2001. Before joining Pizza Inn, Woods spent nearly a decade at TM Advertising, working for national brands such as Subaru, JCPenney and Verizon.

"Amy's understanding of how marketing and advertising can build not only a brand but a franchisee's business is paramount," says ColorTyme President and CEO Bob Bloom. "She will play a pivotal role in communicating the strengths that set ColorTyme apart in the industry to support our franchisees and attract new customers."

Woods' immediate charge at ColorTyme will be to enhance communication with franchisees with respect to marketing implementation in the field, track strategic advertising initiatives and listen to franchisee's

feedback. She will also work to enhance Col-orTyme's identity in the rent-to-own industry.

Cleek raises awareness for autism program

APRO member John Cleek Jr. of Cleek's Rent-To-Own in Columbia, Missouri, raised more than \$16,000 to benefit the Judevine Autism Outreach Program. Cleek is the organizer of Columbia's Third Annual Bowling for Autism Tournament.



The event not only raised funds for the organization, but

raised autism awareness in the community. According to Cleek, a local television station set up 500 television spots that announced the event and increased community awareness about autism.

"Autism is something we need to be aware of," says Cleek. "We can help these kids out." According to Cleek, autism is estimated to be diagnosed in one of every 160

children. For boys, the incidence rate increases to one in every 75.

Cleek has also been involved with the organization as the chair of the parent advisory committee. Cleek and his wife, Heather, have three children. Their 6-year-old son, Thomas, was diagnosed with mild autism when he was 18 months old. "Four years ago, he couldn't speak," says Cleek, "but through the services provided by the Central Missouri Autism Project, he can now speak in complete sentences, go to school and lead a rela-

tively normal life."

According to Cleek, Judevine will use the funds from the bowling tournament to purchase "wish list" items such as new computers and upgraded equipment.


The Judevine Autism Outreach Program at Central Missouri provides services to families in rural areas who might be unable to access facility-based services. To make a donation to Judevine or for more information on autism, visit the Judevine Center for Autism Web site at www.judevine.org.

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There is nothing quite like an APRO Convention and Buying Show! It's the largest gathering of rent-to-own people in the country and everyone is there to share experiences, learn from one another, buy products and find services for their stores and enjoy each other's company.

If you have never been to an APRO convention, I want you to come this year. At our Mid-Year Conference in March, Sidney and Grace Burton and I were talking about what it must be like for a rental dealer and his or her spouse to come to such a large event for the first time. We've

Orlando beckons

been there and we recognize that it could seem to be an impersonal event. Everyone who has been coming every year for a while knows that the real value is the personal connection you have to other rental dealers, exhibitors and the APRO staff. In order to show you the value of this organization, we are hosting a reception for our first-time attendees. We are also presenting a special seminar just for you. And there will be more, but I don't want to spoil it for you. Come and find out for yourself!

APRO seminars are full of useful information this year. The industry's brightest will be talking about everything from "Improving Customer Loyalty" to "Everyday Mistakes That Lose You Money" to "Pre-Employment Screening: Get the Right Person for the Job." Joe Carroll, editor of *Furniture Today*, will be talking about "Trends in Furniture: It's All About Marketing." Bob Perry, vice president of LG/Zenith, will conduct a session on "Trends in Electronics." The value of the information from our seminars will far surpass the cost of attending.



By **SHANNON STRUNK**
APRO's President

Steve Ford, the son of former president Gerald Ford, is our keynote speaker. He came of age in the White House and will retell some of the events that affected his family and the country. He is a daytime television star, having spent six years on *The Young and the Restless*, as well as a movie star, with 30 major motion

pictures to his credit. He has appeared in *Black Hawk Down*, *When Harry Met Sally*, *Armageddon*, *Starship Troopers* and many more. Ford's non-political presentation at the APRO general session will focus on the value of a strong family unit, the importance of strong character, overcoming adversity and setting priorities in life. His words will entertain, enlighten and inspire you.

The new Gaylord Palms Resort is the perfect place for our convention this year. It's an easy hotel in which to get around, uniquely Floridian and in Orlando—the city where APRO's largest conventions have taken place. Come find out for yourself just how great the place is for our kind of show. Be sure to book your hotel rooms before you register your attendance with APRO. In order to get the maximum discounts with APRO you will need to have your hotel confirmation number. You can reserve your hotel room and then register with APRO online at www.rtohq.org. Simply go to "APRO Events" > "APRO's Convention and Buying Show" > "Registration and Accommodations."

To preview the layout of the exhibit hall and find your favorite vendors, again go to our new Web site. We have a listing of the exhibiting companies with their booth numbers. You can also roll your cursor over each booth and find out who is there. Check this often, as we are adding new exhibitors weekly.

To ensure you get the most from your APRO experience, I want you to go to APRO's Web site, www.rtohq.org, and register online now. Then I want you to send me an e-mail that you have registered and I will personally make sure you get the most out of our show. My e-mail address is shannon@babers.com.

The many offerings at this year's convention are designed to improve your bottom line. There is no doubt about it—you need to come to APRO's Orlando convention. See you in September! ■

Shannon Strunk is the president of Baber's Inc. in Pascagoula, Mississippi.

"Everyone who has been to an APRO Convention and Buying Show knows that the real value is the personal connection you have to other rental dealers, exhibitors and the APRO staff."



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Do you ever find yourself knowing someone for 17 years and then one day you find out that you didn't know that person at all? I met John Blair in 1989, shortly after I was hired as APRO's executive director. John was one of the first in the industry to welcome me to rent-to-own and I have always appreciated that kindness. John was TRIB Group's executive director at the time and we got to know each other at TRIB's annual meetings. When he left to work for M&B Jewelry in 1999, I ran into John at every

Vietnam war had been seething for many years by that time. Everyone I knew during those days was trying to stay in college to avoid being drafted and shipped out to Vietnam. Not John. His country called and he unceremoniously went to war.

"I've known John Blair for 17 years and I never knew he was a Marine in Vietnam. That evening, I listened to John and his buddies tell about their experiences from that war."

One afternoon in January 1968 while on a search-and-destroy operation as squad leader, his platoon came under heavy fire from a large North Vietnamese army force. John and his men were pinned down. He instantly maneuvered his squad forward

Getting to know a vendor

state association meeting in the country. There wasn't a single year that he didn't attend a state association meeting. In fact, John was recognized for his participation by the Arkansas Rental Dealers Association this April and presented with the Vendor of the Year Award.

A couple of months ago, John told me he was going to be in Austin for a reunion and invited me to come over for a few beers. When I arrived at the hotel, I had the pleasure of meeting some of John's oldest buddies. It was the second reunion of the Third Battalion, Fourth Marines, India Company.

Now, I've known John for 17 years and I never knew he was a Marine in Vietnam.



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

He never talks about that with anyone. That evening, I listened to John and his buddies tell about their experiences from that war. Most Americans who lived through those years have tried hard to forget that war.

One of his buddies told me, "I would follow John through Hell—and I did. He got us out of that mess!" A chorus of voices agreed. What I learned that night is an American story that needs to be told.

John completed three years of college before he dropped out to enlist in the Marine Corps. The



Top: John Blair, hand on head, with his Marine unit in Vietnam. Above: the second reunion of that group, held in Austin in 2006. Blair is standing, third from left.

and led an assault on the enemy position. The squad again was pinned down and John directed his men to deliver heavy fire on the enemy. According to the commanding general, Lieutenant General V. H. Krulak, John disregarded his own safety and led his squad across the hazardous area to destroy the enemy with hand grenades. Thirty-eight years later, tears came to his men's eyes as they retold their life-changing experiences during that time.

By exerting leadership and bravery, he led his men to safety. For this, he was awarded the third highest medal bestowed on a soldier, the Silver Star. After being promoted to sergeant later that year, John was awarded the Navy Achievement Medal, an award demonstrating his "leadership, professional competence and steadfast devotion to duty reflecting great credit upon himself, the Marine Corps and the Naval Service."

John left Vietnam in 1968; however, he never forgot his duty to his country and to the Marine Corps. For 23 years, John and his wife, Diane, have hosted the United States Marine Corps Reserve Toys for Tots program in their hometown, providing a meaningful Christmas for less fortunate children. For their love of children, John and Diane received the "Commander's Award" last year. This was their best-attended Christmas program, hosting 220 people who brought 430 toys for the children.

Robby Tyson of M&B Jewelry told me recently that John represents M&B so well because of the discipline, leadership and commitment he learned in the Marines and because of John's friendliness and knowledge of the rent-to-own industry.

For 17 years I have been proud to call John my friend. But I had no idea who John is. Now I know! I wrote this so that you would also know John Blair ■

Bill Keese's e-mail address is bkeese@aprovision.org.

"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?

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The consumer protection press continues to roll out tomes decrying the lot of the poor in America, sometimes with objective observations, more often with emotional tirades and always with a call to arms for the government to “do something” so that there will not be any poor people to be exploited any more. Howard Karger’s *Shortchanged: Life and Debt in the Fringe Economy* (Berrett-Koehler Publishers, 2005) is the latest in this series. The book defines and condemns the corporate-dominated “fringe economy.” According to Karger, “It’s a hidden world where a customer’s economic fate is sealed by a

tense and particular scorn he has for payday lenders, the sub-prime housing industry and the used-car industry. Rent-to-own prices are too high and RTO companies are bad sports when customers have their stuff and are not paying rent. However, “on the positive side, Janis [one of Kager’s case studies] didn’t take on intractable debt—as she would with payday loans or credit card purchases—and she could voluntarily return the rentals when the payments became unaffordable. Nor did she face a potential lawsuit and hounding by collection agencies. The repossession also didn’t affect her future credit.” He does not like rent-to-own, but he does seem

.....
 “The author does not like rent-to-own, but he does seem to understand how it works, an understanding that seems beyond the ken of many consumer champions.”

Book shortchanges RTO

handshake, a smile and fine-print documents that would befuddle many attorneys.”

The book makes little pretense at objectivity. The author explains that he was “angered and dismayed” when conducting his personal research into the fringe economy. “Seedy,” “dark,” “shadowy,” “avaricious,” “unforgiving” and “immoral” are favorite descriptors that pepper the work to describe all of the enterprises that make up this world: high-interest credit cards, fee-loaded debit cards, pawnshops, payday loans, refund anticipation loans, check cashers, rent-to-own, prepaid telephone services, sub-prime mortgages, rent-to-own housing, buy-here-pay-here car lots, high cost insurance, auto title pawns and consumer credit counseling.



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

The book has several theses. One is that the poor are getting poorer and that there are serious economic and labor market problems in the country beyond the scope of the book. Nothing new here. What *is* new is the notion that mainstream corporate America is taking over or has already taken over large sections of the fringe economy from the traditional mom-and-pop world of “crafty merchants.” These large companies are even more rapacious than the small-time operators were.

Karger flays the rent-to-own industry, but they are, finally, glancing blows compared to the in-

to understand how it works, an understanding that seems beyond the ken of many consumer champions. Most of the industries examined come in for far harsher treatment than RTO.

The book offers some interesting statistical information about the fringe economy, including such nuggets as how much Mark Speese, CEO of Rent-A-Center, and Charlie Loudermilk, CEO of Aaron’s Rents, made in 2003. For the record, they made much less than the corporate leaders in several other industries in the fringe economy.

It does little good to point out societal woes without offering solutions—and Karger has solutions a-plenty. Distilled, these solutions are the same solutions offered by consumer advocates everywhere: more government regulation, more consumer education and more non-profit, community-based financial services offered to the poor.

But Karger gets quite specific as to what he would like to see done in this country. He wants laws against credit card companies marketing to “young people and economically volatile consumers.” Interest rates on all types of credit should be capped and nationalized. The minimum loan term for payday loans should be 90 days. Installment payments should be allowed. Rollovers should be prohibited. Criminal prosecution should be banned for default on payday loans. RTO transactions should be regulated as credit sales, although Karger admits, “Even if RTO trans-

actions were covered under the Truth-In-Lending Act and various state laws, the deep pockets of the \$6 billion RTO industry, its lobbying power and its ability to hire high-priced legal talent to find loopholes would work against enforcement.”

According to Karger, mandatory non-essential insurance, like credit life, should be prohibited in all real estate transactions. All real estate fees should be capped at the national level. Prepayment penalties in real estate loans should be prohibited. Any loans potentially resulting in a loss of equity and any balloon payment loans should be abolished.

The interest rates on all car loans should be keyed to the prime rate and limited to a fixed number of points over that rate. And there are many more limits and restrictions that Karger wants to see imposed on companies doing business with the economically disadvantaged.

It is a brave new world that Karger wants. It is a world without any poor people and also a world without much business. ■

Ed Winn's e-mail address is edwinn@e-bylaw.com.

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Photo used with permission, Louis Armstrong Educational Foundation.

I'm sure that most of you have seen the MasterCard commercial that shows the cost of a product and describes the value of the service it provides as priceless. Priceless is the word I'd use to describe the value APRO brings to me.

Yes, a five-store dealer will pay \$1,875 in annual dues, but the benefit those dues provide is priceless. When you factor in the networking, thousands of resources, legislative and legal monitoring and the education provided by APRO, those dues seem like a small price to pay to belong to a quality association. Reading the "Member Voices" column in this magazine over the past

APRO: Priceless

year, I'm reminded of some of the key factors that make an APRO membership so priceless.

Lyn Leach, an APRO past president, wrote about the many conversations and ideas shared with his heroes of RTO. These ideas helped him become a better rental dealer and make more profits. The ability to network with others the rent-to-own industry? Priceless.

Along the same lines, Sidney Burton recently wrote about what I think is one of the most unique rewards of joining APRO—the sharing of information. Sidney, a native of Michigan, walked into a rental store in Albuquerque, New Mexico, and left with a business plan. He credits the culture of APRO to fostering such a helpful network that dealers are ready and willing to share resources. That's priceless!



By **LARRY CARRICO**
APRO board member

APRO has been fortunate to attract enthusiastic board members like Tennessee's Larry Goad who has never met a stranger. Larry's analogy of APRO is right on target when he writes, "APRO resembles a sponge; it is a solid unit that is also pliable, flexible and ready to expand." In order to get the most out of this organization, you must be willing to participate.

As soon as Larry started participating, he saw the full value. Interacting with people like Larry and many other people involved in APRO? Priceless.

David P. David wrote that of all the organizations to which he pays dues, APRO continues to be

the most rewarding. In his column, he wrote about the value of the many resources offered by APRO, such as online training and APRO's industry manuals. But most important, David reminded us that any time a situation arises or information is needed, all you have to do is ask APRO. Having the resources of not only your industry association, but also a network of hundreds of other professionals at your fingertips? Priceless!

So now that we know what other members value in APRO, let's talk about why I continue to suit up and show up. It's simple. All the above and all the below. Let's do the APRO Value Comparison:

APRO: THE COST VS. THE VALUE

APRO dues for five stores (\$375 per store): \$1,875	→	Sharing ideas too numerous to count: priceless
Registration and travel for owner at APRO Convention and Buying Show: \$2,295	→	Savings from purchases of televisions, furniture and appliances (estimated \$2,000 in savings per store): \$10,000
Online training for 25 employees: \$1,868.75	→	Savings from not having to take outside training: \$4,375
Participating in the Rent-to-Own Statistical Survey: \$0	→	Reduction of 1 percent interest on a \$1 million loan because you're better than your peers: \$10,000
APRO's Political Action Committee (\$100 per store): \$500	→	Someone to monitor state and federal legislation: priceless
The cost: \$6,538.75	→	The value: \$24,375.00

That's nearly a 300 percent return on my investment even before taking into consideration the priceless value that APRO gives us RTO dealers.

I never turn down an opportunity to make a buck, so I'll keep suiting up and showing up. I'm sure APRO doesn't want any of you to miss this opportunity. Call Laurie Hill about membership. Call Shelley Martinek about education. Call Cindy Ferguson about bringing in new vendors to support our cause. Call Bill Keese to get the facts. I'll even pay for the call. APRO can be reached at 800/204-2776. I hope to see everyone in Orlando in September. ■

Larry Carrico is president of SKC Enterprises in Mount Vernon, Illinois.

.....
What is the value of APRO and its Convention and Buying Show? Certainly more than it costs.

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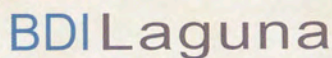
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Badges and neck straps



Gala Cocktail Reception



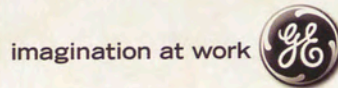
Registration and RAE Awards
electronics



Internet Café



Complimentary
Relaxation Station



Keynote speaker



Seminar sponsor



Gala Cocktail Reception



Buying Show Specials book



Awards dinner



Gala Cocktail Reception



Welcome Reception



Gala Cocktail Reception



Exhibit hall Champagne Welcome



Seminar breaks



Golf tournament



Continental breakfast, Gala
Cocktail Reception, complimentary
ice cream, Convention Daily and
Awards Dinner Reception



RTTO UPDATES | SHOW SPECIALS

CUSTOMER AND EMPLOYEE OF THE YEAR | GOLF

EDUCATIONAL SEMINARS | RAE AWARDS

APRO2006



SEE YOU IN
SEPTEMBER!

NETWORKING | GREAT LOCATION

**YOUR INVITATION TO ATTEND
 APRO'S 2006 RENT-TO-OWN
 CONVENTION AND BUYING SHOW
 SEPTEMBER 20-23
 ORLANDO**



See you in September!

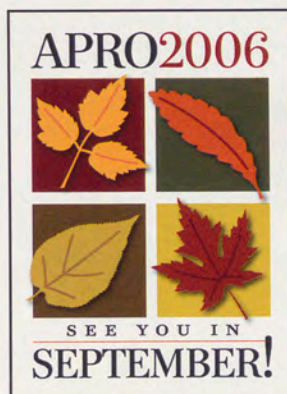
AT THE GAYLORD PALMS IN ORLANDO!

h, autumn. The leaves are falling, the air is crisp and cool and the daylight hours are getting shorter. And even though this year's APRO Convention and Buying Show is being held in Orlando—where there's always plenty of sun and palm trees stay green year 'round—we hope that the autumn theme, colors and imagery will remind you of the later-than-usual dates for this year's event and that we'll see you in September! In order to avoid conflicting schedules with several important furniture markets being held in July and August, APRO is holding its annual Convention and Buying Show September 20–23, giving rental dealers full opportunity to take advantage of rent-to-own's biggest event of the year!

Speaking of fall, APRO's September Buying Show will offer falling prices on all the products you'll need for a successful fourth quarter. More than 100 vendors will be offering buying-show-only specials on all the latest in electronics, furniture, appliances and other products.

In addition to the buying show, we've lined up a spectacular group of experts to conduct seminars on a wide range of topics pertinent to your businesses. And, of course, we've allowed time for parties, entertainment and all the excitement available in central Florida, including SeaWorld Orlando, Universal Orlando Resort and Walt Disney World Resort.

We hope you'll join us for rent-to-own's premiere event of the year. You'll see what a great convention and buying show is all about—and we'll see *you* in September!



TUESDAY, SEPTEMBER 19

- Family day Come early and visit Disney World
 2-5 p.m. Early registration
 4-6 p.m. APRO board of directors meeting

WEDNESDAY, SEPTEMBER 20

- 7 a.m. Buses depart for golf tournament
 8 a.m. APRO's Tom Kitchens/Joe Eason Golf Tournament at the Falcon's Fire Golf Club (*sponsored by Whirlpool*)
 9 a.m.-5 p.m. Registration
 12-10 p.m. Exhibitor set-up
 4-5:30 p.m. State association workshop
 5:30-6 p.m. First-time attendee orientation
 6-7:30 p.m. Welcome reception honoring new members and first-time attendees (*sponsored by TRIB Group*)

THURSDAY, SEPTEMBER 21

- 7-11 a.m. Exhibitor set-up
 9 a.m.-5 p.m. Registration
 9-10 a.m. Pick up ballots for board election
 10 a.m.-12 p.m. General session, business meeting and keynote address (*keynote sponsored by GE Consumer and Industrial*)
 12 p.m. Exhibit hall grand opening and champagne welcome (*sponsored by Imagery Marketing*)
 12-5:30 p.m. Exhibit hall open
 12-1:30 p.m. Cash lunch available in exhibit hall
 2-3 p.m. Beverage break in the exhibit hall (*sponsored by Advantage*)
 3-4 p.m. Ice cream break in exhibit hall (*sponsored by Ashley Furniture*)
 6-8 p.m. Gala cocktail reception: "Key West Sunset Celebration" (*sponsored by ColorTyme, DPI Teleconnect, Florida State Games, RentDirect Nationwide and Therapedic*)

FRIDAY, SEPTEMBER 22

- 9 a.m.-5 p.m. Registration
 9-10:30 a.m. Exhibitor breakfast and election
 9 a.m.-12:15 p.m. Seminars (*breaks sponsored by RES Accessories*)
 9:30 a.m.-3:30 p.m. Spouse/Guest Tour and Luncheon in Winter Park (buses depart at 9:30 a.m. from the Tour Lobby)
 12-5:30 p.m. Exhibit hall open
 12-1:30 p.m. Cash lunch available in exhibit hall
 2-3 p.m. Beverage break in the exhibit hall (*sponsored by DSI Systems*)
 3-4 p.m. Ice cream break in exhibit hall (*sponsored by RentDirect Nationwide*)
 5:30-7 p.m. APRO president's reception (*sponsored by Nationwide Club Administrators*)

SATURDAY, SEPTEMBER 23

- 9 a.m.-1 p.m. Registration
 9 a.m.-1 p.m. Exhibit hall open
 9-10:30 a.m. Continental breakfast in exhibit hall (*sponsored by RentDirect Nationwide*)
 9:30-10:30 a.m. APRO board meeting and election of officers
 1-6 p.m. Seminars (*breaks sponsored by LG/Zenith Electronics*)
 1-7 p.m. Exhibitor tear-down
 7-8 p.m. Awards reception (*sponsored by RentDirect Nationwide*)
 8-10 p.m. Awards banquet: "See You in September" (*sponsored by High Touch*)

ADDITIONAL SPONSORS:

Convention Daily: RentDirect by Nationwide; badges: BDI Laguna; *Pocket Show Guide*: Sears Contract Sales; Relaxation Station: Benefit Marketing Group; Internet Café: RSSS and SED International; registration electronics: O'Rourke; *Buying Show Specials* book: Central File; seminar sponsor: Primo International

About the event

WHAT IS APRO?

The Association of Progressive Rental Organizations is the national trade association for the rent-to-own industry, representing more than 2,000 stores. APRO member companies rent furniture, electronics, appliances and other products with an option for ownership.

WHO ATTENDS THE APRO CONVENTION AND BUYING SHOW?

Large and small rental-purchase companies and their owners, managers and employees will be represented. More than 1,000 people attended the 2005 show, including

- Chief executives
- Chief financial officers
- Chief operating officers
- Corporate buyers
- Rental store owners
- Rental store senior-level executives
- Rental store managers
- Rental store management trainees
- Department executives
- Rental store employees

WHO EXHIBITS AT THE APRO BUYING SHOW?

At the 2005 APRO show, more than 100 companies exhibited products and services in more than 200 booths. The following are a few of the products and services already registered for the 2006 Buying Show:

- Advertising/promotional
- Appliances
- Communications
- Computer hardware and software
- Electronics
- Financial and special services
- Furniture and furniture accessories
- Jewelry
- Trucks



The Numbers Are In

RTOs grow stronger with the proven industry leader RentDirect Nationwide.

6800 Stores
2550 Members
38 Warehouses
\$10 Billion in Sales

It's one thing to say you're the industry leading RTO marketing group, but backing up the claim is quite another. So before you join forces with anyone, be sure to examine the facts.

RentDirect Nationwide's impressive numbers and support capabilities are real.

Exclusive Member Services



FREE Web Site
Promote your business on-line 24/7.



Store Fixtures
Complete fixture design and installation services. Store signage assistance.



Furniture Smart
Buy top brand furniture brands factory direct. Purchase on-line, direct ship to your store.



FREE Training Programs
State-of-the-art sales and product training available on DVD and on-line.

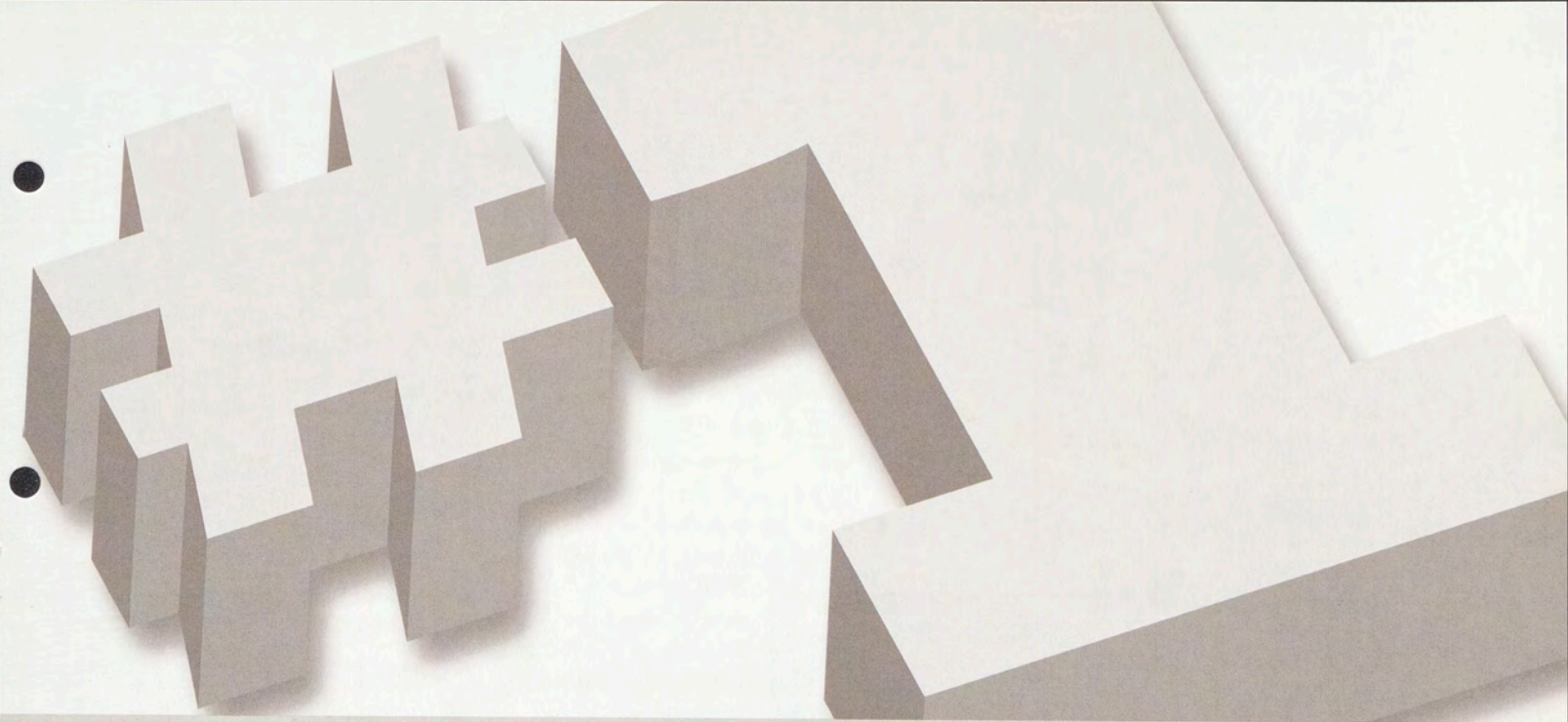


The Hiring Connection
Your resource for screening and assessments. Hire better employees.



adFactory
Free downloadable advertising elements plus customizing services available on-line.

Call James MacAlpine at 336-714-8802



**No smoke and mirrors, just the facts:
RentDirect offers you more.**

- Unmatched group negotiated pricing
- Vast national network of 38 warehouses
- Superior range of national brands
- High impact advertising and promotions
- Comprehensive training programs
- Premier member conferences – Prime-Time!

More members. More warehouses. More sales.
More aggressive pricing. More promotions.
More financial incentives. And RentDirect
Nationwide has the facts to prove it.

**RentDirect Nationwide is Number 1 because
of the success of our members. Join forces
with the leader and watch your numbers grow.**

APRS Associate Member since 2004



Or visit www.gorentdirect.com



SPECIAL EVENTS

TOM KITCHENS/JOE EASON GOLF TOURNAMENT

8 a.m., Wednesday, September 20,
Falcon's Fire Golf Club

Falcon's Fire Golf Club is considered one of the finest courses in the country, setting standards by which all golf courses are evalu-



ated. It's been voted one of the top courses by both *Golf Digest* and *GSO* magazines. The 2006 tournament begins with a shotgun start at 8 a.m. It is always an early sell-out, so be sure

to register right away as space is available on a first-come, first-served basis. Your space in the tournament cannot be reserved until payment has been received by APRO. The registration deadline is September 5 or when all tournament slots are filled, whichever comes first. The cost is \$125 per person, which includes a \$25 donation to the APRO Scholarship Foundation. *Sponsored by Whirlpool.*

WELCOME RECEPTION

6-7:30 p.m., Wednesday, September 20

Get together with old friends and get acquainted with new ones.

This reception is open to all APRO convention attendees. Special recognition will be given to new APRO members (since July 2005) and first-time APRO convention attendees. Light hors d'oeuvres and a cash bar. Casual attire. *Sponsored by TRIB Group.*

GALA COCKTAIL RECEPTION: "KEY WEST SUNSET CELEBRATION"

6-8 p.m., Thursday, September 21

The outdoor Piazza at the Gaylord Palms Resort offers a great time for all, so come prepared to dance, visit with friends, enjoy the atmosphere and take in a beautiful Florida sunset. You won't be disappointed. Wear your shorts and a tropical shirt or other casual attire. Light hors d'oeuvres, beer and margaritas will be served. *Sponsored by ColorTyme, DPI Teleconnect, Florida State Games, RentDirect Nationwide and Therapedic.*

AWARDS RECEPTION AND BANQUET:

"SEE YOU IN SEPTEMBER"

7-10 p.m., Saturday, September 23

Relax and unwind at the cocktail reception before entering APRO's party of the year. Great food and entertainment will be the order of the evening, along with APRO's annual presentation of



awards to those whose contributions to the rent-to-own industry have stood out over the past year. Don't miss this memorable way to cap off the 2006 convention and bid *adieu* to friends and colleagues by proclaiming "See you in September of 2007." Complimentary cocktails provided during the reception; cash bar during the banquet. Semi-formal attire. *Reception sponsored by RentDirect Nationwide. Banquet sponsored by High Touch.*

KEYNOTE ADDRESS, GENERAL SESSION AND BUSINESS MEETING

10 a.m.-12 p.m.,
Thursday, September 21

The 2006 general session will kick off with an overview of association activities and the election of APRO board members. Winners of the 2006 Rent-to-Own Employee of the Year and Customer of the Year will be announced, followed by a keynote address by Steve Ford entitled "Leaving a Legacy." Dubbed the "first son" in the 1970s, Ford is the



son of President Gerald Ford. His unique perspective on life encompasses the experience of

having 10 Secret Service agents as constant companions, two assassination attempts on his father's life, his mother's bouts with cancer and alcoholism and life in the White House as a teenager. Since the completion of his father's term as president, Ford has worked as a roper on the professional rodeo circuit, horse enthusiast and accomplished actor, with a six-year run on *The Young and the Restless*. Ford's non-political presentation at the APRO general session will focus on the value of a strong family unit, the importance of strong character, overcoming adversity and setting priorities in life. At the conclusion of the keynote, a ribbon-cutting and champagne welcome ceremony will open the 2006 APRO Buying Show. *Keynote address sponsored by GE Consumer and Industrial.*

And the winners are...

2006 RTO CUSTOMER OF THE YEAR AND RTO EMPLOYEE OF THE YEAR

This popular contest is entering its seventh year and the search is on for the best in the industry. APRO's annual Rent-to-Own Customer of the Year and Rent-to-Own Employee of the Year contest will culminate with presentations at the general session. This year's entries again show the warm relationships between many of your customers, your employees, your company and the RTO industry as a whole. Many companies are holding their own contests as well as entering their employees and customers in APRO's national contest. For more information, or to enter the contest, please visit www.rtohq.org or call 800/204-2776, ext. 104.

RENTAL ADVERTISING EXCELLENCE AWARDS

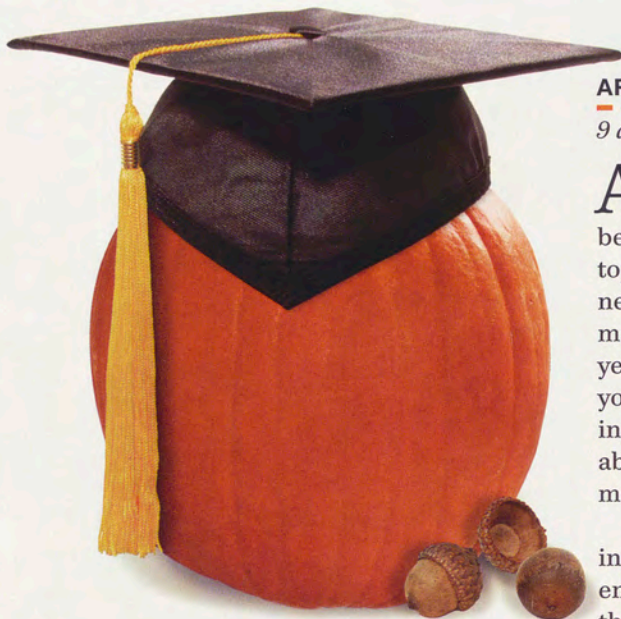
Winners of the prestigious RAE Awards will be on display during the APRO convention. The winning print, television, electronic and radio entries set new standards every year. Entries developed by rental dealers and entries developed by advertising agencies are judged separately. Check out this year's winners in the exhibit hall.

SPOUSE/GUEST TOUR AND LUNCHEON

9:30 a.m.-3:30 p.m.,
Friday, September 22,
Winter Park, Florida

Escape the noise and crowds by spending a peaceful day on scenic Park Avenue in Winter Park, Florida. Winter Park is known for its annual Winter Park Art Festival and quaint tree-lined, brick streets. You'll start the day with a relaxing 45-minute scenic, open-air boat ride past luxurious homes along three beautiful lakes and canals. Following the boat tour, browse the exclusive boutiques and art galleries filled with one-of-a-kind treasures, as well as stores bearing the names of your favorite designers. After a delicious lunch, you may want to enjoy the famous Charles Hosmer Morse Museum of American Art—featuring the largest collection of Louis Comfort Tiffany glass in the world—or just do some more shopping. Before your departure for the hotel at 3 p.m., you can take a break at one of the avenue's open-air cafés or just sit in the park and people watch. This tour is included in the spouse/guest full registration only. Additional tickets may be purchased for \$75 each.





APRO'S SEMINARS AND ROUNDTABLES

9 a.m.-12:15 p.m., Friday, September 22, and 1-6 p.m., Saturday, September 23

APRO consistently offers educational opportunities to help you and your employees make your business more successful. The 2006 seminars being held during the Convention and Buying Show offer insight into such topics as trends in furniture and electronics, successful leadership, RTO business pitfalls, finding your future customers, rent-to-own financial planning, maximizing your professional relationships and much more. Also offered this year are the ever-popular RTO Legal Update as well as insight into improving your business using the *2006 Rent-to-Own Statistical Survey*. Dealers attending the annual Rental Roundtable discussions have walked away with invaluable tips for their business every year. There is so much knowledge and information you won't want to miss any sessions.

And bring your top employees so that your company can cover all the seminars. This year, APRO is offering a special "limited registration," allowing entrance to seminars and the Buying Show exhibit hall only for just \$49 so that you can bring all your key employees at this low rate. Limited registration does not allow entrance into social events.

S E M I N A R S at a G L A N C E

Friday, September 22	Sun Ballrooms 1-2	Sun Ballrooms 3-4	Sun Ballrooms 5-6	Sun Ballroom C	Sun Ballroom D
9-10:30 a.m.	<i>Seminar refreshments provided by LG/Zenith and RES Accessories</i>	Rental Roundtable Single-Store: Unique Issues Facing One-Store Dealers Christopher Bolin, Bolin Rental Purchase	Rental Roundtable 2-5 stores MODERATOR: Wayne Sutton, Rent USA	Rental Roundtable 6-15 stores MODERATOR: Larry Goad, Zion's Television Showrooms	Rental Roundtable 16+ stores MODERATOR: Geron Vail, Furniture & Appliances Now
10:45 a.m.-12:15 p.m.	Growing with RTO in the Minor League Gloria Homeier-Schwieh, A Full House	Pre-Employment Screening: Get the Right Person for the Job Jeremy Maloney, MBIWorldwide	When Bad Things Happen to Good RTO Companies Larry Carrico, Dan Cole, David P. David, Ernie Lewallen and Ed Winn	RTO Strategies: Pricing, Marketing and Keep Rates Sidney Burton, Hometown Ventures <i>Sponsored by Primo</i>	Trends in Electronics Bob Perry, LG/Zenith Electronics
Saturday, September 23	Sun Ballrooms 1-2	Sun Ballrooms 3-4	Sun Ballrooms 5-6	Sun Ballroom C	Sun Ballroom D
1-2:30 p.m.	Maximizing Professional Relationships John Raines, Aaron's Sales and Leasing	2006 RTO Legal Update Ed Winn III, APRO's General Counsel	RTO Pitfalls: Everyday Mistakes That Lose You Money Mike Tissot, Countryside Rentals	Secret Wealth: High-Return, Low-Risk Investments Larry Oxenham, National Foundation for Financial Education	Taking Ownership of Leadership in Your Life Bryan Dodge, Dodge Development
2:45-4:15 p.m.	Why Smart RTO People Do Dumb Things Larry Helms, PhD, Trainergy	Tax, Accounting and Finance Issues in RTO PANEL: Terry Beville, Dan Strunk, Danny Wilbanks and Ed Winn	RTO Pitfalls: Everyday Mistakes That Lose You Money Mike Tissot, Countryside Rentals	Trends in Furniture: It's All About Marketing Joe Carroll, Furniture Today	Taking Ownership of Leadership in Your Life Bryan Dodge, Dodge Development
4:30-6 p.m.	Why Smart RTO People Do Dumb Things Larry Helms, PhD, Trainergy	Implementing a Strategic Plan Danny Wilbanks, Wilbanks-Christians	Prosper by Improving Customer Loyalty Fred Pearson, Pearson-Vail LLC	Trends in Furniture: It's All About Marketing Joe Carroll, Furniture Today	Using the New and Improved Statistical Survey to Build Your Business Terry Beville, Buddy's Home Furnishings



**APRO EXHIBIT HALL
GRAND OPENING AND
CHAMPAGNE WELCOME**

12-5 p.m., Thursday,
September 21

In keeping with the fantastic success of the APRO Buying Show format of the past two years, APRO vendors will again offer great values to those who attend the show this year. All APRO members who place orders during the buying show will go into a drawing for a \$5,000 cash prize. The more orders you write at the show, the better your chances of winning the cash prize. More than 100 exhibitors in over 200 booths in the exhibit hall will offer show specials that you will find only at the APRO show. Vendors will offer unbeatable specials for you to stock up for your fourth quarter and save. Admission to the buying show is included in all full registrations and "limited" registrations (see page 36 for details). "Exhibit Hall only" admission is available separately for \$25. Proper business identification is required to receive an entrance badge. Champagne welcome sponsored by Imagery Marketing.

**EXHIBIT HALL
HOURS:**

12-5:30 P.M.,
THURSDAY,
SEPTEMBER 21

12-5:30 P.M.
FRIDAY,
SEPTEMBER 22

9 A.M.-1 P.M.,
SATURDAY,
SEPTEMBER 23

2006 EXHIBITORS

As of June 1, 2006. For an updated list of exhibitors, please visit www.rtohq.org.

- ABS Artistic Jewelry
- ADPRO
- Aetna Glass
- Alliance Laundry/
Speed Queen
- Ashley Furniture Industries
- BDI Laguna
- BenchCraft
- Benefit Marketing Solutions
- Bernards
- Brooke Distributors
- Bryce Co.
- Budget Phone
- Central File
- Coaster Co. of America
- ColorTyme
- The Crosley Corporation
- Cross Creek Furniture
- D&H Distributing
- Dell
- Dimplex North America
- Discover Rental Purchase
- DP Bureau/CL Verify
- DPi Teleconnect
- DSI Systems
- Equator Appliances
- Florida State Games
- FLX-Industries
- Fraenkel Co./
Englander Bedding
- GE Consumer and Industrial
- General Furniture Design
- Guardsman—A Business Unit of
the Valspar Corp.
- Higdon Furniture Co.
- High Touch
- Home Line Industries
- Ideal Software Systems
- Imagery Marketing Consultants
- Inform Print & Promotions
- Inovex Home Products Corp.
- International Marketing and
Manufacturing
- Kelley Commercial Trucks
- LABS
- Let's Print Ink/
America On Hold
- LG/Zenith Electronics Corp.
- Lynnray Financial Corp.
- M&B Jewelry
- Mastercraft Industries
- Maytag Appliances
- MemberTrust
- Michels & Co.
- Motivated Marketing
- Nationwide Club Administrators
- O'Rourke Custom Solutions
- PMD Furniture Direct
- Progressive Furniture
- Promobiz.Com
- Rental Information Systems
- RentDirect Nationwide
- RES Accessories
- RIMCO Custom Wheels & Tires
Franchise
- RSSS
- RTO Insurance
- Rug Doctor Pro
- SED International
- Sandberg Furniture
- Sears Contract Sales
- Simmons Co.
- State Electronics Co.
- Step2 Co.
- Steve Silver Co.
- Teletrack
- Therapedic International
- TRIB Group
- United Weavers of America
- University Loft
- Vance Baldwin
- Welton USA
- Wheel Workz
- Whirlpool Corp.



NEW TO APRO'S CONVENTION?

FIRST-TIMERS WELCOME!

The APRO Convention and Buying Show boasts one of the largest gatherings of rent-to-own dealers and associates in the country, with more than 1,000 people attending last year's event in Las Vegas. Many who attend the annual convention have made regular trips to the event, but for some, the convention is a new experience. Recently, some of last year's first-time attendees shared their thoughts on the APRO Convention and Buying Show.

For first-time attendee Ernie Thompson of DFC Sales and Leasing in South Hill, Virginia, the 2005 convention was not only a new



experience, it was an introduction into the world of rent-to-own. "I was in the retail side of the business before we started DFC Sales and Leasing. It is a different world," says Thompson. "At the APRO convention, I found that everyone in the RTO business was so willing to share their knowledge."

It wouldn't be a typical APRO convention without the many educational opportunities to help rent-

to-own dealers make their business more successful. The convention offers two days of roundtables and seminars on topics ranging from general business practices to specific issues in the rent-to-own industry.

"As a first-time attendee, I found the seminars extremely informative," says Peggy Hoffman of American Rentals in Bloomington, Indiana. "Since I deal with service and repair issues, the opportunity to meet the reps and

Best Rental in Palm Coast, Florida.



ARAVJO

In addition to the educational seminars, networking at APRO's convention is an invaluable resource for garnering the information that will help you improve your business. It is a prime opportunity for those who are new in the industry to visit with rent-to-own professionals. Special events, such as welcome receptions, cocktail galas, golf outings and awards banquets, give

NEWCOMERS ARE ENCOURAGED TO ATTEND THE FIRST-TIME ATTENDEE ORIENTATION, 5:30-6 P.M., AND THE WELCOME RECEPTION, 6-7:30 P.M., SEPTEMBER 20, DURING THE APRO CONVENTION AND BUYING SHOW.

gather replacement parts, service and warranty information was invaluable."

Of course, the training extends further than just the convention. Many attendees find that the best part of the training is taking what they have learned back to their home offices and sharing it with colleagues.

"The seminars were very informative. I was able to bring this education back to my company and teach it, which inevitably increased our sales," says Regina Aravjo of Z-

dealers the opportunity to visit with one another and make new friends in the industry. There's even a special orientation and reception specifically for first-time conference attendees.

"My first convention was a great experience," says Jim Hamilton, a store manager at KLQ Enterprises in Kelso, Washington. "I learned a lot and had fun. I enjoyed meeting new people."

We hope you make plans to attend the APRO 2006 Convention and Buying Show in Orlando, Florida. If it is your first time, we hope it certainly won't be your last.

"This has been an experience that I had never seen before," says Sharice Allen of Georgia's CM City Rentals. "It was a whole lot better than I ever imagined and I look forward to many more in the future."



BDI Laguna

Your RTO Warehouse!



Georgia • New Jersey • Nevada

New and refurbished products

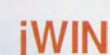
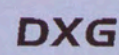
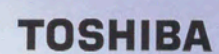
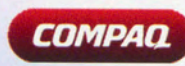
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www.bdilaguna.com/rto



REGISTRATION

NOW OFFERING "LIMITED REGISTRATION"

This year, APRO is offering a special "limited registration: seminars and exhibits only" badge that will allow access to the exhibit hall and seminars only. Entrance to meal functions and social events is not included. In order to qualify for this special registration, there must be at least one full-paid registrant from the APRO member company and all registrants must have confirmed reservations in the APRO room block at the Gaylord Palms Resort. This special registration is available to APRO member companies only and allows member companies to bring as many employees as possible to the rent-to-own industry event of the year. If employees wish to attend the meal functions and social events, they must purchase a full-registration badge or tickets for individual functions. Those with "limited registration" badges will not be admitted to these events unless they have purchased tickets for the events.

"Exhibit hall only" badges will also be offered for \$25 to all those in the rent-to-own industry. These badges will not allow admittance into any function or event other than the APRO exhibit hall. Proper business identification will be required.

"BOOK IN THE BLOCK" AND SAVE!

APRO members who book their room in the APRO room block at the Gaylord Palms Resort will receive a substantially discounted full registration to the entire APRO Convention—including educational seminars, social events, meal functions and the buying show—for the low price of only \$295 for the first registrant from each company. The second through fifth person from each company will get a discounted rate of

\$249 per person and the sixth or more registrants from each company can attend for only \$199 per person. Spouse registration is \$199. The non-APRO member "book-in-the-block" rate is \$595 for a full registration. To receive these special prices, registrants must book in the APRO room block at the Gaylord Palms Resort at the special low APRO rate—and must do so by the reservation deadline of August 15.

WHY "BOOK IN THE BLOCK"?

In recent years, Internet booking has enabled hotels to "dump" excess rooms at cut rates if it looks like there will be an excess inventory over certain dates. It is crucial that all APRO attendees book their hotel rooms through the APRO room block as APRO must guarantee a certain number of rooms in advance in order to procure the lowest rates for our attendees. If APRO books too few rooms, convention attendees may not be able to get a room at the Gaylord Palms

Resort or might have to pay much higher rates to do so. If APRO books too many rooms, APRO is responsible for paying for unused rooms. Every effort is made to procure the number of rooms needed at the lowest rates possible, but we need the help of our attendees in order to keep costs down and the quality high. That is why APRO has kept registration rates low for 2006—to make sure that attendees get the best possible value for this convention and to help assure that the APRO room block is filled.

IMPORTANT: You must have your confirmation number from the Gaylord Palms Resort to verify that you have booked your room in the APRO block in order to receive the discounted full registration rates *before* you register for the convention with APRO. Be sure to list the names of all people staying in a room when registering with the hotel so that they will receive the proper discounted convention registration rate.

NEW
FOR
2006

APRO registration rate summary

BOOK ACCOMMODATIONS IN THE APRO ROOM BLOCK AT THE GAYLORD PALMS BY AUGUST 15:

- APRO members can register for \$295 for the first full registration, \$249 per person for the second through fifth registrants from that same company and \$199 per person for the sixth or more registrants from that same company.
- Spouse registration is \$199.
- Limited registration—no meals or social events included—is \$49 per person.
- Non-member registration is \$595 per person and \$595 per person for spouse or guests.
- "Exhibit Hall only" badges are available for \$25.

IF YOU DO NOT BOOK IN THE APRO ROOM BLOCK:

- APRO members will be charged the full \$495 registration fee.
- Non-member registration is \$695 per person and \$695 per person for spouse or guests.

Registering 1...2...3

STEP 1: TRAVEL RESERVATIONS

If you're flying to Orlando, book your flight early to get the best rates. You can book through your travel agent or use your favorite online service, such as Expedia or Travelocity.

STEP 2: HOTEL RESERVATIONS

The deadline is August 15 to guarantee the special APRO rate of \$164 (plus a \$10 resort fee) at the Gaylord Palms. Book online via the APRO Web site, www.rtohq.org, or call the hotel at 407/586-2000 and be sure to mention that you are attending the APRO Convention.

IMPORTANT: You must have your hotel confirmation number in order to receive the discounted full-registration rate or the \$49 "limited registration" rate when you register for the convention with APRO. Book your hotel *before* registering for the convention.

STEP 3: APRO CONVENTION AND BUYING SHOW REGISTRATION

Complete the forms on pages 38 and 39 or register online at login.rtohq.org. You must have booked a room in the APRO room block at the Gaylord Palms Resort in order to qualify for the discounted full-registration rates and the "limited registration" rate of \$49. Registrations without a valid confirmation number from the Gaylord Palms will be charged the non-discounted rate of \$495 for APRO members; \$695 for non-members. Confirmation numbers will be verified. APRO Buying Show exhibitors may register online under "Exhibitor information." Exhibitors should not use the attendee registration form included in this magazine. The final pre-registration deadline with APRO is September 5. After that date, registrations will be accepted on-site only at the convention.



Additional services

AIRPORT TRANSPORTATION

The Gaylord Palms is located approximately 25 minutes from the Orlando International Airport. Mears Shuttle Service, located in the baggage claim area, is available for \$18 per person one-way or \$30 per person round-trip. No reservations necessary from the airport. Taxi to the hotel is approximately \$60 one-way.

CHILD CARE

A Petite Kids Station is available at the Gaylord Palms Resort, offering child care daily for ages 3 to 14. In-room baby sitting is also available. For more information, call the Gaylord Palms at 407/586-0000.



Important deadlines:

AUGUST 15: LAST DAY TO MAKE HOTEL RESERVATIONS AT THE GAYLORD PALMS RESORT. THE APRO ROOM BLOCK WILL BE RELEASED AFTER THIS DATE.

SEPTEMBER 5: DEADLINE FOR APRO CONVENTION PRE-REGISTRATION. ON-SITE REGISTRATIONS WILL BE TAKEN AT THE CONVENTION.

SEPTEMBER 5: THE FINAL DAY APRO WILL ACCEPT CONVENTION REGISTRATION CANCELLATIONS WITH A \$45 REFUND CHARGE. CANCELLATIONS RECEIVED AFTER SEPTEMBER 5 WILL NOT BE REFUNDABLE.

APRO 2006 Tom Kitchens/Joe Eason Golf Tournament Registration

8 A.M., SEPTEMBER 20, FALCON'S FIRE GOLF COURSE
BUSES DEPART AT 7 A.M. FROM THE GAYLORD PALMS RESORT



Registration fee is \$125 per player—\$25 of every registration goes to the APRO Scholarship Foundation. Registration deadline is September 5. Space is limited and assigned on a first-come, first-served basis. Space in the tournament cannot be reserved until payment is received by APRO. Please submit this form with the convention registration form on the facing page. A separate form is required for each player. This form may be photocopied.

Name _____

Handicap or average score _____

Requested team (if possible) _____

Note: If a specific team is desired, make sure that every member of the team completes the line above, indicating the same participants.

Convention attendee affiliation: vendor rental dealer guest/spouse

Shirt size: S M L XL XXL

Rental clubs and shoes will be the responsibility of the golfer and will be paid directly to the golf course on the day of tournament. Please indicate if you would like to reserve clubs at \$40 per set and/or shoes at \$15 per pair:

Rental clubs (\$40): Right-handed Left-handed

Rental shoes (\$15): Shoe size _____

GOLF TOURNAMENT SPONSORED BY WHIRLPOOL

Please read before completing these registration forms:

- BOOK YOUR HOTEL ACCOMMODATIONS AT THE GAYLORD PALMS HOTEL PRIOR TO REGISTERING FOR THE CONVENTION. YOU MUST HAVE BOOKED IN THE APRO ROOM BLOCK AT THE GAYLORD PALMS RESORT AND PROVIDE YOUR CONFIRMATION NUMBER IN ORDER TO GET THE DISCOUNTED REGISTRATION RATES. CONFIRMATION NUMBERS WILL BE VERIFIED.
- YOU CAN REGISTER ONLINE AT WWW.RTOHO.ORG. RESERVATIONS AT THE GAYLORD PALMS RESORT CAN ALSO BE MADE VIA A LINK ON THE WWW.RTOHO.ORG WEB SITE.
- EXHIBITORS SHOULD NOT USE THE ATTENDEE REGISTRATION FORM.
- PRINT OR TYPE ONE FORM PER REGISTRANT AND SPOUSE/GUEST.
- PERSONAL GUEST IS DEFINED AS "SIGNIFICANT OTHER" OR IMMEDIATE FAMILY MEMBER NOT EMPLOYED BY YOUR COMPANY.
- A CONFIRMATION WILL BE SENT TO YOU. IF YOUR REGISTRATION IS RECEIVED AT THE APRO OFFICE AFTER SEPTEMBER 5, IT WILL BE TREATED AS AN ON-SITE REGISTRATION AND NO CONFIRMATION WILL BE SENT.

FULL REGISTRATION INCLUDES:

- WELCOME RECEPTION, SEPTEMBER 20
- GALA COCKTAIL RECEPTION, SEPTEMBER 21
- AWARDS RECEPTION AND BANQUET, SEPTEMBER 23
- ALL EDUCATIONAL SEMINARS, SEPTEMBER 22 AND 23
- GENERAL SESSION AND KEYNOTE, SEPTEMBER 21
- ENTRANCE TO EXHIBIT HALL, SEPTEMBER 21, 22 AND 23

FULL REGISTRATION DOES NOT INCLUDE:

- APRO GOLF TOURNAMENT
- GUEST/SPOUSE TOUR AND LUNCHEON IS INCLUDED IN SPOUSE/GUEST REGISTRATION ONLY

APRO Convention and Buying Show attendee registration

(EXHIBITORS SHOULD NOT USE THIS FORM)

Gaylord Palms Resort confirmation number (mandatory to receive discounted registration rates—confirmation number will be verified) _____

Last name _____ First name (for badge) _____

Company name _____

Company mailing address _____

City _____ State _____ Zip code _____

Business phone (_____) _____ Fax (_____) _____ E-mail _____

Special needs? _____

Is your company a member of APRO? Yes No Is this the first APRO Convention you will have attended? Yes No

Attendee type: Rental dealer Non-exhibiting vendor Other _____

Job title: Owner Executive officer District manager Store manager Account manager Other _____

What is the size of your company? 1 to 2 stores 3 to 12 stores 13 to 25 stores 26 to 100 stores 101 + stores

Spouse/guest last name _____ First name (for badge) _____

Child (12 and under) last name _____ First name (for badge) _____

APRO 2006 CONVENTION AND BUYING SHOW REGISTRATION PRICES—PLEASE CHECK ALL THAT APPLY:

APRO MEMBER PRICING:	WITH VALID HOTEL CONFIRMATION NUMBER	WITHOUT VALID HOTEL CONFIRMATION NUMBER	ADDITIONAL PRICING (APRO MEMBER AND NON-MEMBER):
<input type="checkbox"/> First APRO member full registration	\$295	\$495	<input type="checkbox"/> Child (12 and under only) \$75
<input type="checkbox"/> Second through fifth APRO member full registrations, per person (from the same APRO member company)	\$249	\$495	<input type="checkbox"/> Exhibit hall only \$25 Will not allow entrance to seminars or social functions
<input type="checkbox"/> Sixth or more APRO member full registrations, per person (from the same APRO member company)	\$199	\$495	<input type="checkbox"/> Gala Cocktail Reception, Thursday, September 21 (a la carte) \$95
<input type="checkbox"/> Spouse/guest (non-industry) Spouse/guest Tour and Luncheon on September 22 is included with full spouse/guest registration. You must be pre-registered to attend the Tour and Luncheon. <input type="checkbox"/> will attend <input type="checkbox"/> will not attend	\$199	\$495	<input type="checkbox"/> Reception and Awards Banquet, Saturday, September 23 (a la carte) \$125
<input type="checkbox"/> Limited registration Exhibit hall and seminars only—no meals or social events. Must have at least one full registration from same company to qualify for the limited registration rate. For APRO members only.	\$49	\$49	<input type="checkbox"/> Guest/Spouse Tour and Luncheon, Friday, September 22 \$75 This tour is included with the full spouse/guest registration or may be purchased a la carte.
NON-MEMBER PRICING:			<input type="checkbox"/> Golf Tournament, Wednesday September 20 \$125 A \$25 donation to APRO Scholarship Foundation is included in the fee. Please complete the separate Golf Tournament registration form included on the facing page in this magazine and mail it along with this form.
<input type="checkbox"/> Full registration for non-APRO member	\$595	\$695	
<input type="checkbox"/> Spouse/guest (non-industry) Spouse/guest Tour and Luncheon on September 22 is included with full spouse/guest registration. You must be pre-registered to attend the Tour and Luncheon. <input type="checkbox"/> will attend <input type="checkbox"/> will not attend	\$595	\$695	

PAYMENT INFORMATION:

ADD ALL FEES DUE AND ENTER TOTAL HERE TOTAL \$ _____

My check is enclosed and made payable to APRO | Charge my credit card: American Express MasterCard Visa

Credit card number _____ Expiration date _____

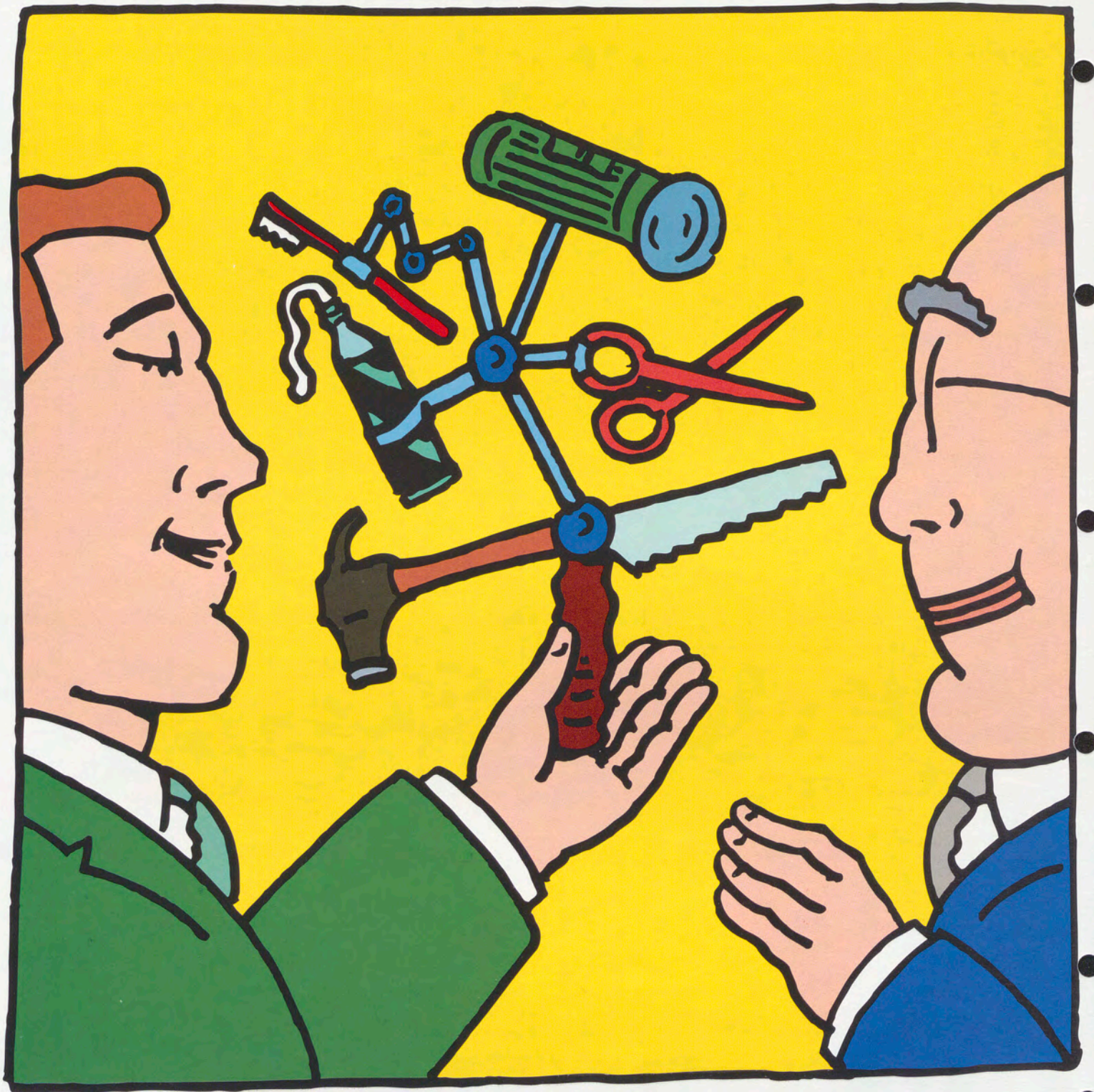
Signature _____ Name as it appears on card _____

PLEASE MAIL OR FAX THIS FORM WITH PAYMENT INFORMATION—AND THE GOLF TOURNAMENT REGISTRATION FORM, IF APPLICABLE—TO:



ASSOCIATION OF PROGRESSIVE RENTAL ORGANIZATIONS
1504 ROBIN HOOD TRAIL, AUSTIN, TEXAS 78703
800/204-2776; FAX 512/794-0097; WWW.RTOHQ.ORG

PRE-REGISTRATION DEADLINE IS TUESDAY, SEPTEMBER 5. REGISTRATIONS WILL BE TAKEN ON-SITE. A CANCELLATION FEE OF \$45 WILL BE CHARGED FOR ANY CANCELLATION MADE AFTER SEPTEMBER 5, 2006.



Bridge over RTO

APRO's Vendor Advisory Committee connects

BY CINDY

In our industry, the link between the vendor and the rent-to-own dealer is crucial. APRO's Vendor Advisory Committee serves to bridge these two important communities and also address APRO suppliers' needs and issues. The committee also sets the direction and helps with many of the specifics of APRO's annual Convention and Buying Show, rent-to-own's premier industry event.

In 1986, the Vendor Advisory Committee was formed to serve as a bridge between industry vendors and the APRO board of directors. It is made up of 12 vendor-elected members who serve staggered two-year terms. The committee consists of vendors representing various categories of industry suppliers, such as appliances, jewelry, furniture, software and special services.

In October 1999, the APRO board of directors, which is comprised of rent-to-own dealers, changed its bylaws to allow the vice-chairman of the Vendor Advisory Committee to serve as a full, voting member of the APRO board. Currently, RSSS's Ellison Crider is the committee vice-chairman and APRO board member. "It is important that we receive input from all types of industry suppliers as we plan for future APRO conventions and events," says Crider. "There is no other industry association that listens to its vendors like APRO does."

Membership on the vendor advisory committee is open to any APRO associate member. "It's an honor to serve on the Vendor Advisory Committee," says John Blair, executive marketing and sales representative for M&B Jewelry and a longtime member of the committee. "It is committed to the APRO vendors to search for additional ways to make sure their investment and participation as an APRO vendor is profitable. The goal of the Vendor Advisory Committee is to assure that the vendors will add new rent-to-own dealers to their account base and provide better service for all dealers."

This year, at the APRO exhibitor

breakfast/business meeting held during APRO's Convention and Buying Show in Orlando, APRO associate members will hold an election to fill seven positions on the vendor advisory committee. Half of the positions on the Vendor Advisory Committee become available each year at the convention. All associate members are eligible to vote for candidates. There will be one ballot per member company and proxy ballots from those unable to attend the Convention and Buying Show will be accepted.

The Vendor Advisory Committee meets three times a year: once at the conclusion of the convention, once in the fall and again in the spring. All committee members participate of their own free will and assume responsibility for their expenses for travel and accommodations.

"It is a pleasure to have such an outstanding group of men and women serving and volunteering their time," says APRO's 2005-06 President Shannon Strunk. "Each meeting provides valuable ideas and results that are carried into the APRO board meeting, many of which are implemented."

If you're a vendor interested in serving on the Vendor Advisory Committee, contact Cindy Ferguson at 800/204-2776, ext. 107, or e-mail cferguson@aprovision.org. ■

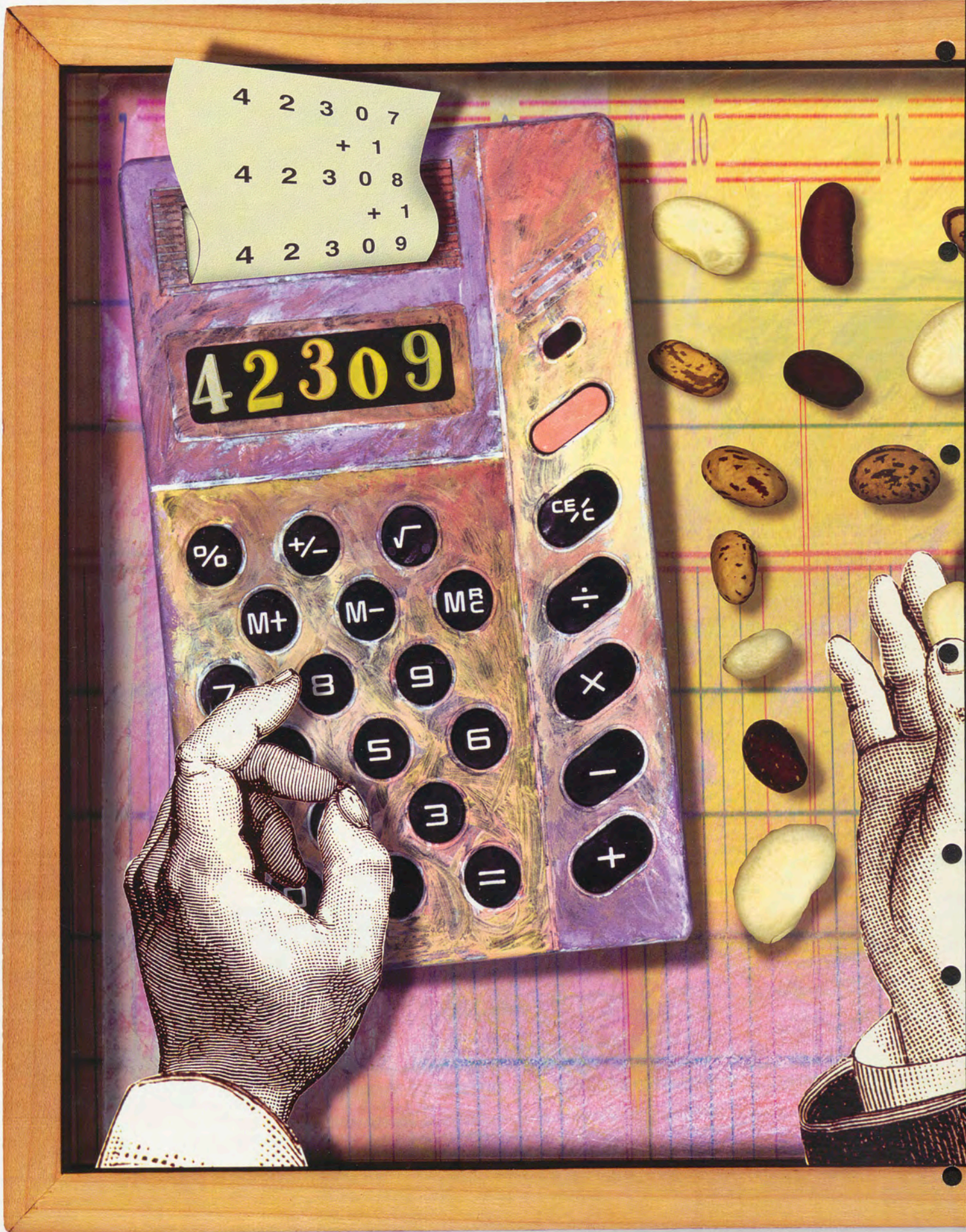
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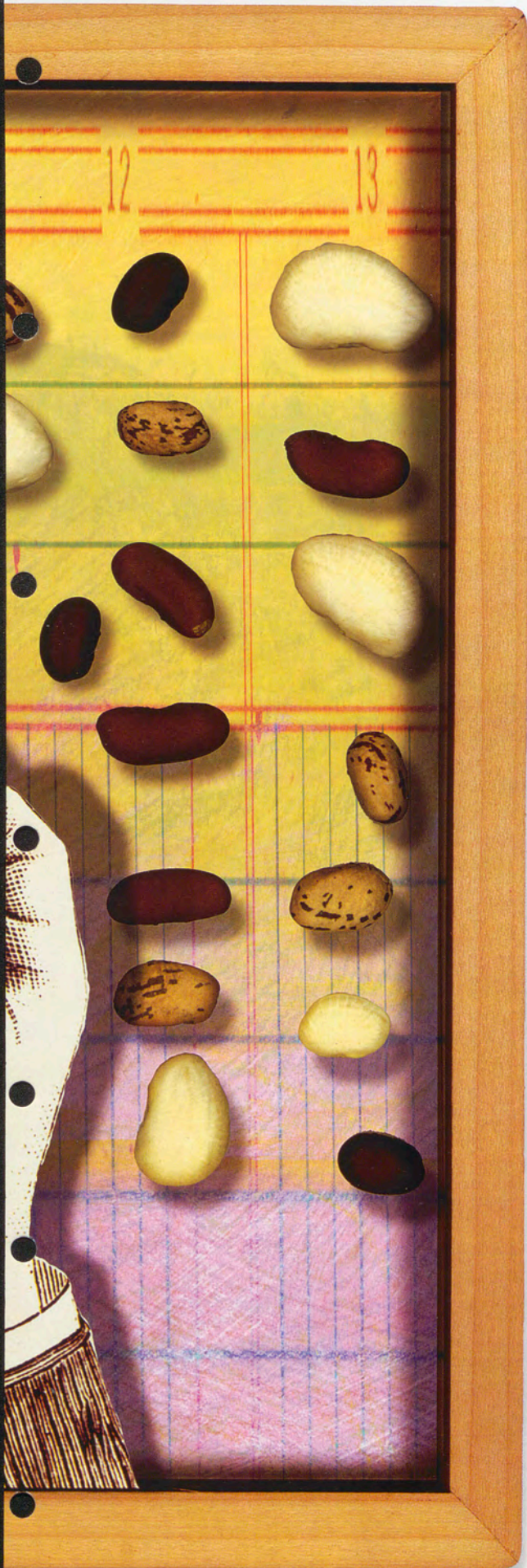


APRO's 2005-06 Vendor Advisory Committee at this year's Mid-Year Conference in Tucson: APRO President Shannon Strunk, Ellison Crider, RSSS; John Rogers, High Touch; John Blair, M&B Jewelry; Susan Matthews, Benefit Marketing Solutions; Jay Nardone, BDI Laguna; Mike Gerwe Jr., RES Accessories; Al Benson, Central File; Richard Rose, APRO board member and vendor liaison; Craig Moon, Sears Contract Sales; Don Julson, LG/Zenith Electronics; and Marty Smith, Imagery Marketing Consultants. Not pictured: Mike Bertolani, SED International; and Norm Smith, honorary lifetime committee member.

vendors and the board

ERGUSON





Double your profit

by Sidney Burton

In 2004, APRO commissioned Trenholm Research to conduct an image survey for the rent-to-own industry. This survey revealed that we are doing business with only 6 percent of our potential customer base. During the past 12 months, I have given seminars exploring the nature of the elusive 94 percent of our potential customers. In this article, I want to address how many more customers you need to...

...double your profit

Let's assume that your store netted 6 percent pre-tax profit on total revenue last year. You may think you made 6 cents out of every dollar of revenue. This is a misconception. If you believe this, then you probably conclude that you need to double your revenue in order to double your profit. (I *do* think that it's possible to double your revenue, but I realize that I may be alone in this belief!) Some think it might be impossible to double revenue, so they conclude that it is impossible to double their profit and fail to do anything to improve their profitability. That's unfortunate, because most dealers need only increase revenue between 10 percent and 15 percent to double their profit.

First, the expenses

Understanding the difference between fixed and variable expenses is the key to understanding the doubling of profit with only a small increase in revenue. Variable expenses are those that vary directly with revenue. As revenues increase, so do these expenses. Advertising, selling and delivery are variable expenses in a rent-to-own store. Total variable expenses should be between 8 percent and 12 percent of revenue.

Let's throw around some numbers. If your cost of rentals is 33 percent, then your gross margin is 67 percent. By adding 12 percent variable expenses to your 33 percent "cost of rentals," we arrive at a total "cost of rentals" of 45 percent. This leaves 55 percent as your "contribution margin." It's called contribution margin

Understanding the difference between fixed and variable expenses is the key to understanding the doubling of profit.

because it is that portion of every revenue dollar that contributes to covering fixed expenses. Once your fixed expenses have been covered and you are past your break-even point, this 55 percent is then contributing to profit. In other words, a rent-to-own store that nets 6 percent of revenue doesn't make 6 percent out of every dollar. The store is losing money until the fixed costs are covered and the break-even point is passed. Once past the break-even point, they don't make 6 percent from every subsequent revenue dollar—they make 55 percent!

Now let's take a look at fixed expenses, such as occupancy costs, insurance and property taxes. Of course, all expenses are variable in the long term, but fixed expenses are either static over a range of revenue or they vary based on some other factor, such as inventory levels.

If you have more than one store, you may also have

allocated expenses. These are support costs that are necessary for the operation of a rent-to-own store, but the costs of which may be shared by more than one store. Some examples are home office costs, distribution costs and service costs. For our example, we will use 11 percent of revenue as our allocated expense amount and, to simplify matters, we'll add this in with our fixed expenses.

The break-even point

Your break-even point equals fixed expenses divided by your contribution margin. In the example below, I've used an average monthly sales figure that might be higher than what is typical just to make the math easier. Let's take a look:

Average monthly revenue	...\$100,000 (100 percent)
Cost of rentals\$33,000 (33 percent)
Gross margin\$67,000 (67 percent)
Variable expenses\$12,000 (12 percent)
Fixed expenses\$49,000 (49 percent)
Net profit before tax\$6,000 (6 percent)
Break-even revenue\$89,091 (fixed expenses/contribution margin)

In other words, it takes \$89,091 of sales at a 55 percent contribution margin to cover the fixed expenses of \$49,000. Incremental revenue (revenue received after you've passed your break-even point) equal average monthly revenue minus break-even revenue. ($\$100,000 - \$89,091 = \$10,909$). Net profit = incremental revenue times contribution margin. ($\$10,909 \times 55 \text{ percent} = \$6,000$)

Consequently, we can see that the last \$10,909 of revenue produces all the profit! The rest of the revenue went to pay the fixed expenses. The good news is that in this situation, it will take an increase in revenue of only \$10,909—or a little more than 10 percent—to double the profit to \$21,818. At an average yield per customer per month of \$150, the \$10,909 amount represents about 73 new customers. Just think of it: 73 new customers to double your profit! That's all it takes!

Do you know where you're going to get these 73 new customers or how you're going to convince them to rent something? Well, I have some ideas on this subject. If you want to find out what they are, come to APRO's 2006 Convention and Buying Show, September 20–23, in Orlando. We'll be addressing these ideas in a seminar entitled *RTO Strategies: Pricing, Marketing and Keep Rates*. I hope to see you there! ■

Sidney Burton is the president of Hometown Ventures in Sault Sainte Marie, Michigan.

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BY ED WINN III

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**WHEN IT COMES TO THE
SOMETIMES UNPLEASANT
TASK OF RETRIEVING
MERCHANDISE, DO YOU
FOLLOW THE RULES?**

ental dealers with customers who fall on hard times and are honest about it are usually pretty good sports. They do not want to give their stuff away, but they will work with customers toward a solution that satisfies everybody. Not so with customers who are less than honest, who move with no notice, who quit returning telephone calls, who threaten the store, who generally make the collection process the dreary ordeal that it occasionally is. ☞ Once communication between the store and the customer has broken down irretrievably, for whatever reason, the dealer's goal becomes recovery of the merchandise. There is always a magic moment when the store employee in charge of the file realizes that there is no way to salvage the account. Now the mission is to retrieve the product with as little cost and trouble as possible.

ctions

It can be infuriating to know that some irresponsible rental customer is out there lying on the store's sofa, watching the store's nice new big screen TV, drinking beer paid for with money that could have been used to make a rental payment and leaving rings on the store's coffee table, all the while too lazy, indifferent, ashamed or downright dishonest to return a telephone call. Blame it on the entitlement society fostered by advocates of big government. Blame it on bad parenting. Blame it on the erosion of values and the decline of western

civilization. Blame it on Eve and the Fall of Man. Lay the blame wherever it feels right to lay it, but blaming will not get the merchandise back. Regardless of whose fault it is, there remains the tedious and unpleasant chore of getting the stuff back in the store and ready to re-rent.

Every dealer has his or her own strategies for dealing with such a situation. Some are very aggressive; others less so.

This piece will review the rules about calling other people about the situation—people like family members of the customer, references listed on the rental order, the customer's employer or neighbors. Some dealers will find the rules too confining for their profitable pursuit of the RTO business. Others may be pleasantly surprised. Whatever one's view of the rules, it is useful to know what they are so that the risks of collection behavior can be accurately gauged.

The theory of the Fair Debt Collections Practices Act

Rental dealers should know by now that there is a federal statute on the books relating to the collection of debts owed by consumers and that the act only applies to collection agencies and not to rental dealers. It is, nonetheless, the most comprehensive writing about fairness and integrity in the collections process, giving consideration to the lawful payment of debts and to consumers' rights to privacy. It is useful to review what the FDCPA has to say about calling third parties if only as a reference point and not as a statement of how rental dealers must act. Here is the pertinent language from the federal law:

"...[A] debt collector may not communicate, in connection with the collection of any debt, with any person other than the consumer, his attorney, a consumer reporting agency, if otherwise permitted by law, the creditor, the attorney of the creditor, or the attorney of the debt collector."

The statute defines "consumer" to include the consumer's spouse, parent (if the consumer is a minor), guardian, executor or administrator.

Here is the reasoning underlying this rule, as taken from the Senate report on the FDCPA:

"This legislation adopts an extremely important protection...It prohibits disclosing the consumer's personal affairs to third persons. Other than to obtain location information, a debt collector may not contact third persons such as the consumer's friends, neighbors, relations or employers. Such contacts are not legitimate collection practices and result in serious invasions of privacy as well as loss of jobs."

State rent-to-own and collection statutes

Four state RTO statutes have debt collection provisions in them that relate directly to rental dealers: Arizona, California, Minnesota and West Virginia. Each contains a prohibition against contacting third parties similar to the language in the FDCPA. The Arizona statute, for example, provides that "a lessor shall not communicate, in connection with the collection of money or repossession of property under a rental purchase agreement, with any person other than the consumer..."

In addition, 26 states have debt collection statutes that apply to primary debt collectors, such as rental dealers attempting to recover their own property or collect money from a customer. Most, but not all, of these statutes, have similar prohibitions against contact with third parties for any purpose other than to obtain location information about the customer.

Consumer consents and waivers

All of these statutes, however, expressly allow for the consumer to waive the protections afforded against having creditors or debt collectors contact third parties. The FDCPA prohibition is prefaced with this language: "Without the prior consent of the customer given directly to the debt collector..." The Arizona statute provides the following exception to its rule: "on the prior consent of the consumer given directly to the lessor..."

If a rental customer can consent to allowing the rental company to contact third parties if need be, how exactly can they give this consent? The general rule for the waiver of any right is that the waiver must be "knowing, intelligent, and voluntary." A federal court reviewing an FDCPA case changed the wording but retained the essential concept when it ruled that a customer could consent to third-party contacts if the con-



sent was "meaningful, voluntary, and direct." [*Killian v. Professional Bus. Serv. Inc.* 21 *Clearinghouse Rev.* 1108 E.D. Ky. 1987.]

This means that a rental dealer is at risk if he or she makes the assumption that the customer gave consent to contact third parties based on the customer's conduct or the conduct of some third party. That a family member makes a rental payment for the customer or several rental payments does not necessarily mean that the customer has consented to allow the store to dun the family member for additional payments or for the return of the rental property.

The easiest way to get the customer's consent is to put it in writing, make it easy to read and impossible to miss and then get the customer to sign it before renting the merchandise. Such consent could be put on the rental order form or on the rent-to-own agreement, itself.

The only limit to an individual's ability to consent to a waiver of rights is if such consent is void because it violates public policy. A customer could not consent to a public beating for failing to return the rental property on time, for example, no matter how evident the consent was on the rental agreement.

Rental dealers have tried this in the past. Some dealers used to have language in their rental agreements attempting to make the customer agree to allow the dealer to enter the customer's premises to recover the dealer's rental property at any time and under any cir-

SOME RENTAL DEALERS USED TO HAVE LANGUAGE IN THEIR RENTAL AGREEMENTS ATTEMPTING TO MAKE THE CUSTOMER AGREE TO ALLOW THE DEALER TO ENTER THE CUSTOMER'S PREMISES TO RECOVER THE DEALER'S RENTAL PROPERTY AT ANY TIME AND UNDER ANY CIRCUMSTANCES. THIS LANGUAGE WAS CHALLENGED IN AT LEAST TWO COURT CASES, ONE IN OHIO AND ANOTHER IN LOUISIANA, AND IN EACH CASE, THE LANGUAGE WAS RULED VOID BECAUSE IT WAS ATTEMPTING TO HAVE THE CUSTOMER AUTHORIZE CRIMINAL CONDUCT: BREAKING AND ENTERING.

cumstances. This language was challenged in at least two court cases, one in Ohio and another in Louisiana, and in each case, the language was ruled void because it was attempting to have the customer authorize criminal conduct: breaking and entering.

Therefore, getting the customer's consent to contact third parties may still raise issues for the dealer depending upon what the dealer says to the third party.

For most dealers, the contact will be enough. The dealer will be able to explain the existing situation to the relative, neighbor or friend of the customer, but will not be able to harass, oppress or abuse the person. The dealer can discuss the customer's account with the third party once the customer has agreed to allow the dealer to do so. The dealer will need to remain factual during the contact and also unemotional. After all, the person on the phone, who is not the customer, has not done anything wrong, and does not owe the dealer any money and usually does not have the dealer's property.

Finally, just as consent can be given, it can be withdrawn. The reason that the dealer wants to get the consent in writing to begin with it to be able to prove that the customer did, in fact, give the consent knowingly, intelligently and voluntarily. It is a matter of proof. The law does not require that the consent be in writing. Nor need any withdrawal of consent be in writing. The customer can merely tell the dealer, "I do not want you calling my references about my account any more." The dealer is legally bound to comply with the request.

A word about calling customers at work

If the dealer wants to be able to call the customer at work, then the safest course is to have the customer agree in advance that the dealer has permission to do so. That language can be worked into the consent concern-

ing third parties. The Arizona RTO statute, for example, expressly provides that:

"Without the prior consent of the customer given directly to the lessor...a lessor shall not communicate with a consumer in connection with the collection of any payment or the recovery or repossession of rental property at...the consumer's place of employment."

Similar logic would apply if the dealer wants to talk to the employer instead of the employee. Get the customer to agree to such contact in advance and make sure that the customer's consent is knowing, intelligent and voluntary.

If these rules disappoint some rental dealers, so be it. If these rules cause some dealers to revise their paperwork to get meaningful customer consent in advance, then maybe future collections efforts will be just a little bit easier. This author certainly hopes so. ■

Ed Winn III is APRO's general counsel. His email address is edwinn@e-bylaw.com.

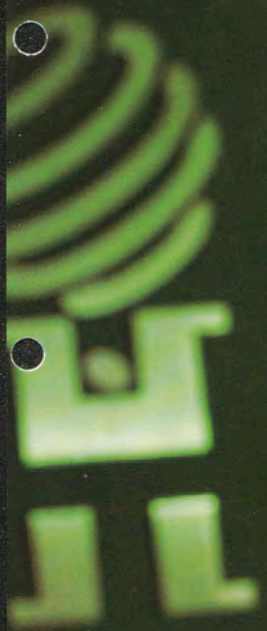
Let me tell you a story,”

begins Wayne Chambers, with a tone of discretion. “In 1976, my wife, Susan, and I packed everything—and I mean *everything*—we owned in a 5x10 trailer, and along with our small daughter and her dog in a pickup pulling the trailer, we all went to Houston on a wing and prayer. For two kids from Kansas, it was quite a dramatic change; in fact, when I interviewed for the Houston job, it was our first time ever to fly on a plane. Since then, we’ve traveled to five continents and visited almost every major city in the U.S., including Alaska. And now, after 30 years, we’ve been able to come home. ♣ For 57-year-old Chambers, the newly tapped president of rent-to-own software leader High Touch Inc. (www.hightouch-inc.com), his literal hometown is Wichita, Kansas, where he grew up. But in accepting his presidential position from High Touch, Chambers agreed to more than just moving back to the familiar heart of the Midwest; he also agreed to return to his rent-to-own roots. And he plans to make sure this story has the happiest of endings.

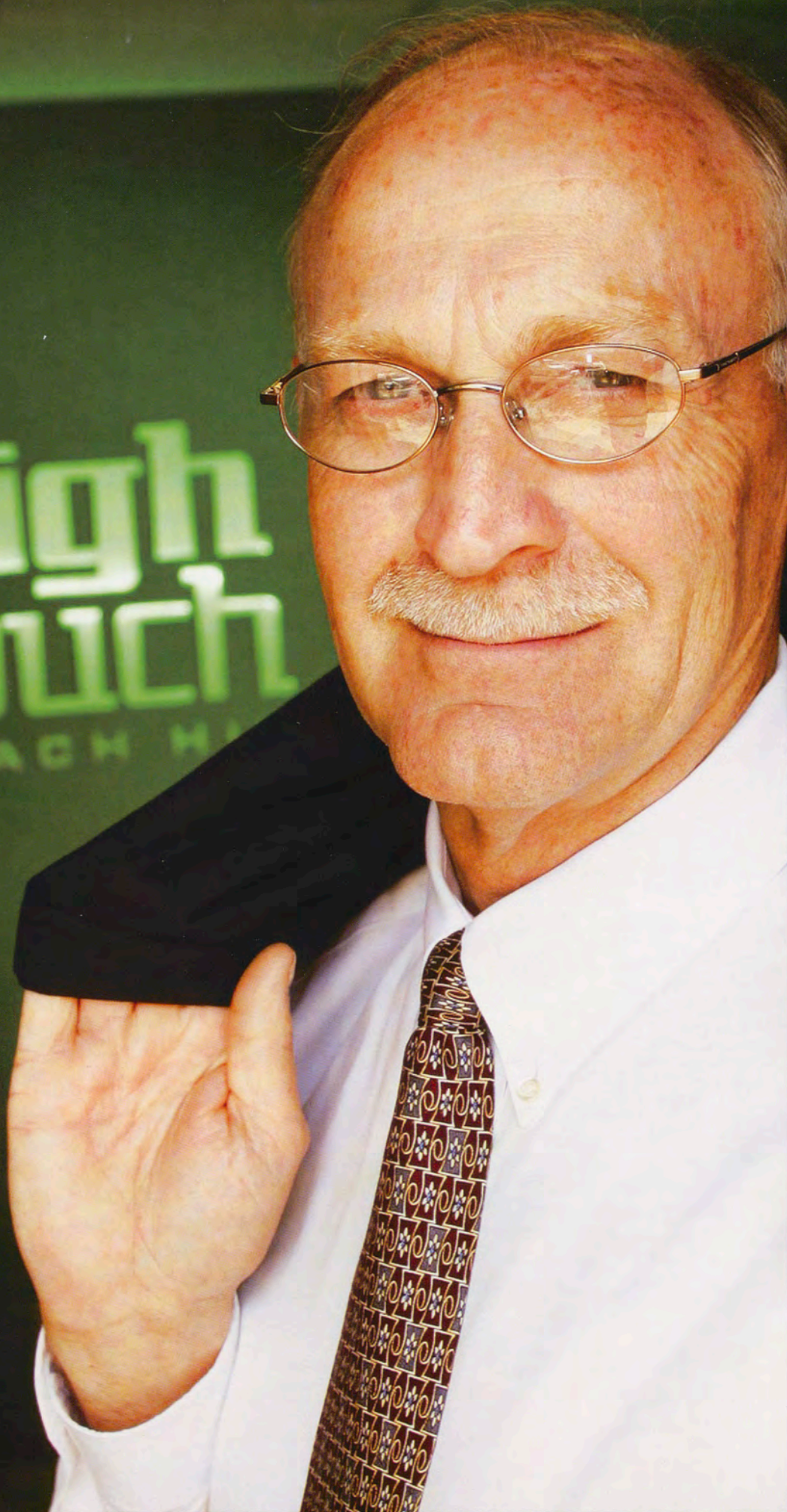
You *can* go home

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**AFTER 30 YEARS
AWAY, HIGH TOUCH'S
NEW PRESIDENT
WAYNE CHAMBERS
HAS RETURNED—
TO KANSAS AND TO
RENT-TO-OWN**

Born on a farm just east of Wichita, Wayne Chambers' family moved to the city by the time he was ready for school. Chambers spent all of his schooling years in Wichita, eventually graduating—twice—from Wichita State University; first, with his bachelor's degree in business administration, with an emphasis on business and accounting; and then, with his master's of science in accounting, with an emphasis on economics and finance. 🌿 That's when Chambers was offered the opportunity to go to work for Remco Inc., a privately held rent-to-own company headquartered in Houston, in its accounting and finance department. He accepted and made the 600-plus-mile move with his wife, child, dog, pickup and 5x10 trailer. It paid off; Chambers stayed with Remco for 10 years, then owned his own stores—spread across several states, including Ohio, Kentucky and Oklahoma—as a Remco franchisee, from the early 1980s until 1995, when he and his partners decided to sell.

Chambers went on to a succession of jobs with rent-to-own companies that eventually sold to other rental companies. He went to work at Amigo TV Rental Inc., in Albuquerque, New Mexico, which sold to RTO Inc. RTO later changed its name again to HomeChoice Holdings, and Chambers moved to Dallas to work for HomeChoice. But when HomeChoice sold to RentWay, Chambers moved from RTO to payday loans, going to work for Advance America Cash Advance Centers in South Carolina. And that's where he was when he got the call from High Touch.

Chambers joined and began transitioning into his new

"I met with clients and vendors, traveled to trade shows, went to association functions and events," recounts Chambers. "My purpose was to learn, to hear what was happening in the industry; I had to refresh myself. And from our clients, I wanted to know what they thought was good, bad and otherwise, and get a sense of what all that might mean for High Touch going forward."

The "good" that Chambers found—some of the company's greatest strengths—involves the solid foundation that High Touch and its products are built upon.

"High Touch is about 70 percent employee-owned, and that promotes employee longevity," Chambers says. "I think our stability and the structure of our business model mean we're going to be around for a long, long time."

"Secondly, it creates a detailed working knowledge of our programs, systems, hardware and a continuing personal relationship with our clients," he says. "The approach High Touch took many years ago in developing software was very analytical. The company founders developed a system that's very functional. So what you get is not all the bells and whistles you might see with somebody else's product; what you do get is when you go to the store every morning and punch your computer to turn it

"The rent-to-own industry is an alternative, pure and simple. And I'm a true believer in allowing that alternative to live and to exist. I'm a fierce supporter of it."

position at High Touch last October, while his predecessor, Lyle Jones, began his transition out of the company and into retirement. Jones officially left High Touch at the close of 2005, ending a 15-year stint as leader of the 22-year-old company.

"Lyle gave me 15 years of historical perspective," Chambers says about their cross-over time. "He provided me with insight on internal personalities and outstanding client issues. Essentially, he provided me with an understanding of the underpinnings of the business, and that gave me a faster, smoother start."

One of Chambers' first decisions was to spend about 90 days on the road, talking with clients, industry colleagues and employees.

on so you can operate your store, it comes up just as regular as the sun. A lot of reliability, a lot of redundancy, a lot of practicality—that's worth a lot in my book, when it comes to operating a store."

Chambers refers to High Touch's key seller, PRO/Systems, a comprehensive software system designed especially for the rent-to-own industry. PRO/Systems is a point-of-sale system that simplifies and tracks the receipt and rental of inventory, payment transactions, rental agreements, customer information and collections. The system compiles all data, produces relevant statistics and lets the store print daily reports. PRO/Systems also includes completely integrated home office capabilities, connecting home offices and stores via high-speed Internet, so that information is entered into the system only once.

Integrated PRO/Accounting software helps clients easily perform all of their accounting functions—paying payroll and bills, compiling and calculating financial and profit/loss statements, etc.—also with no re-entering of data. High Touch also offers FUND\$, software designed for payday loans/check cashing businesses, and, through its RSSS division, tire-and-wheel rental software and Maestro Music Business Software for retail and rental music businesses.

Chambers is ready to begin building on High Touch's solid foundation, with both horizontal and vertical growth. While software has brought it successfully thus far, Chambers wants to enhance High Touch's offerings in online and security services and video surveillance solutions.

"There's opportunity out there to generate more market share," insists Chambers, "and I believe there's just as much opportunity or more to create market share in other industries, working with the clients we already have."

"What I'm trying to impress upon our clients and our employees is that we're not just a software company," Chambers continues. "We're a business solutions provider."

And what that means is, our job is not just providing clients with software; our job is to provide them with the best technology and services to meet their needs, every day."

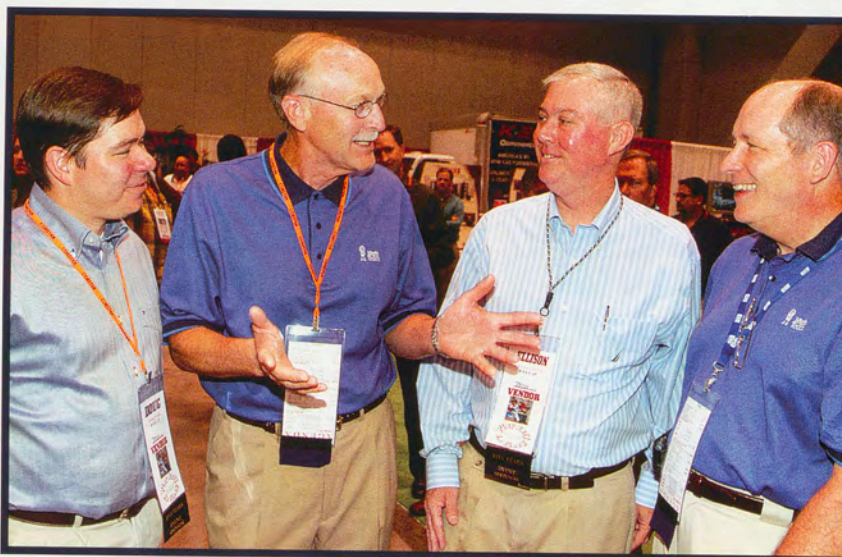
The not-as-good that Chambers found during his travels—some of the company's challenges—involve improving High Touch's communications, evaluating the architecture of the company's software system, and possibly re-examining its pricing model.

But the one facet of the business Chambers seems intensely focused on is speeding up the delivery of new products into the marketplace.

"We've got a backlog of enhancements and customer requests," notes Chambers. "I think there are things we can do to improve our ability to address customer requests."

"In today's world, I think it's speed that makes the difference between a company winning and losing," he says. "If you're small, but you're nimble, innovative and very progressive, then I think you can do well, from a business point of view. It's not the big that eat the small; it's the fast that eat the slow."

That maxim, which Chambers dubs his "unofficial



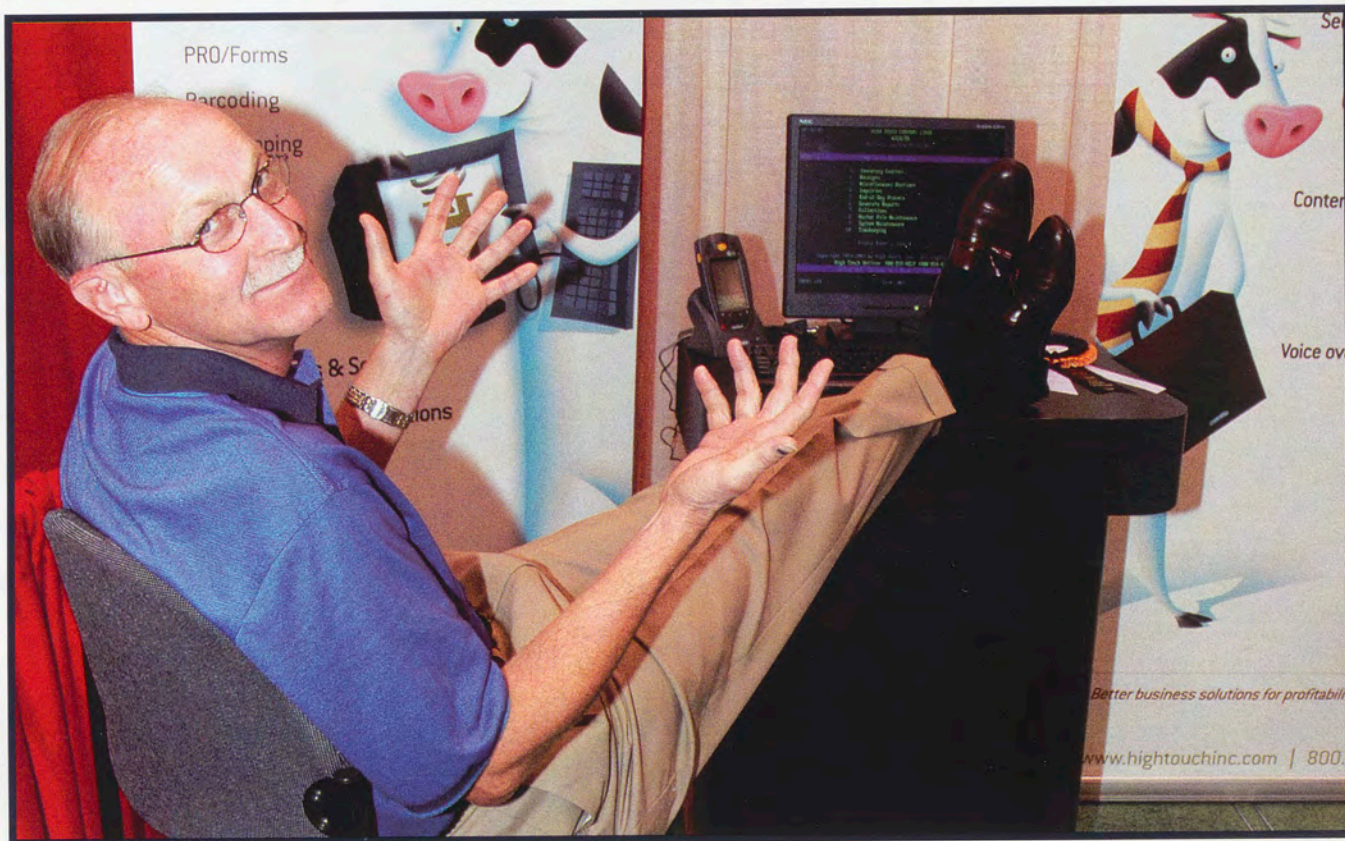
High Touch and RSSS team members at TRIB Group's recent show: Doug Funk, Wayne Chambers, Ellison Crider and John Rogers.

motto," leads into another story—a simplified version, Chambers assures; the setting is the Serengeti:

"When the gazelle wakes up in the morning, he knows he must run faster than the lion or he won't survive—he'll be eaten. When the lion wakes up in the morning, he knows he must run faster than the gazelle, or he won't survive, he'll starve. So what's the moral? When you get up in the morning, you better be runnin'."

Chambers chuckles, but it's clear he passionately believes in this need for speed and quality in today's business environment. He intends to apply that concept at High Touch, even as he continues to climb a learning curve of his own.

"I'm still learning," confesses Chambers. "I'm learning a



lot about information technology, which I'm no expert at, but I bring other things to the table. I've got good people all around me who know quite a bit about the technological side, but who may not be as knowledgeable about the business side. I need to get a little bit higher up the curve in terms of technology and help them get a little bit higher on the curve when it comes to the pure business aspects.

"There's still a lot for me to learn, and there's still a lot for us to do, and I think we've got the tools to do it with," Chambers concludes optimistically. "Things are going good and I'm having fun—that's the important thing."

The pun is almost too easy—the guy who's all about speed is driven, ha ha. But for Wayne Chambers, it happens to be the truth. Even a conversation with Chambers feels like it's on a trajectory; his pace isn't racing or erratic like a too-much-coffee man, but there's little room for pauses here; not many "uhhhs" or "umms" can creep in.

Hemming and hawing simply aren't part of Chambers' world. Driven toward solutions and forward movement, he prefers to tackle problems head-on.

"I believe there's no problem without a solution," says Chambers. "I've got my opinions, but I'm fairly flexible. I try to take the time to listen, learn and figure out how I can best fit myself in the situation to help bring about a solution. I'm very tenacious—not ambitious, necessarily, but

tenacious. And I think if you're not willing to offer a solution, then don't offer the problem. You don't have the right to complain if you're unwilling to get in there and do something to make a difference."

This philosophy is likely what spurred Chambers into what turned out to be the fight of his career—and the future of the rent-to-own industry. In the mid-1980s, the Internal Revenue Service began challenging RTO on two specific tax issues, with gigantic implications: whether rent-to-own products are depreciable; and whether RTO should characterize its transactions as sales, as opposed to lease or rental. A few rent-to-own companies were audited and were challenged by the IRS on those issues.

"If they lost, then it would literally put them out of business," Chambers remembers. Several of us decided, "We've got to do something about this. It's not the right thing, that's not what we believe. And we definitely don't want to see our brethren put out of business, because eventually, the whole industry will be out of business."

Through the Association of Progressive Rental Organizations, Chambers helped create a Tax and Accounting Committee, which he chaired, and they began to raise awareness of and interest in the issue among rental dealers and vendors.

"We formulated a plan, raised money to fund the plan, researched experts in the field—attorneys, accountants and the like—and retained the best we could find," says Chambers. "Then we spent about 10 years doggedly work-

ing our side of the fence, against [industry] opponents and the IRS."

As one might expect, going up against the IRS is an overwhelmingly consuming task, and for a decade—during which he served two terms as APRO president—Chambers essentially turned his professional life over to this fight. It is, he concedes, the real reason he ended up selling his rent-to-own business.

The turning point came during the early '90s, when two U.S. circuit courts ruled in opposite directions on the issue. Chambers and his team went to Congressional lawmakers and requested their help in clearing up the contradiction.

"I can remember the morning—it was March of 1993," Chamber says. "I got a phone call from our attorneys saying the IRS had capitulated on the sale-versus-lease issue. Two years later, the IRS added depreciation rules to the actual Tax Code, so we could depreciate our property. That ultimately offered us safe haven on both issues. It was tremendous; it was a billion-dollar win for the industry and the highlight of my entire career."

APRO Executive Director Bill Keese says the value of what Chambers sacrificed in order to ensure the continued success of RTO is immeasurable. "Wayne has given more to this industry than anyone I can think of," says Keese, "and we are all immensely grateful to him."

And Wayne Chambers is grateful to be home again. He and his wife of 30 years, Susan, both still have siblings around Wichita, as well as two of their four grown daughters and seven of their nine grandchildren. They also own some acreage east of Wichita, which, after 30 years on the road, is where Chambers prefers to spend his downtime.

"I return to my roots every weekend," he says. "I enjoy the outdoors, but the urge to travel has passed. I just go out to the farm and I go work cattle or sit on a tractor all day long. It takes me back."

As for coming back to the rent-to-own fold, Chambers couldn't be more pleased about it. His years away from the industry don't seem to have tempered his passion for it at all.

"I am a true believer," says Chambers. "I truly believe we offer a possible solution that otherwise our customers might not have. The American Dream is based on material wealth. Capitalism is a beautiful thing. Unfortunately, some people at the lower end of the capitalism spectrum get left behind. RTO gives them a chance to own that big screen, refrigerator or whatever. We're an alternative, pure and simple. And I'm a true believer in allowing that alternative to live and to exist. I'm a fierce supporter of it."

"My response to criticism about our industry is, 'We provide a service, take a risk no one else is willing to take. If you want to take the risk or do something different to meet the needs of those tens of hundreds of thousands of people, then get after it. I'm out there doing it.'" ■

Kristen Card is an independent business writer in Austin, Texas.

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