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PROGRESSIVE

Rentals

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THE RENT-TO-OWN INDUSTRY
APRIL-MAY 2007



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IN THE FURNITURE
BUSINESS

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ColorTyme has a network of more than 80 franchise owners. Since 2005, we have converted 10 rent to own stores to a ColorTyme franchise.



I've been in the RTO industry since 1982 and have owned several independent stores and worked with other RTO franchise companies. Over the years, I've always worked hard to treat the customer right by providing high-quality products and services. But like many independent RTO stores,

my buying power was limited and I needed a solution in order to do the right thing for my customers.

A friend who worked with ColorTyme told me about all the financing options for inventory and capital and how they would help me expand my business. So I converted Beck's Hometown Rental to a ColorTyme franchisee in August 2006 and it's made all the difference.

Today, I do larger store volume and provide deeper selection. But more importantly, I learned during the conversion to ColorTyme that the company cares about people as much as numbers. ColorTyme is about investing in people and building relationships - something that will benefit my customers for generations to come.

- Bruce Beck, Franchisee

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My professional road to redemption actually began with a career in rent-to-own. Fresh out of the army, I had no professional plans. My first job in RTO in 1988 provided me the focus and motivation I needed. By 1995, I had opened my first RTO store. However, as an independent dealer, the limited inventory and lack of capital was a big

challenge and made it difficult to think about growth.

When I converted my store to ColorTyme in 1999, I had the immediate injection of larger name brand inventory and available funding. After I converted to ColorTyme, my store exploded. My revenue increased by 100 percent and I became part of a polished, professional team with incredible brand recognition. I've since opened six more stores with another one in the works. I can honestly say I credit ColorTyme for my success as a thriving entrepreneur.

Pat Hunt, Franchisee



I started out in RTO when I was just 15 years old. It was always a dream of mine to own my own business, so when the opportunity presented itself after 18 years in the industry, I took it immediately.

With the help of investors, I bought my first ColorTyme franchise in 2006.

When I joined ColorTyme, it didn't matter that I was a woman owner, a rarity in RTO. The team at ColorTyme values my many years of RTO experience and were there every step of the way, to guide my team through valuable operations training including inventory purchasing and recruiting.

I have an incredible amount of pride in being a small business owner. ColorTyme views their franchisees as entrepreneurs with the skills and passion to continue growing within the ColorTyme system. I'm now in charge of my destiny, something that is truly 'a dream come true'.

Shelli Shealy, Franchisee



It was only natural that I would follow in my father's footsteps after he enjoyed a long career with Rent-A-Center. I too spent 20 years at Rent-A-Center.

From there, it made sense to leverage my experience in RTO management and invest in a ColorTyme franchise. I was so impressed with ColorTyme's commitment to their franchisees that while preparing my first store for opening, in August of 2006, I purchased another ColorTyme store.

Both Rent-A-Center and ColorTyme gave me the tools and systems to prepare me to be a successful small business owner. At ColorTyme I work with smart and dedicated people who provide incredible expertise. I take pride in being my own boss and will enjoy reaping the rewards for myself and my family for many years to come."

- Rick Reinberg, Franchisee

For more information or testimonials, please visit franchise.colortyme.com or call Pat Sumner today at (800) 608-8963.

(All calls are confidential.)



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PROGRESSIVE RENTALS

APRIL-MAY 2007

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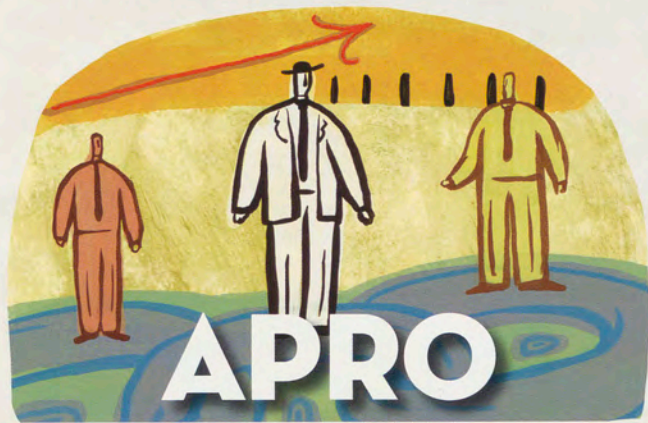
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APRO: THE VALUE OF ASSOCIATION



EXCLUSIVE MEMBER SERVICES

APRO GENERAL COUNSEL: Ed Winn III, APRO's general counsel, provides limited free legal advice to APRO members. *Contact him at 512/476-0750, edwinn@mwvmlaw.com.*

RENT-TO-OWN CONVENTION AND BUYING SHOW: APRO's annual event brings more than 100 companies catering to the rent-to-own industry together with rental dealers from all over the country. There are educational sessions presented by respected experts in addition to networking opportunities and social events.

PUBLIC RELATIONS: Studio-produced television and radio advertising are available free to members. APRO also represents member companies when media crises arise. The public relations campaign includes image-building advertising materials and coordination of the industry's commitment to charitable causes. *Contact Richard May at 800/204-2776, ext. 104, rmay@aprovision.org.*

GOVERNMENT RELATIONS: APRO has spearheaded the national safe-harbor legislative effort and implemented passage of state safe-harbor laws in 47 states. It maintains a grassroots network of members supporting federal and state legislative efforts and provides direct financial support to candidates who are advocates of our industry. *Contact Richard May at 800/207-2776, ext. 104, rmay@aprovision.org.*

RENTAL TRAINING ONLINE: Rental Training Online is an online education program designed specifically for the rent-to-own industry. *Contact Shelley Martinek at 512/225-1041, smartinek@aprovision.org.*

WAGE-AND-HOUR CONSULTATION: The law offices of Brian T. Farrington provide limited free wage-and-hour consultation to APRO members. *Contact Brian Farrington, 817/429-8011.*

GROUP HEALTH INSURANCE: Trustmark Affinity Markets and Integrated Insurance provide an exclusive health insurance program for APRO members, featuring discounted rates, group buying power, more than 40 networks and a claims-stabilization fund. *Contact Robert Scott, RTO Insurance, 309/686-3737, or George Michelic, Trustmark Affinity Markets, 847/283-2041.*

COMMERCIAL INSURANCE: APRO-endorsed commercial insurance offers property, liability, auto and workers' compensation programs customized to fit RTO's needs. *Contact Barry L. Gambini or Jeanette Beardsley, RTO Systems/Walter Clark & Associates, 559/592-5777 or 559/781-3466, jeanetteb@wlcins.com.*

CLUB PROGRAM: Nationwide Club Administrators provides a package of services and benefits for one unit price, including leased property insurance, accidental death and dismemberment insurance and a variety of discounts. *Contact Alan Stein, Nationwide Club Administrators, 954/344-7900, alans@nationwideclub.com.*

CREDIT/DEBIT CARD PROGRAM: Moneris Solutions provides a credit/debit card program with premium service and exclusive rates. *Contact Amir Attaie, 847/240-7555, amir.attaie@monerisusa.com, or Jim Van Tighem, 425/557-4774, james.vantighem@monerisusa.com.*

INDUSTRY RESEARCH: APRO offers a wide range of exclusive statistics and survey results for RTO dealers and those on Wall Street wishing to invest in our industry. *Contact Laurie Hill at 512/225-1045, lhill@aprovision.org.*

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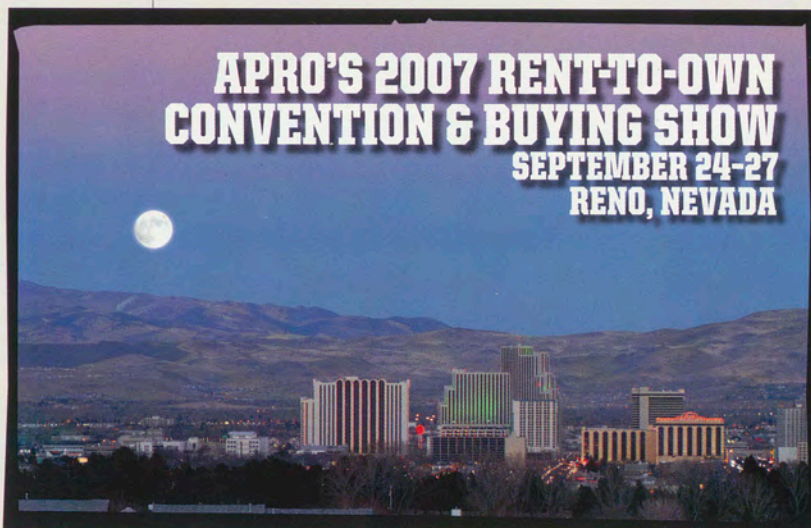
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WORTHY

COMPILED BY
DEE DEE YELVERTON

Save the dates for the 2007 APRO Convention and Buying Show in Reno

Save the dates—September 24–27—for the 2007 APRO Rent-to-Own Convention and Buying Show in Reno, Nevada. The show is the premier event in the rent-to-own industry, drawing more than 600 dealers and 100 exhibiting companies, offering the latest in electronics, furniture, appliances and other products for sale at the show. This year, rent-to-own professionals will meet at the Silver Legacy Resort and Reno Events Center. For more information, contact Shelley Martinek at 800/204-2776, ext. 109, or visit www.rtohq.org.



Rent-to-own dealers elect DiLeo president of reorganized West Virginia Rental Dealers Association

Rent-to-own dealers met in March in Vienna, West Virginia, to reorganize the West Virginia Rental Dealers Association. Shawn DiLeo of Shining Star Ventures Inc., dba Aaron's Sales and Lease Ownership, was elected president of the newly reorganized state association. DiLeo organized this meeting and personally called every rental dealer with stores in West Virginia inviting them to attend.

"I am a firm believer in the power of rental dealers to affect good things for our state and our customers," says DiLeo. DiLeo also is responsible for reorganizing the Oregon Rental Dealers Association a few years ago.

John Hodges, long-time lobbyist for WVRDA, reported on the legislative environment in the state. Hodges has been working with the West Virginia rental dealers since 1990 and he represented them during the five-year battle to get a rent-to-own statute passed in the West Vir-

ginia legislature.

Bill Keese, APRO executive director, attended the reorganization meeting and talked about the importance of state associations and the current legislative environment in other states, as well as in Washington, D.C.

James MacAlpine, executive director of RentDirect Nationwide, discussed some of the opportunities RentDirect offers rent-to-own businesses. MacAlpine and RentDirect sponsored the lunch for all attendees. After lunch, DiLeo conducted the business meeting where

officers were elected and association dues were established. He also invited everyone to attend the 2007 Midwest RTO Training Expo to be held September 11 and 12 in Columbus, Ohio. The newly elected officers are:

- ▶ President: Shawn DiLeo, Shining Star Ventures Inc., dba Aaron's Sales and Lease Ownership;
- ▶ Vice President: Tim Howard, Howard Rents, dba Aaron's Sales and Lease Ownership; and
- ▶ Secretary and treasurer: Kevin Ruckle, Rent-A-Center.

Florida Rental Dealers hold successful state legislative conference

Florida rent-to-own dealers met with approximately 40 state senators, representatives or legislative aides in March during the eighth annual Florida Rental Dealers Association Legislative Conference. The event was well organized and well attended. FRDA President Chris Kale and FRDA Treasurer Terry Beville discussed the importance of maintain-

ing personal contacts with the legislative members in their districts and reviewed the process for making appointments with them.

Representative Dennis K. Baxley stopped by the meeting for a brief visit and thanked the rental dealers for their support. Guest speaker Randy Miller, executive vice president of the Florida Retail Federation, spoke to the group about a number of state tax issues.

Longtime FRDA lobbyist, John Mixon, welcomed the group and, after lunch at the Governor's Club in Tallahassee, spoke about current state legislative issues. He also stressed the importance of maintaining personal contacts with the members' representatives.

There are 491 rent-to-own stores in Florida that generate approximately \$14 million in annual payroll taxes, employ more than 2,600 people and have more than 3 million satisfied customers.

"It's for you to tell [your congressmen] about yourselves or they'll hear it from someone else," Mixon says. "You have to take care of those relationships. You need to know your local legislators and you need to be able to have coffee with them."

In closing, Executive Director Sharon Tomaszewski thanked the

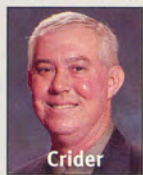


Top: members of the Florida Rental Dealers Association met with Senator Ted Deutch, center, during FRDA's Legislative Conference. **Above:** FRDA members also visited with Senate Majority Whip Mike Fasaono, center, and, at left, with Senator Ronda Storms, pictured on the right with Florida dealers Darren and Mary Brock.

2007 conference sponsors: RentDirect Nationwide, Ashley Furniture, EHP Direct, HomeLine Furniture, RES, Imagery Marketing and BDI Laguna.

Easyhome Ltd. selects RSSS in new IT partnership

April Taylor, director of Information Technology for easyhome Ltd.,



Crider

announced March 7 the company's selection of RSSS as its new IT

partner during the company's convention in Niagara Falls, Canada.

"We chose RSSS because, from a strategic partnership point of view, we felt like they were the best choice for us," says Taylor. "They will give us more fundamental access to information, a central database and real-time information. They are small enough that they can be nimble but they bring a lot of practical experience to the table," she says. "They have been making software specific to this industry for 30 years. We saw RSSS as more of a partner than simply a vendor and we know they are going to deliver for us."

RSSS General Manager Ellison Crider says that he and the entire team at RSSS are excited about this new partnership.



What's new on RTOHQ.org

If you haven't visited www.RTOHQ.org recently, you are missing more news and more photos than ever before. Did you know that APRO posted more than 100 photos of regional rent-to-own events in just one week? Check APRO's Web site for training documents, daily news, an industry calendar of events and more photos than ever before.

"We're looking forward to working with the easyhome team," he says.

For more coverage of the convention, check the APRO Web site, news archives page and the rent-to-own photo gallery at www.RTOHQ.org.

RTO dealers gather for legislative update at TRIB Meeting of the Minds

More than 101 rental dealers representing 55 rental companies gathered in Atlanta at the Renaissance Hotel recently to hear an update on the industry's current federal legislative strategy. Led by APRO President Larry Carrico, a panel consist-

ing of Rent-A-Center General Counsel Chris Korst, APRO General Counsel Ed Winn III and APRO Executive Director Bill Keese shared their



Korst

thoughts and insights with those present.

The four-hour program was strong and the message was clear—every rental dealer is needed in Washington to help educate members of Congress on the business of rent-to-own and the benefits that the industry provides to millions of Americans.

2007

MAY

16-19

TRIB Group 2007 Convention
Phoenix, Arizona. For more information, call 770/451-4302 or visit www.tribgroup.com.

JUNE

5

New York Rental Dealers Association Reorganization Meeting, Turning Stone Casino, Verona, New York. For more information, contact Dave Edwards, 860/895-1640, SE12001@earthlink.net.

7

Oregon/Washington Rental Dealers Associations Meeting. For more information, contact Joe Recla, 541/889-5521, joe@crto.net.

8

Idaho Rental Dealers Association Meeting, Hilton Gardens Inn, Boise, Idaho. For more information, contact Joe Reger, 208/869-8882, joereger@msn.com.

14-15

Tennessee Rental Dealers Association Annual Conference, Opryland Hotel, Nashville, Tennessee. For more information, contact Larry Goad, 423/626-8025, www.trda-rto.org, volsrbest@netzero.net.

18-20

Missouri Rental Dealers Association Heartland of America Trade Show and Seminar, Lodge of Four Seasons, Lake Ozark, Missouri. For more information, contact Ken Steiner, 573/442-2963, www.missourirentaldealers.org, steineraa@aol.com.

27-July 1

ColorTyme 2007 National Meeting, location to be determined. For more information, contact Rhonda Davis, 972/403-4945, www.colortyme.com, rhonda@colortyme.com.



“The political landscape has changed this year with the Democrats controlling both the House and the Senate,” says Lyn Leach, owner of several Ace Rent-To-Own stores



in Nebraska. “We have been successful in the past with a truly bi-partisan approach and I feel we will again be successful with this approach.”

Keese thanked TRIB Group members for their hospitality. “We are grateful to TRIB for allowing us to host this mini-legislative conference the day before TRIB’s Meeting of the Minds,” says Keese. Dennis Shields, TRIB executive director, was pleased with the turnout for the meeting.

John Spangle, TRIB

president says, “All TRIB members are committed to the rent-to-own industry and we are very happy APRO brought its message to Atlanta. This year’s Meeting of the Minds is the largest attended in our history. We’re proud that almost all came a day early to participate in APRO’s mini conference.” Never before has the rental industry been so unified and cohesive in efforts to finally achieve responsible federal legislation.

—Ernie Lewallen

APRO 2007 Mid-Year Conference one of the best in years

Built in 1888, Canada’s Castle in the Rockies—the breathtaking Fairmont Banff Springs Hotel—was the site for one of the most enjoyable APRO Mid-Year conferences in years according to APRO President Larry Carrico. “This was a fantastic place to have our Mid-Year Conference,” says Carrico. APRO General Counsel Ed Winn III said the trip, “far exceeded my expectations. The weather was glorious. Dealers skied, hiked on glaciers and rode on dog sleds—in general we had a beautiful location to talk about rent-to-own business.” APRO Board Member Larry Goad agrees. “We had a wonderful time in a beautiful location and it was a relaxing atmosphere where we could discuss business and have fun.”



Standing: Sharon and Larry Carrico, Ed Winn III, Larry Goad, Mark Peterson and Sandra Ballard.
Seated: unidentified couple and Dan Ballard.



Tomaszewski promoted to controller of Florida Rental Dealers Association

Sharon Tomaszewski has been promoted to controller of the Florida



Rental Dealers Association. Tomaszewski started

with Rent King in September 2003 in an accounts payable position. Before long, she was handling the corporate office accounting and has been overseeing the accounts payable, management information systems and human resource functions for the past two years. FRDA President Chris Kale says, “I have the title of ‘presi-

dent', but believe me—she does all of the hard work! She also is largely responsible for the great success of our state association.” APRO and FRDA members congratulate Tomaszewski on this well-deserved promotion.

Middaugh's recovery going well; RTO couple thanks industry for support

They are each other's biggest fans. Not long

ago, Don Middaugh, manager of the Neosho, Missouri, National TV Sales & Rental store, issued a challenge to his wife, Cynthia. “My wife knows I really enjoy my job and the people I work with, and she likes to write poems,” he explains, “so I chal-



lenged her to write a poem about the rent-to-own industry.” Don thinks it does a good job of expressing the enjoyment and commitment he and others in RTO have about the business. Cynthia's poem is shown at right.

Shortly after writing this poem, Cynthia suffered a brain aneurysm and was flown by Life Flight air ambulance to a hospital in St. Louis, Missouri. She spent all but two days of four weeks

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for our fellow man,
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in every way we can.
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the reason customers return to us.
And at the end of our work day,
as we return to families of our own,
We are thankful for God's blessings,
thankful that we are a part
of “rent to own.”

—Cindy Middaugh

recovering in the Intensive Care Unit. “The recovery is just about done, now,” says

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APRO Vendor of the Year—2006

Don. "It was a close call and I just thank everyone for their thoughts and prayers for us."

Premier expands: Bagoly and Jones open store in Pennsylvania; Eibl opens in Illinois

Premier dealers Rich Bagoly and Dave Jones have launched their third Premier store in two years in York, Pennsylvania. Part of the team's success is due to basics,

according to Jones. "We treat customers like we want to be treated," he says. Both 10-year RTO veterans, they acknowledge their focus on customer service and an affiliation with Premier as contributing factors in the rapid growth of Rich & Dave Rentals Inc.

"Customer care has always been a number one priority," says Bagoly. "You get rewarded by the way you take care of your customers." Jones agrees, adding, "Premier has played a role in our success. They laid the groundwork for us and



made it easier from the beginning."

Because of their outstanding performance in both Reading and Allentown, they received the 2006 Premier Dealers of the Year award at the Premier convention in Miami this year. According to Premier President and Chief Executive Officer Trooper Earle, it was a fitting tribute to their

determined efforts as entrepreneurs and to their part in Premier's successful campaign to open 40 stores in four years.

Twenty-year rent-to-own veteran John Eibl recently helped Premier expand further with the opening of his store in Rockford, Illinois. Eibl started in the RTO industry as an account manager and was promoted to assistant manager, store manager and district manager. He later became a marketing manager with as many

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as 13 stores under his jurisdiction and finally worked as a regional director with 48 stores. Eibl was inspired by the success of another Premier franchisee, Jim Schebler. "I liked Jim's concept of blending the best of RTO with the best of retail in one operation," says Eibl. "I knew going from a strict RTO operation into more of a retail environment that also offered a lease option would be different and new. I felt I could operate in both worlds. I find out what customers want, what their budget

and needs are and help them. We have different options for everyone—it's whatever fits their needs best." Eibl's store is one of the largest Premier stores at approximately 15,000 square feet.

Former Rent-A-Center Regional Director Natale named vice president of easyhome U.S. Holdings

Easyhome, Ltd. has named former Rent-A-

Center Regional Director John Natale as its vice president of easyhome U.S. Holdings Inc., a subsidiary of easyhome Ltd.

Natale will be located in Albany, New York, where easyhome U.S. plans to open an office, which will accommodate a management team that will be responsible for developing operations in the 14 states that border Canada.

Natale began his career with Rent-A-Center in 1983 and progressed with the organization to become regional director responsible for the opera-

tions of approximately 70 U.S. locations in New York, Vermont and Western Massachusetts. Natale left Rent-A-Center to become general manager for a franchise operation, which he expanded over the last 10 years until it was recently acquired by Rent-A-Center.

"We are delighted to have attracted an individual of John's caliber to this senior management position in our company," David Ingram, easyhome Ltd. president and chief executive officer, says.

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Buddy's and Florida Highway Patrol sponsor Kids Karnival

As part of its commitment to law enforcement and children's safety, Tampa-based Buddy's Home Furnishings and the Florida Highway Patrol recently sponsored the fourth annual "Kids Karnival" at the University of Florida in Gainesville. More than 8,000 people attended the family event. Children were taught the reason to use seat belts with demonstrations from a rollover simulator. Parents had the chance to wear alcohol simulation goggles and then try to throw a basketball through the hoops as a demonstra-



Buddy's "Kid's Karnival" drew more than 8,000 attendees.

tion of why they should not drink. Interactive DVDs and safety whistles were given to all of the children and Buddy's provided free fingerprint and ID cards to everyone.

ColorTyme expands: Engels and Beck open stores in Illinois and Washington

Twenty-four-year rent-to-own veteran Dean Engels has opened his first ColorTyme store in Cicero, Illinois. Working at Rent-A-Center and Aaron's helped Engels develop a loyal customer following built on the trustworthy service for which he is known. "We never put a product in a customer's house unless we would put it in our mother's house," says Engels. His repeat customers tell Engels that their trust in him and his promise to repair and fix a product, even if its three years old, is



what keeps them coming back. "The RTO business is different. It's not like being a banker or an accountant; every day is different and brings another opportunity to help people." After starting his career in RTO as a delivery driver in 1987, Engels knew he wanted to run his own store one day. Throughout his career, he listened to advice he received from his peers and he learned to focus on relationships. "I enjoy developing relationships with people. Though I had no idea what it would be like to be a franchisee, the job is easy because I enjoy what I do," he says.

Bruce Beck has opened his second ColorTyme store in Auburn, Washington, a town just south of Seattle. Beck's new store is located on a street estimated to have 30,000 cars pass down it every day. "We looked at several sites but when I came across the town of Auburn, I knew I wanted to invest here," says Beck. "The people of Auburn have a hometown attitude that is business friendly, something that appeals to me both as a business owner and as a family man." In June of 2006, Beck converted his Home Town Rental store

in Seattle into his first ColorTyme franchise.

Easyhome Ltd. to open first U.S. stores in New York

David Ingram, president and chief executive officer of easyhome Ltd.,



announced on March 6 that his company would be expanding

into the U.S., and that former Rent-A-Center Chairman and CEO Bud Gates will be a key leader in this initiative. In an exclusive interview with APRO, Ingram disclosed that the first few stores will open in New York.

"Our initial goal is to get the first two or three corporate stores open over the next two or three months," Ingram says. Once they work out some of the human resource issues that differ between Canada and the U.S., they plan to grow quickly. "We're looking to ramp up the expansion in 2008," says Ingram. "We will see a few stores this year, but we went into this believing this will be hundreds of stores over the next few years as opposed to tens of stores. Bud is looking at a system of selling territorial rights as opposed to selling one store or one franchise so he will bring scale and speed to it."



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Furniture—what a fun topic! Do you remember six-piece wood groups with designer fabrics like “Buggy Blue?” Or, who could forget the “Wagon Wheel” group and its huge double-sided ottoman, complete with a center storage unit? Those huge sets were the beginning of furniture rentals in the early 1980s, when the industry’s primary focus was renting televisions.

I had just changed careers (not by my own choice) from selling shoes to renting televisions when my employer, Christa Rentals, opened up a new store in St. Louis. The store was under renovations and there was a vacant space next to our

room to display furniture was suddenly the talk of the town. We eventually sold those stores to Tom Devlin and Gene Haggstad in the early 1980s but the simple concept of renting furniture groups now makes up more than 40 percent of our business.

Does anyone have any new ideas for products that will create a buzz? What is going to be the next “Buggy Blue” in furniture? Do you remember the \$1,000 VCR or microwave that now sells for \$40?

We no longer rent furniture—we deliver comfort, style and convenience. We have cup holders for our diet drinks, fine wines or cold beer as we watch our 65-inch big-screen TV.

Today, computers, iPods, playgroups, lawnmowers and fireplaces are found in rent-to-own stores across the country and customers benefit from the diversity. No longer do we limit our imagination. No longer do “obstacles” hold us back. Our customers don’t hear “they’re not for rent” anymore.

I remember a time when some vendors could not or would not sell us furniture because they thought that our customers would be too hard on their products. Again, another barrier was overcome when manufacturers realized the opportunity that is rent-to-own. Now manufacturers specialize in creating products that are sturdy enough to be picked up and delivered several times. Once again, our customers are the beneficiaries of innovations because the products are more durable and they continue to meet their needs.

Repeatedly manufacturers, sales reps and rental dealers have come together to design and produce innovative products that meet the needs of our rent-to-own industry. This cooperative approach creates a benefit for everyone—customers, businesses and vendors.

As we continue to educate congressional leaders about the benefits of our transaction, don’t be shy about telling them how we provide convenience, choice and new product

.....
 “Repeatedly
 manufacturers,
 sales reps and
 rental dealers have
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 that meet the needs
 of our rent-to-own
 industry.”

More than mere furniture

storefront in the strip center. Since our owners also were involved in the retail furniture industry, they decided to use the space for “warehousing” those monster sets. Occasionally, a customer would wander over and inquire about how much it would cost to rent one of those sets. Of course, we repeatedly replied, “they’re not for rent.” That response changed suddenly one day, when a young, inexperienced rent-to-own sales associate named Larry asked the question, “Why can’t we rent them?”

The idea was met with objections like, “What happens when the group is returned? There is no room to display it,” and “We just can’t do it.” So, that inexperienced sales associate went back to renting and collecting for a time until the owner’s retail business slowed down and space became an issue. Shazzam! “We need to get that furniture out of the storage area,” became the cry of the day. So, I asked my question again. “Can we rent that furniture next door?”



By **LARRY CARRICO**
 APRO's president

This time the owner said, “Let’s give it a try.” Almost overnight, we went from 450 to 800 rental agreements. We had stores in Alton, north St. Louis and our new 10,000-square-foot concept store in the old downtown area of Belleville, Illinois. Back then, we were able to lease a 10,000-square-foot building for the same as a 3,000-square-foot building. Utilities were a little higher, but the

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RELIEF FUND

In 2005, members of the Association of Progressive Rental Organizations contributed more than \$190,000 to help rent-to-own employees get back on their feet after the devastation caused by hurricanes Katrina and Rita. The rent-to-own community helped 159 employees recover from these natural disasters. Unfortunately, natural disasters have become all too common. The rent-to-own industry must be ready to help whenever a natural disaster occurs that affects our family of employees.

To address such needs, APRO has established a permanent disaster relief fund: RTO [Relief To Our] Employees Disaster Relief Fund. Every dollar raised will go directly to rent-to-own employees in need. RTO Employees Disaster Relief Fund organizers are asking every rent-to-own company owner to implement a voluntary payroll-deduction plan within his/her company—suggesting a small donation per month from each employee. We ask that each company match its employees' monthly contributions. APRO can provide you with a template for paycheck stuffers to encourage your employees to participate.

Rent-to-own has always been a family of generosity. Please contribute to the RTO Employees Disaster Relief Fund and encourage your employees to do the same. A small contribution will make a big difference.

For more information, contact Bill Keese at bkeese@aprovision.org or by calling 800/204-2776, ext. 101.



lines to our customers.

We have seen years of growth, changes and advances in our industry and this has helped all of us to be more successful. But let's not forget that this process is ongoing and let us realize that tomorrow will bring more of the same. As we continue to improve the lives for our customers—providing access to things such as new computers for the children of our customers—remember that we bring opportunities to those who have been turned down by retailers because of a poor credit score. Our adversaries never recognize that we don't care about credit histories or how much money our customers have in the bank. We provide entertainment, convenience, clean clothes and a good night's sleep to our friends who rent to own from us.


I do mean *friends*, because the relationships and personal testimonies we hear over and over again are the real reasons many of us keep suiting up and showing up in our stores, in the halls of Congress and at the discussion tables of APRO events.

I'm sure I will see you around. And make sure every day is an opportunity to have a great day at your store. ■

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

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Iwant to thank everyone who attended our legislative conference in Washington, D.C. We doubled our best attendance record set in 1994. The rental warriors who have been going to Washington year after year were all present. They have been carrying the water for the rest of the industry for more than a decade. This year, the first timers outnumbered the veterans and that was inspiring! If you weren't able to come this year, I hope you will commit to yourself to attend next year's legislative conference. Success is always a function of participation!

Now that the meeting is over, it's time to set-

Time to get to work!

tle down and really get to work. If we could double the number of co-sponsors on the House and Senate bills like we doubled our previously best-attended conference, we would have a majority of the Senate and almost a majority of the House. The deal would be done! We would realize our longtime dream of federal legislation.

Every rental dealer who met with his or her senator or representative now needs to follow up with phone calls and e-mails. If you got a commitment to co-sponsor, call and urge them to sign on right away. If you didn't get a commitment, call and ask if you can provide additional information that could convince them to sign on.

Lyn Leach, a rental dealer in Nebraska and a former APRO president, always gets his entire delegation to co-sponsor. Lyn is not shy about telling anyone how he does it. His simple answer is that he won't take "no" or "maybe" for an answer. He keeps pushing and asking respectfully until the answer is yes!



By BILL KEESE
APRO's executive director

I know that not everyone will be able to get his or her entire congressional delegation to co-sponsor, but everyone can get a sizable count!

Those of you who could not come to D.C. this year can still be legislative heroes. Call your senators and representatives at their district offices and make an appointment to visit them the next time they are home. Richard May and I will be

happy to assist you in any way. This is actually a very effective plan. It will show them your commitment to your business and it will show them that you are a voting constituent who is paying attention to their positions.

If you have never visited with your senator

or representative, you might feel slightly intimidated just thinking about it. Don't! It's an easy process and they will make you feel comfortable. After all, you are a constituent and can vote either "for" or "against" them.

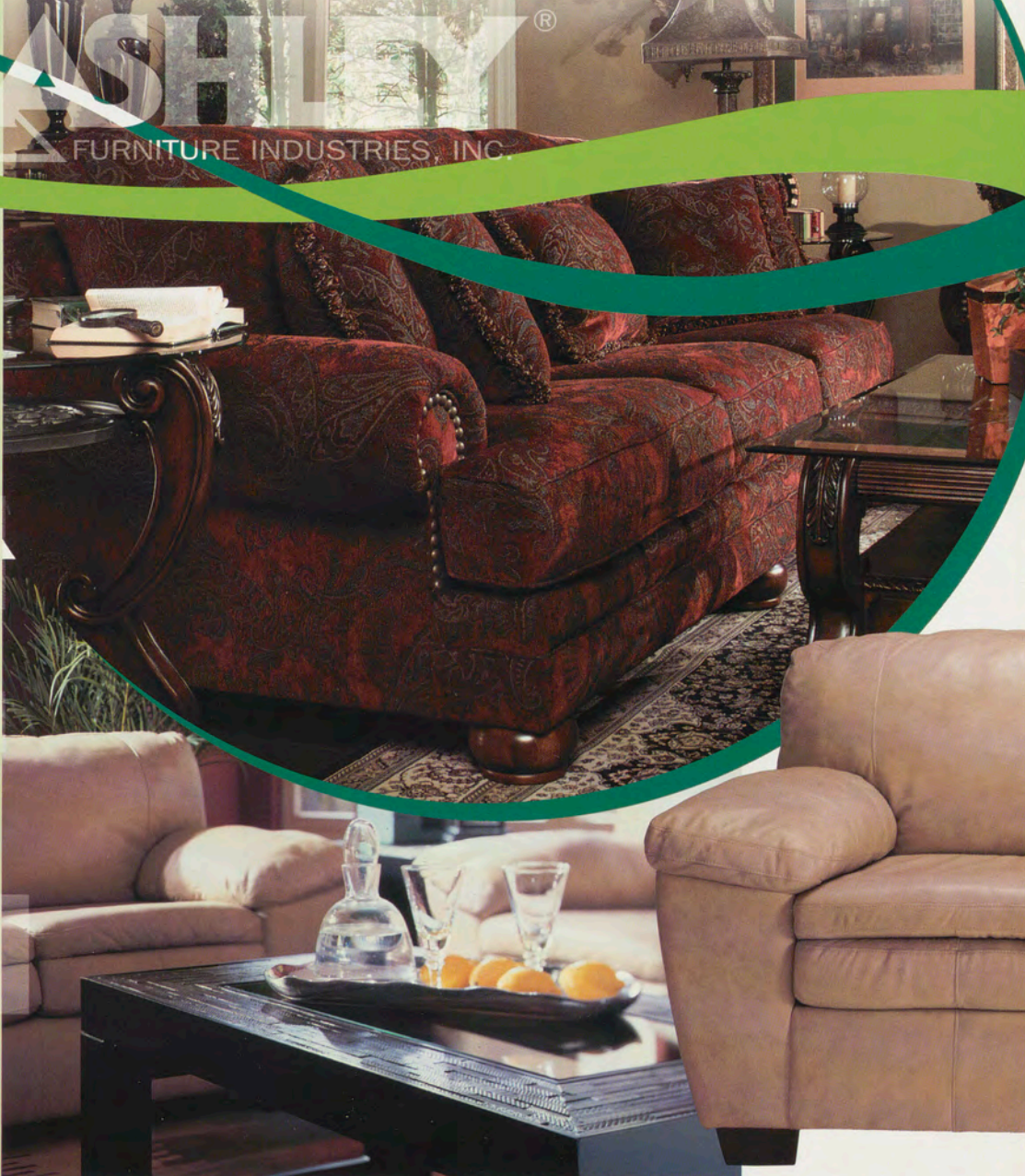
Everyone should get to know his or her elected officials—on the local, state and federal levels. I once knew a man who believed that politics and business don't mix. How wrong he was. It is always good business to know the decision makers who vote every day on issues that affect your personal and professional life. It is even better business to choose some candidates, help them and develop strong personal ties with them. Get to know their staff as well. Once you develop that relationship with a staff member, vast new political worlds open up for you. Staff members can do more to get a message across than just about anyone else and they can open doors for you that no one else can. You need to educate them about your business.

Our industry has never before been as united as we are today. This is a special moment in our collective business lives. Let's make the most of it and get a federal bill passed. Let's not congratulate ourselves for having the biggest and most productive legislative conference in rent-to-own history. Let's bow our collective backs, get to work and get the job done—finally. ■

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

"Our industry has never before been as united as we are today. This is a special moment in our collective business lives. Let's make the most of it and get a federal bill passed."

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We have been out preaching the good word about rent-to-own more than usual, lately. We are gearing up to do business with the new Democratic-controlled Congress. We have had good attendance at these meetings. Dealers are at least curious, if not also apprehensive, about their fortunes in Washington, D.C., under the new regime. It has been 10 years or more since the industry has been seriously threatened and a lot of dealers have never known what it is like to live and work under hostile political circumstances. We have been out sounding the tocsin, trying to get as many deal-

Who's telling the RTO story?

ers to help with the effort both at home and in D.C. as we can. Almost.

It occurred to me as I was making speech after speech to rooms full of rental dealers that we really do not want every single rental dealer to participate in this effort, after all. The dealers that we do not want probably have not attended any meetings, anyway. But a few may read this magazine.

If, when the lights are out and you think nobody is listening, you think deep down that you are in a sleazy business, then we do not want you talking to your congressman about what you do for a living. The members of Congress are, for the most part, smart, ambitious, intuitive people. If you were to try to tell a story that is not true, you would run the risk of being found out and would

be doing far more damage to the rent-to-own cause than if you just stayed home and sat out the political process altogether, again.

And if that is how you feel deep down about what you do for a living, then the odds are that you will not go bragging about it in Washington, or anywhere else for that matter.

There are fewer rental dealers like you than there once were, but there are still a few. You are in the RTO business to make a quick buck along the way, squeezing profits at every turn, growing your business and one day selling out for what you hope will be obscene profits.



By **ED WINN III**
APRO's general counsel

.....
 "If you think deep down that you are in a sleazy business, then we do not want you talking to your congressman about what you do for a living."

The business attracts a certain percentage of people with that frame of mind and always has, sadly. It is important that these dealers, however few in number, do not tell their version of the rent-to-own story—to anybody, really.

Happily, most rental dealers in these meetings have been interested in the conversation and want to help move the rent-to-own cause forward, precisely because they are so proud of what they do. These dealers are persuaded that the antagonism against RTO can only stem from some fundamental misunderstanding of the business. Dealers who believe in and are passionately devoted to what they do can correct that misunderstanding. These dealers are making the world a better place, in their own small way, by giving their customers more choices and better service and products than anyone else in the marketplace and by giving their employees a healthy, wholesome, safe and entertaining place to work and a paycheck every week.

Those are the dealers that we want telling the rent-to-own story—to anyone who will listen. If you are one of those dealers, please join us in our efforts to get a federal bill. ■

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



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As an APRO associate member, I enjoy participating in the online E-Communities—a forum where members can give and receive help, advice, input and feedback on issues affecting their businesses. Lately, there have been some lively discussions about workers' compensation job code classifications. For those of you who have not yet participated in this unique forum, I encourage you to do so. Associate members and rental dealers both benefit from APRO's E-Communities. I joined in the discussion about the job code classifications and, as your nationally endorsed insurance agent, wanted to share

.....
Associate members and rental dealers both benefit from APRO's E-Communities.

ed category even though the employee's job functions are primarily those that would ordinarily be classified in a lower rated code.

The NCCI and individual state bureaus will assign "experience modification factors" to various insurance risks that are qualified by the number of years the company has been in business and the size of the company's premium. Risks will follow a company even if ownership changes and the majority of employees and/or management remain. This can either be a debit or credit based on claims versus payroll and *will* affect any new stores and corporations if majority ownership is the same as the existing risk. The only way to avoid this is to form a new corporation where you have less than a 50 percent ownership in the new location. If done properly, your existing experience modification factor will normally not apply to

Workers' comp and RTO

some of that information with the members who were not part of the dialogue.

The National Council for Workers' Compensation Insurance, or NCCI, is the national organization that establishes guidelines for classifying job descriptions. Every state has its own council or bureau to establish class codes, descriptions and rates for that state. These vary from state to state. For example, one state might include *all* store employees under the clerical code while another state might pull out delivery drivers and give them a separate code and rate from the rest of the store employees. Outside sales code 8742 is sometimes used in states for auditors but is *not* correct for most RTO personnel.



By JEANETTE BEARDSLEY
APRO associate member

In my 18 years of insurance experience with the rent-to-own industry, I have seen many misclassifications used by rental dealers. This usually goes along until one day an auditor comes in or the state's bureau does an inspection and they decide that the classification codes are all wrong and re-classify the company's payroll. Be careful—there is a "look back" rule in most states allowing the regulatory agency to go back for three years with re-classifications. This can be expensive for the rental dealer.

Another common occurrence that creates problems happens when an employee has dual duties. When audited, I have seen many cases where the auditor re-classifies those employees to a higher rat-

the new locations.

Most of these items are governed by either the national or state laws that are in place, which require the Bureaus, Councils and Insurance Companies to adhere to the various rules.

Over the years, APRO and several states have attempted to get a classification code for rent-to-own. California Association of Progressive Rental Organizations is currently attempting to get a rent-to-own classification code in its state. To date, however, no new codes have been added.

Remember, every example listed in this article is subject to interpretation by various regulatory bodies. The examples I have used reflect the outcomes I normally encounter from day to day.

I have enjoyed and benefited from APRO's E-Communities. I encourage all rental dealers and vendors to join in the dialogues taking place every day on APRO's Web site. This is a great forum where all of us can share information and answer the many questions that face each of us in business today. Log in to the APRO members-only area of the Web site and see what a tremendous service the E-Communities provide. ■

Jeanette Beardsley is an APRO-endorsed insurance agent, a Certified Professional Insurance Woman at Walter L Clark & Associates and holds an Associate Insurance Services certification. She can be reached via the APRO E-Communities forum or by phone at 800/457-9362.

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A photograph of a living room interior. On the left, a dark wood side table holds a lamp with a tiered, urn-like base and a large, conical lampshade. A small orange pumpkin sits on the table next to the lamp. To the right is a dark brown leather sofa with a tufted front leg and a light-colored cushion resting on it. The background is a solid red wall with white baseboard.

Furniture futures

Twenty years ago, rent-to-own furniture was almost a fluke—a peripheral product offered at some of those “out there” stores. Today it makes up approximately 40 percent of the RTO business. With mumblings of increased imports, company consolidations, factories moving overseas and the growing consumer interest in electronics, what will the future hold for furniture in rent-to-own? What are some of today’s trends and predictions for tomorrow? ☞ In the last few years, home improvement shows, design magazines and design gurus like Martha Stewart and Christopher Lowell have driven the high-end scale of the furniture market and created an interest in environmentally friendly products that combine the “green” factor with style and functionality. Think green and think organization. Consider thinking beyond the traditional in functionality. Most of us appreciate products that help us stay organized or that can do double duty. If you can offer an ottoman with a storage unit or a bed that has shelves built into the headboard, chances are, your customers will appreciate that. ☞ Joe Carroll, publisher of *Furniture/Today*, the weekly business newspaper of the furniture industry, says, “There is a consumer move toward green products. For example, they are now making mattresses out of natural latex. Young people are flocking toward environmentally-friendly products and I think we’ll see more interesting green items in 2007.”

Carroll also sees an increased interest in design pieces focusing on style and fashion. “Specialty niches—of which rent-to-own is one—are growing,” he says.



**CREATIVE
NEW STYLES, A
WIDER VARIETY
OF OPTIONS
AND ECONOMIC
DEVELOPMENTS
HELP ASSURE THAT
RENT-TO-OWN IS
SITTING PRETTY
IN THE FURNITURE
BUSINESS
BY GEOFF WILLIAMS
AND DEE DEE
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Joe Rutter, president, chief executive officer and, as he puts it, the “chief bottle washer” of what he describes as a “small mom and pop” five-store California-based chain called Family Rental Center, gives his customers a wide selection. “I’m a big believer that if you try to offer the gamut of family-oriented furniture, like sofas, love seats, recliners, tables, lamps, things like that, then you’re going to have a successful year,” he says. “We have big sectionals, for instance, and everybody likes leather. But I’m hesitant to buy anything that seems too trendy. It’s been the basic meat and potatoes for us for years.” Furniture rentals, as Rutter notes, are often a matter of impulse as much as they are a necessity, and you may make a rental easier if you can quickly tap into that psychology, in effect saying to your customer: This solves two issues—how to sit and recline comfortably, and where to put some of your unwanted clutter.

Tastes and styles will vary by region and may change more slowly in some areas than others, but it is never a bad idea to know what trends are on the horizon. In that spirit, you can allow your store to be as trendy as any outlet when it makes sense.

Jan Arnett, vice president of operations at Z-Best Rentals in Florida, says he keeps up with style trends in a variety of ways. “We’ll look at high-end magazines and the big leaders to see what’s hot with them,” he says. “But also some of it is instinct or what I like. Ultimately, our customers dictate what we carry. They’ll tell us what they want.” When they first started carrying furniture in 1982, Arnett says the furniture was either urban or contemporary. “Now, we carry everything from a \$499 bedroom set to a \$4,000 bedroom. Sometimes you take a chance on something trendy and it works,” Arnett says. “I recently ordered several red leather living room sets that I liked but my staff told me we’d never rent them. They were the hottest thing in the store. You just have to keep your fingers on the pulse of your industry and be out in the mix,” he says.

In addition to green, “think brown,” says Kerry Lebensburger, president of the upholstery division of Ashley Furniture. “We’ve sold so much light colored fabric, so much mocha and tan colors, that I think everybody got tired of that,” he says. “And the last time I remember brown selling in volume was the mid-1970s, and so it was a thirty year cycle, that finally came back.” Has it returned because Generation X-ers remember seeing it as

“We’ll look at high-end magazines and the big leaders to see what’s hot with them. But also some of it is instinct or what I like. Ultimately, our customers dictate what we carry. They’ll tell us what they want.”



a kid, or Baby Boomers are yearning for the simpler days of their youth? “No, it’s probably nothing that deep or complex,” says Lebensburger. “I think it’s a whole bunch of people buying brown, because they’ve never seen the color on furniture, except in leather. It’s just finally time. For quite a while, brown was only for the high-end furniture consumer, but now it’s doing very well with the masses.”

Rutter agrees that browns are in now, as well as “mainly earth tones” but adds, “Not to be facetious, but whatever color you don’t have—that’s usually the color our customers want.”

William McCrae, an audiologist who also owns Buzz’s Rental Purchase, a chain of six rent-to-own stores in Texas and Louisiana, says his customers like the traditional. “We don’t get too cutesy. People are conditioned to know what a living room looks like. You walk into a living room; you see the sofa, chair, end tables, lamps, possibly rugs and that’s the basic staple. If you can present that to them in a way that they can visualize in their own home, they’ll probably have a high interest in renting.”

Keeping up with style trends and the next potentially hot product is important, but what about the bigger picture? Where are profit margins headed? What is the future for imports and what impact will they have on the furniture market? What will the economic landscape look like as some companies close, consolidate or expand? “Profit margins are lower today,” says Carroll. “But the real problem is that there is so much competition

and we have trained the consumer to buy cheap—it’s sale, sale, sale,” he says. “We’ve trained the consumers that furniture doesn’t mean anything. Like any painting, it should be viewed as a work of art—something for the workmanship, design and quality.” As for competition, Carroll says he can now identify 77 channels including Kroger and the military Post Exchange, more commonly known as the PX, for selling furniture—and the list keeps growing. Rent-to-own stores are one of these 77 channels.

“When I was a kid, there were probably three places to buy furniture,” says Carroll. In 2004, total furniture sales were \$77 billion, according to Carroll. In 2005, furniture sales were \$79 billion and last year, they were \$83 billion. “A \$4 billion increase last year was reported as an OK year,” he says. “Traditional furniture stores grew 2.3 percent while other channels grew 5 percent. That means that non-traditional furniture outlets grew two and a half times faster than the traditional furniture stores.”

Why the change? Carroll attributes it to several factors. "People don't entertain as much as they used to," he says. "It's a purchase that people can postpone, so it comes last on the list. Also, people see it as a momentous decision and rather than take the time—they put it off."

Increased competition and imports have brought the prices down, so more outlets that are non-traditional are adding furniture to their product line. "Now you are seeing stores like Crate & Barrel, Pier 1, et cetera adding furniture," says Carroll. "It's been successful because they have the traffic. It's a better value for the consumer and it's very good quality furniture. The irony is that people think that furniture is so expensive, but it's cheaper than it's ever been," he says.

Almost 47 percent of imports are from China but Vietnam is growing. "The U.S. put a lot of tariffs on imports of bedroom furniture from China," says Carroll. "What that did was move the market to Vietnam. They are very meticulous in making furniture, so Vietnam is the hot country for imports now." What does all of this mean, ultimately, for sales and rentals?

Experts in the furniture industry look at four economic indicators to determine if sales will be good: interest rates, new home sales, unemployment and the consumer confidence index, commonly referred to as the CCI. "Anything over 100 on the CCI shows that people are confident," Carroll says. At the time of this interview, the CCI was at 109. "Interest rates are low, home sales are still doing well; unemployment is the lowest it has been in 30 years and the CCI is at an all time high, so it looks like 2007 will be a good year," says Carroll. But, will it be a good year for everyone? "I believe that the ones who will be successful in furniture are the ones to find a niche," says Carroll. "Rent-to-own does that and they do it well."

Carroll thinks that we will see more consolidation in 2007. "We saw several go out of business in 2006 because it is too tough to compete," he says. "I think the big will continue to get bigger. We could see rent-to-own get so big that they hire their own people to go to China, have their own warehouses, or make a deal with big manufacturers to provide faster service."

One secret to success is having an outstanding management team. The second is access to capital. "The money to grow and quick



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delivery is really important," says Carroll. "I believe we'll see a return to more furniture being made in the U.S. because consumers want instant gratification. Ashley Furniture, the number one furniture retailer in the U.S. right now, recognizes how important quick delivery is," he says. "Ashley invested in technology and they recognized that people want fast delivery. This is a key point, so they have distribution centers around the country and they have their own trucking fleet. They can have a new sofa back in the store within a week. You can't do that if you are waiting on a delivery from China. Their distribution is incredible."

What role, if any, will the Internet play in the future of furniture? "I don't see it becoming a tool for buying but it has been a tremendous tool for pre-shopping," says Carroll. "I think that whoever has the cleverest or cutest site that is the easiest to navigate and then tell the consumers where to buy or rent, will be the most successful. Women pre-shop online more than men do. They will have already picked out what they want to see. The Internet can be a very effective tool in that respect," he says.

Having a well-trained, front-line staff is critical to the success of any business. But good training goes beyond simply learning how to close for the night or place an order. "The number one need is for good sales training," says Carroll. "When people come into the store, the associates should listen first. Ask the customer what styles he or she likes and then make suggestions," he says. "The consumer has to know the associate understands his or her needs in price, style, construction and fabric." Carroll suggests having the manufacturing representatives come by the stores regularly to be teachers. "If you can explain that 'this print is based on an 1803 Thomas Jefferson portrait,' or something similar, people will be more likely to rent the item. People remember stories."

There are numerous challenges for today's successful business owner, including keeping up with the competition and knowing what to do next. "The market is moving so fast; smart companies are the ones studying marketing," says Carroll. "Don't get complacent. Study your niche and give your customers what they want. Concentrate on doing what you do well," he says. "You can't have the entire market. RTO knows its niche and knows what it is good at." ■

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the PRICE CAP TRAP in rent-to-own

What do prices do? “Prices impose the most effective kind of rationing—self-rationing,” according to Thomas Sowell, author of “Pricing 101,” published in the National Review Online, February 21, 2007 (www.nationalreview.com). “Why is rationing necessary? Because what everybody wants usually adds up to more than there is.

“It doesn’t matter whether you are talking about a capitalist economy, a socialist economy, a feudal economy or whatever. Resources are limited but desires are not. That is the basic and defining problem of economics.

“Prices force you to limit your claims on what other people have produced to the value of what you have produced for other people. Prices force you to limit how much of product A you buy because you need to keep some money to buy product B.

“While prices convey these limitations, they do not cause them. No economy—capitalist, socialist, feudal or whatever—can keep consuming more than it produces. Producing more of product A means using up resources needed to produce product B.

“Simple and obvious as all of this may seem, politicians blithely ignore it when they promise to make the prices of housing or health care or other things ‘reasonable’ or ‘affordable.’”

By Ed Winn III





Despite the futility of government efforts to correct various perceived societal ills and inequalities by fixing prices, governments continue to do it. The notion has an undeniable, albeit illogical, appeal to many people, especially consumers. It especially appeals to people who do not have to make payrolls and who otherwise favor big government as the answer to society's shortcomings.

The latest example of price fixing in the rent-to-own context comes from California. California rental dealers ultimately acquiesced to this scheme because they were being threatened with ruinous litigation from the attorney general in the state and from the plaintiff's bar as well.

California is hardly the first state to deem price controls an appropriate response to the perceived abuses of rent-to-own. The very first state rental-purchase statute, enacted in Michigan in 1984, imposed a price cap on the total RTO price of 2.2 times the cash price, and the history of state regulation of rent-to-own ever since has been a battle over, among other things, RTO pricing, which opponents repeatedly insist is "too high."

There are two different levels of prices that have been fixed here and there in the RTO industry: the cash price and the total RTO price. Politicians have seen fit to fix both. Early on, when negotiating state rental-purchase legislation, rental dealers resisted the mandatory disclosure of cash

prices at all. Dealers argued that they never actually sold any merchandise for cash and that

the cash price was irrelevant to the RTO transaction. Opponents argued that the cash price was an important disclosure to allow consumers to comparison shop and to understand how much more than retail the RTO transaction cost. Disclosing the cash price was an

issue for rental dealers, but it was never *the* issue for rental dealers. Getting legal recognition of the transaction was always the issue for dealers and in exchange for that legal recognition, dealers agreed to make numerous disclosures, including the cash price of the merchandise in most states. To date, only 10 of the 47 states with rental-purchase statutes do not require a cash price disclosure or some variant of it ("estimated fair market value" in Georgia; "retail value" in West Virginia).

Every state rental-purchase statute, on the other hand, requires disclosure of the total RTO price and the industry

has no quarrel with making this disclosure. Merely disclosing this amount is not enough, however, in 10 states where the total RTO price is fixed by law. These are the states with price caps on the total RTO price: California, Connecticut, Hawaii, Iowa, Maine, Michigan, New York, Ohio, Pennsylvania and West Virginia.

Most of these states have fixed the total rent-to-own price at two times the cash price (although in California it

is at 2.25 times the cash price; in Michigan it is 2.2 times the cash price; and in West Virginia it is 2.4 times the cash price). Rental dealers in those 10 states face a Hobson's choice on some items in their stores. Suppose, for example, that the market rental rate for an item is \$100 per month. That means that the RTO marketplace is a competitive one with several rental stores in the trade area all battling it out for customers, the item is a popular, readily available one and rental dealers are charging, on average, \$100 per month for the item on an 18-month agreement. In order to write this agreement, a dealer would have to set the cash price for the item at \$900 by law (in a two-times-cash-price state). The dilemma for the dealers is that \$900 may or may not approxi-

mate the real cash selling price for the item in that market at that time. Sometimes, with rapidly declining retail prices for certain electronics, the real cash selling price among retailers may have declined significantly below \$900. This can occur because the price cap inserted by the politicians is a wholly artificial one and has never borne any necessary relationship to real prices in the marketplace. Nor can it ever because the legislature swooped in to fix prices once 20 years ago in some cases and the price for some electronics is changing monthly, sometimes more often than that. Rental dealers, then, either must drop rental rates below market, which they cannot do for long without going out of business, or they must disclose an artificial cash price with the potential ill-will such inaccurate prices can cause. The goal of the price fix was to help consumers by holding down prices in RTO stores. The result, which is the result every time the government steps in to fix prices, has been skewed, inaccurate pricing information that is as likely to mislead consumers as it is to make products more affordable for them.

THE GOAL OF THE PRICE FIX WAS TO HELP CONSUMERS BY HOLDING DOWN PRICES IN RTO STORES. THE RESULT HAS BEEN SKEWED, INACCURATE PRICING INFORMATION THAT IS AS LIKELY TO MISLEAD CONSUMERS AS IT IS TO MAKE PRODUCTS MORE AFFORDABLE FOR THEM.

Statutory limits on cash prices*
CALIFORNIA

Computers and appliances.....	1.65
Electronics.....	1.7
Auto, jewelry, furniture and music.....	1.9
Other.....	1.9

Statutory limits on cash prices*
HAWAII

Appliances.....	2.0
Electronics.....	2.0
Furniture.....	2.0
Other.....	2.0

* All multiples are times the dealer cost, including freight and excluding rebates, discounts and the like.

Unfortunately, there is no market fix once the legislature has done its damage. The only fix is to go back to the legislatures that thought it was such a good idea to fix prices in the first place and persuade them to unfix them so that the marketplace can do its job.

Fixing the total RTO price has not been enough for some states. Four of the 10 have also determined that fixing cash prices in RTO stores would further the cause of consumer protection in those states.

The first state to fix cash prices was West Virginia in 1994. Maine and Hawaii followed suit shortly thereafter, and most recently, California. All four states limit cash prices to a percentage over the rental dealer's wholesale cost. There is no uniformity among the states regarding where cash prices in RTO stores should be fixed. Politicians have not agreed as to the level at which RTO cash prices should be fixed, only that they should be fixed by law. The chart below shows the different levels at which cash prices have been fixed in the four states by category of goods.

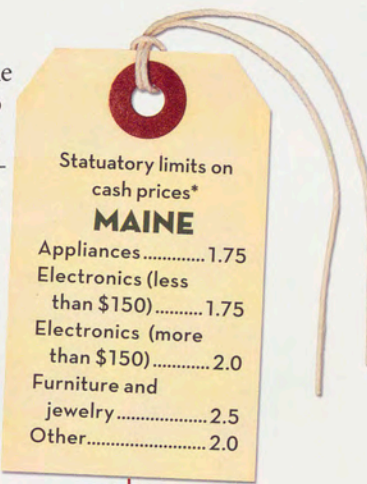
California's price fixing scheme is the most restrictive. The new California statute goes on to fix not only the prices of new goods, but the prices of used goods, as well, with a statutory depreciation formula. West Virginia has a similar depreciation formula for pricing used goods in RTO stores.

When the dual price caps are applied in these four states, the range of overall turns as a function of dealer cost that rental dealers can get looks like this:

- ▶ California: $1.65 \times 2.25 = 3.71$ turns;
 $1.9 \times 2.25 = 4.27$ turns
- ▶ Hawaii: $2 \times 2 = 4.0$ turns
- ▶ Maine: $1.75 \times 2 = 3.0$ turns; $2.5 \times 2 = 5.0$ turns
- ▶ West Virginia: $1.56 \times 2.4 = 3.74$ turns;
 $1.82 \times 2.4 = 4.37$ turns

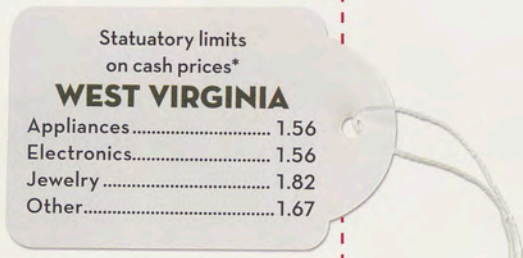
The buyers and sellers who make up the marketplace and who are responsible, finally, for producing, distributing, and consuming goods and services, understand that there is no free lunch. If only politicians could accept this fundamental economic truth, then maybe they would get out of the price fixing business once and for all and let those buyers and sellers set prices where they ought to be. ■

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Statutory limits on cash prices*
MAINE

Appliances.....	1.75
Electronics (less than \$150).....	1.75
Electronics (more than \$150).....	2.0
Furniture and jewelry.....	2.5
Other.....	2.0



Statutory limits on cash prices*
WEST VIRGINIA

Appliances.....	1.56
Electronics.....	1.56
Jewelry.....	1.82
Other.....	1.67

Thank you!

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SOLUTIONS



The rent-to-own industry and the Association of Progressive Rental Organizations would like to thank RentDirect Nationwide and Moneris Solutions for their generous sponsorship of APRO's 2007 Dave Egan Legislative Conference held April 17 and 18 in Washington, D.C.

Thanks must also go to the more than 200 attendees who represented the rent-to-own industry before the U.S. Congress during the Legislative Conference.

APRO asks that the entire rent-to-own industry unite in supporting passage of HR 1767 and S 1012—the Consumer Rental-Purchase Agreement Act. Please communicate with U.S. House of Representatives and U.S. Senate members and urge them to co-sponsor this important federal legislation. For more information on this legislation, contact Richard May at 800/204-2776, ext. 103, rmay@aprovision.org; or visit rtohq.org.





BACKING UP YOUR DATA:

WHAT YOU MIGHT BE MISSING

If you've ever been a victim of a mild case of computer fever, a customer file that you couldn't open, or an inventory record that you or someone accidentally deleted, consider yourself lucky. Glitches like that pale in comparison to the ultimate computer disaster—a hard disk crash or a virus that wipes out all of your business records.

Think it can't happen to you? Think again. Computer consultant Michael Leibrandt, Abington, Pennsylvania, says that almost every computer in service over a period of several years will suffer a major catastrophe such as a hard disk crash. Imagine what that would mean to your business. Ellison Crider, general manager of Rental & Sales Software Systems, a leading provider of business management software to rent-to-own companies, says it may be tempting to skip this boring task. "Backing up data is kind of mundane, but you have to do it," he says. "What we recommend, at the very least, is that you back up your data, such as account information, customers, inventory, accounting information, etc., every day. Most of our clients back up their full systems every day."

Richard Rose, president and chief executive officer of R.T.O. Inc. agrees. "We use RSSS; however, we continue to backup ourselves, too, because there is no being safe enough. In the RTO industry, most of us do hundreds of thousands of trans-

actions a week or even in a day. If you lose your data, you lose your business."

Newer technology makes this process faster than in years past. "With the size of tape drives and the speed of systems today, it doesn't take hours to do it," says Crider. "It might take 15 minutes, but it needs to become routine. If something ever happens and you've backed up your data, you can restore it from the previous day."

Rose, who half-jokingly calls himself "neurotic" about this task, says he has heard horror stories about data loss. "Fortunately, none of them are ours," he says. "Not only do we use RSSS and do backups ourselves, but we keep a copy offsite, on-site and with RSSS so that at any given moment we have access to a current copy of our records should we ever need it."

Computer failures aren't the only danger. "Many business owners tend to think of a computer malfunction as the only risk to their business records," says Jack Shea, president of Solutions by Computer, Springfield, Massachusetts. "It's easy to forget about the possibility of fire or flood." Other risks include human error and corrupt media. "If you are relying on store personnel to do a backup every night before they leave, maybe they will or maybe they won't," says Crider. The more manual a process, the more room there is for human error.

BY WILLIAM J. LYNOTT AND DEE DEE YELVERTON

Crider says that customers sometimes do not think about the fact that tapes or disks do not last forever. "If you are using a corrupt tape, you aren't getting a good backup," he says. "You have to replace the media periodically. With a tape, we recommend replacing every six months to a year. With CDs, you should replace them more frequently." RSSS offers a backup service that includes a verification report that he reminds his clients to check regularly.

"Something we recommend, depending on the business requirements, and it's not a bad idea for everyone, is to have a backup tape for each month of the year," says Crider. "And definitely make one at the end of the year. It just needs to become routine. Every day when you walk in, take yesterday's tape out and put today's in."

Still, whether you use rental-specific software or an off-the-shelf package, you must take the steps necessary to give yourself the peace of mind that comes from knowing that your business records are safe.

Remember, you can replace a computer that fails, but the information it contains, in many cases, is irreplaceable.

A BRIEF HISTORY OF BACKUPS

In the early days of desktop computers, backing up was a simple procedure. All you had to do was pop a floppy disk in a drive and copy your data. Today, most files are much too large to fit on floppies. That is why manufacturers no longer include floppy drives as standard equipment; many no longer offer them as options.

In 1995, Iomega introduced their innovative Zip drive, a format that many regarded as the logical successor to the floppy, but that has not happened. One disadvantage was the cost of Zip disks, originally ranging from \$5 to \$10 per disk. Even with newer Zip disks able to hold up to 750 megabytes at about \$15 each, the ever-increasing size of data files has caused many users to look to emerging technology as a better solution to the backup problem.

While some users still rely on Zip disks for their backup chores, Leibrandt recommends looking to newer technology as a better long-term choice for protecting business data.

Another early format that seems to be losing favor is the tape drive. "Tape backups are less reliable than other methods," says Robert Meyhoefer, director of Information Systems, The Cardiology Group, Mt. Laurel, New Jersey. "Tapes can break, making them unusable, backups and restores are slower than other methods and tape drives capable of handling large amounts of data are quite expensive."

Here are five backup methods that Leibrandt, Meyhoefer and Crider say are most suitable for providing the peace of mind that comes from knowing that your business records are protected from loss:

CD/DVDS

Compared to early floppies that held a maximum of 1.4 MB of data, CDs can hold as much as 800 MB. DVDs can hold upwards of 4.7 gigabytes. A GB is 1,000 megabytes. There are few sets of rent-to-own business records that cannot be accommodated by CDs or especially DVDs.

A single DVD with its massive storage capacity can be purchased for around \$1.25; CDs cost only pennies each. Most new computers now come with CD/DVD drives built in. As recently as a half-dozen years ago, a DVD drive went for as much as \$500 and a single DVD disk for \$35.

"While we use tape backups for our Unix-based systems," says Shea, "our Windows-based systems use DVD disks."



According to Leibrandt, you should keep in mind that disks have their own set of disadvantages. Some users have reported disks that became unreadable after a few uses, others

readable only in the drives in which they were created. He recommends a second set of backups when using DVDs.

"However, as far as cost is concerned," says Leibrandt, "CD and DVD disks can't be beat. For most users they should be adequate and would certainly be the least expensive."

JUMP, FLASH AND USB DRIVES

So-called jump drives are tiny plug-and-play portable storage devices that use flash memory for data storage. As small as one-half inch by two inches, they can be carried in a shirt pocket.

Jump drives will work with any newer PC or Mac with an existing USB 1.1 or USB 2.0 port. When you plug a jump drive into a USB port, your computer automatically assigns it to the next available drive letter. Then, just use the drag and drop method to transfer files and folders.

Retail prices for jump drives range from about \$30 for a 512 MB unit to about \$60 for 2 GBs of capacity. Some manufacturers offer jump drives with up to 16 GB of memory.

"The primary advantage of jump drives," says Leibrandt, "is compactness and portability. They were originally designed to transfer files from one computer to another with a minimum of bulk, and they do that job superbly well."

Meyhoefer agrees. "If you are backing up less than 2 GB of data, I recommend using inexpensive USB jump drives. They're a great way of backing up and transporting data quickly and easily. You can never make too many backups. Just make sure you organize multiple backups so you can find what you need easily in case of an emergency."



In Leibrandt's opinion, jump drives have one major disadvantage. "They're so small," he says, "that they're easy to misplace or lose. I've managed to lose a couple of them myself."

BUSINESS MANAGEMENT SERVICE PROVIDERS

Business management service providers can offer a number of options that make backing up your data easy and reliable, including automatic backup, off-site data storage, fast retrieval of critical files, reporting and recommendations tailored to your needs. For a list of providers, including RSSS, check APRO's Web site at www.RTOHQ.org.



EXTERNAL HARD DRIVES

As you know, the “permanent” storage device on your computer is its hard drive. This is where all of your applications and data files reside. The use of a second hard drive for backing up data is arguably the most popular of all systems.

“The method of choice for backups is the addition of an external hard drive,” says Leibrandt. “Plug the device into a USB port and copy your entire library of data files. For the ultimate in protection, unplug the drive and take it home with you at night for safe off-site storage. Because they come with huge storage capacity, one drive can do it all.”

The latest external hard drives have also benefited from technological downsizing. Drives of up to a whopping 250 GB of capacity cost about \$100 and are smaller than your favorite novel. Even smaller drives with a capacity of 20 GB are no larger than a cigarette package.

For the ultimate in compactness, Leibrandt likes the FireLite brand. “I’ve had very good luck with them,” he says. “However, you won’t go wrong with any of the major manufacturers such as Maxtor and Iomega.” Maxtor drives, bundled with Dantz Retrospect software, include a one-touch backup button. Just press the button and do other work while your computer handles the backup procedure automatically.

ONLINE DATA STORAGE

Business owners who prefer not to invest in backup hardware and try to avoid the bother of toting physical backups to an off-site location have an alternative method that helps solve both of those issues. Online data storage allows you to log on to a secured Web site where you may upload your files for storage and recovery if that is ever necessary.

Most rental-specific software packages such as Computer Solutions offer an online storage option for an additional fee. “One of our clients in Ohio recently had a devastating fire,” says Shea, “but we were able to get him up and running quickly with our online backups.”

The costs for online storage vary according to the capacity you require. Ibackup.com offers a basic plan with 5 GB of storage space for \$9.95 per month. An enhanced plan

with additional features costs \$14.95 per month. Packages of up to 300 GB are available from Ibackup. Rates from other companies are similar. Iron Mountain (ironmountain.com) offers a plan with 2 GB of space for about \$165 per year. All companies encrypt their stored data so that it cannot be accessed by unauthorized persons.

You may be entitled to free online storage space if you have an account at Hotmail or Yahoo. Also, some internet service providers offer limited storage space to their account holders at no additional charge.

“There’s one caution with online data storage that you should keep in mind,” says Leibrandt. “If the provider’s server goes down, you won’t be able to back up or have access to your files until the problem is fixed. That’s why I consider online data storage a supplement to traditional backups, not a replacement.”

UPLOAD

SCHEDULE REGULAR BACKUPS

Remember that protecting your business against data loss will be effective only if you perform your backups on a regular basis. Unless you use a program or a service provider with an automatic backup feature, you must initiate the process.

How often should you back up your data? If you used your computer only occasionally, a weekly backup might be enough. However, when important information in your computer changes every day or multiple times per day, you should make backing up a regular part of your daily routine. “We do data backups three times per day for some of our clients,” says Crider.

“For the ultimate in protection, you must always store a backup copy of your data offsite,” says Meyheofer. “When my client’s building was destroyed by fire, I asked if he had current backups of his business data. ‘Sure,’ he replied. When I asked where they were, he pointed to his burnt-out building.” In today’s lingo, this is called disaster recovery, according to Crider. Disaster recovery includes having a copy of your backup data offsite as well as onsite. “The disaster recovery concept is a fairly new development,” says Crider. “It really took off after [Hurricane] Katrina. The idea is that you have an offsite disaster recovery system so that you can basically be up and running in a very short period of time instead of rebuilding your data from memory,” he says.

Finally, whatever backup option you choose, be sure to do a test restore occasionally to make certain that it’s working properly. “Don’t wait until you have a catastrophic loss to discover that your backups don’t work,” says Leibrandt. ■

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Postcards

Big results from small mailings



Good things come in small packages." That saying, so familiar to gift givers, seems equally valid for the direct mail postcard. Despite competition from the Internet, four-color brochures, television and radio, the humble little postcard refuses to cede ground as an integral element in successful marketing programs. "Companies in the rent-to-own industry can and still do use postcards and they can be effective," says Al Benson, vice president of sales for Central File Marketing, a full-service print shop and direct marketing company based in Brown Deer, Wisconsin. Little wonder why: A correctly designed postcard can pop out of a pile of mail and catch the recipient's eye with an immediate message. "The reason we like postcards is because they allow the recipients to get your message and your call to action without opening envelopes and breaking open tabs," says Marty Smith, vice president of sales of St. Louis-based Imagery Marketing Consultants. "Very often recipients toss envelopes without opening them and the sales messages get lost."

By Phillip M. Perry



etting that high-powered message to a select group of people can heighten the results. “Postcards are especially effective for reaching targeted audiences,” says Bonnie Nitzsche, owner of Cincinnati-based Nitzsche Advertising. For example, postcards might be used to promote a furniture special to a current customer list. And many rent-to-own dealers like to send cards toward the end of the month to their house list, since so many people receive checks at the first of each month.

CREATE GREAT OFFERS: The postcard’s small size, of course, does present a challenge. The fact is, recipients are likely to overlook a postcard that arrives with bulkier and more impressively sized envelopes and catalogs. “A postcard gets about one to two seconds attention when it arrives in a stack of mail,” says Benson. “It will get more time if you’re lucky and it arrives without a lot of other mail. But postcards tend to get lost in the shuffle. It’s tough to get the message across unless you have a good design so that the card stands out in the mailbox.”

Just how do you get your postcard to stand out in the mailbox?

Job #1: develop an offer the recipient can’t refuse. “We



POSTCARDS COURTESY OF IMAGERY MARKETING CONSULTANTS



have found that in the rent-to-own industry, ‘free’ is the most powerful message,” says Benson. “Offering the first week free is a traditional marketing offer and it’s a great way to avoid having your merchandise sit on your floor unrented.” The message might be to “bring in this card and your next item is free until January.”

A variation on this is the matching payment offer: The customer pays a week and the rent-to-own store pays a week.

“Present some kind of enticing offer that draws people in,” suggests Nitzsche, who has seen postcards used successfully in promotions such as these:

- ▶ Pictures of three rooms of furniture with a burst graphic in the middle. Text states: “All three rooms for only \$39.95 a week.”
- ▶ Pictures of several items of furniture or electronics. The headline states: “Choose your discount.” The customer can choose from alternatives such as a percentage off, or “rent for three weeks and get a fourth week free.”
- ▶ A limited time offer of a “free gift for the first 500 customers who bring in this card” or “free gift, no purchase necessary.” These offers lend a sense of urgency and are especially good for special events or grand openings of new stores. Another way to get people to act right away is to include a “limited time only” offer.
- ▶ A “\$10 brings it home today” headline. This high-value approach has proven itself a winner, according to Nitzsche. “That’s a grabber; it’s a strong offer.” Any limitations can be covered by a line that says “see store for details.”

PRINT LARGER SIZES: A great offer is one thing; Finding the room to get the details across can be quite another. While larger postcards (such as 4x6 inches or 5x7 inches) are more expensive to print and mail, Nitzsche says it may be worth the cost because they can attract greater attention from recipients. There is also more space for your message. “You can have your main message on the front of the card and print details on the reverse side,” she notes. There will be plenty of room for the store address, information about nearby landmarks, and even a slogan about the store such as “if you are renting from someone else, you are paying too much.”

Smith recommends postcards at sizes of 8x5 inches or larger. “We prefer to see 11x6 inches, since the larger postcards tend to get noticed more easily while still qualifying for bulk postage,” he notes.

Digital printing methods, adds Smith, have now made it cost effective to incorporate variable data and print on larger paper that can be folded prior to mailing. For example, a tri-fold postcard can be printed on 6x12-inch stock that folds down to 6x4 inches. This allows for plenty of personalization in terms of the customer name and offers that are based upon previous rentals.

DESIGN CAREFULLY: Well-designed postcards attract the eye and drive your message home. Avoid trying to cram too much information into a limited space, suggests Nitzsche. “You need to leave enough white space to create an inviting card that people are likely to read.”

Nitzsche adds that the style of type and color of print has

a big impact. She tends to favor white type over a red burst or black type over a yellow one. "These combinations really seem to hop off the page."

Four-color printing has become the standard for postcards, with most marketers noting that its response rate is far higher than that for black and white. Combine color with graphics for real impact. Remember that many recipients will look at the address side of your postcard first, so make sure there is an eye-catching picture on that side of the card as well as the front.

PERSONALIZE YOUR MESSAGE: Target your consumer directly. Benson suggests including the recipient's name (rather than "Occupant") in both the address block and the selling message. You can also tailor the offer to previous rental transactions from the target customer. Add further personalization with a message from the manager offering to take care of the customer personally.

One technique to heighten the postcard's profile is to get the recipient involved in some way. "The more time the recipient spends with a piece of mail the more effective it is," says Benson. Recently the industry has been moving toward folded postcards that open up to present larger messages. This involves the recipient in a physical activity, which extends the time spent with the mailing and heightens interest. The larger size does not add significantly to the printing cost, and if carefully planned the postage will not increase. (Folded cards can be as large as 6½ inches by 11½ inches finished size without an upsurge in the bulk postage cost.)

MAIL CONSISTENTLY: The most successful postcard campaigns time their mailings to coincide with a customer's complete life cycle. This begins with "welcomes" to new customers, "thank you's" to customers who have made final payments, and "we want you back" invitations to inactive people.

Midway through such a campaign, postcards can be used to "roll over" current customers into additional transactions prior to the expiration of current rentals. The card might



POSTCARDS COURTESY OF CENTRAL FILE MARKETING

offer a discount on the final payment of a currently rented item if the customer rents another item now. "Such cards can help plant the seeds for additional income," says Smith.

Powerful as they are, it's easy for such critical mailings to fall through the cracks and companies like Imagery have established automated mailing systems that take the detail work out of the hands of rent-to-own organizations to insure consistency to direct mail programs.

VALUABLE TOOLS: No one suggests that one isolated postcard mailing will work wonders for a rent-to-own operation's bottom line. As part of a continuing mailing program, though, or as an eye-catching foot-in-the-door for a larger marketing campaign, the ubiquitous postcard plays a significant role. "Rent-to-own businesses can really benefit from a consistent direct mail program," says Smith. "Postcards and other mailings to your regular customer list are valuable marketing tools." ■

Phillip M. Perry is a freelance business writer based in New York, New York.

WHILE YOU'RE AT IT,

Collect e-mail addresses

Maybe postcards are great for promoting your store, but don't overlook their potential for building your e-mail database. That's the advice from Steve Holsberg, president of Westlake Advertising Agency, Laguna Hills, California.

Here's how it works: "Start by designing a graphically pleasing postcard offering a discount cou-

pon code the recipient can use on your Web site," says Holsberg. "By punching in the discount code from the postcard, the customer receives a one time discount on products or services. In so doing, the target's e-mail address is automatically entered into your database. This can also be set up to be permission based so as not to spam unwilling targets."

Once in the database the target is periodically emailed new offers, coupon codes and promotions in lieu of using postcards. The postcard served its purpose.

"This system keeps the customers coming back for more while saving you mailing costs," says Holsberg. "That makes everybody happy."

Furniture, furniture accessories

The following is a list of furniture, furniture accessories and bedding suppliers that cater to the rent-to-own industry. All are either APRO associate members (*), advertisers in APRO publications (+), APRO Buying Show exhibitors (^) or APRO-endorsed member benefit program providers (~).

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Ashley Furniture Industries * ^ +

Contact: Kerry Lebensburger
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Arcadia, WI 54612-1218
954/384-9471; fax 954/385-8857
klebensburger@ashleyfurniture.com
www.ashleyfurniture.com

Baseline Licensing Group ^

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Norfolk, VA 23507-1329
336/882-8078; fax 336/882-8316
brown@racingfurniture.com
www.blsports.com

BDI Laguna * ^ +

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Kennesaw, GA 30144-1239
678/255-4537; fax 678/255-4580
jnardone@esend.com
www.bdilaguna.com/rto

Berkline/BenchCraft *

Contact: Parker Ariail
1 Berkline Dr.
Morristown, TN 37813-5747
423/318-1384; fax 423/585-4420
pariail@berkline.com
www.benchcraft.com,
www.berkline.com

Bernards Inc. *

Contact: Tom Black
P.O. Box 1489
High Point, NC 27261-1489
800/861-6130; fax 800/348-6738
tomblack@bernardsinc.com
www.bernards-furniture.com

Bushline Furniture Inc. *

Contact: Hollis Bush
P.O. Box 527
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423/626-5246; fax 423/626-7237
hollis@bushline.com
www.bushline.com

Coaster Co. of America * ^ +

Contact: Larry Furiani
12928 Sandoval St.
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562/944-7899; fax 562/944-5129
lfuriani@coasteramer.com
www.coastercompany.com

Colby Furniture * ^

Contact: Eddie Hamrick
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Hamilton, AL 35570-1688
800/239-2600; fax 205/921-3334
eddie@colbyfurniture.com
www.colbyfurniture.com

England Inc. *

Contact: Tim Tull
402 Old Knoxville Hwy
New Tazewell, TN 37825-6729
423/626-5211; fax 800/356-4518
tim.tull@englandinc.net
www.englandinc.net

Fraenkel Co./Englander Bedding * ^

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Baton Rouge, LA 70895-5385
225/275-8111; fax 225/272-7319
briana@fraenkel.com
www.fraenkel.com

HD Canvas Art ^

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417/271-6609; fax 417/271-3132
kevin@brazilianfurnitureco.com
www.brazilianfurnitureco.com

Higdon Furniture Co. *

Contact: Ralph Higdon
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850/627-7564; fax 850/627-2486
www.higdonfurniture.com

Home Line Industries * ^

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joshblock@homelinefurniture.com
www.homelinefurniture.com

Ideaitalia * ^

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828/464-1000, ext. 341;
fax 828/464-1066

Innovex Home Products Corp. * ^

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International Marketing & Manufacturing, dba Gonzalez & Associates * ^

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www.gonzalezrusticfurniture.com

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fax 619/671-5160
paultabeeek@martinfurniture.com
www.martinfurniture.com

Klaussner Furniture *

Contact: Steve Robbins
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Asheboro, NC 27204-0220
336/625-6175, ext. 8494;
fax 336/633-1766
srobbins@klaussner.com
www.klaussner.com

Michels & Co. *

Contact: Tobe Kramer
2828 Butler Ave.
Lynwood, CA 90262-4006
323/235-2828; fax 323/235-5784
t.kramer@michelsfurniture.com
www.michelsandcompany.com

Motivated Marketing * ^

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5901 Hatteras Palm Way
Tampa, FL 33615-4273
813/220 1115; fax 813/925-1410
tmurphy@motivatedmarketing.com
www.motivatedmarketing.com

PFC Inc. *

Contact: Patrick Priest
P.O. Box 705
Athens, TN 37371-0705
423/745-9127; fax 423/745-7409
patrickprst@aol.com
www.gopfcinc.com

PMD Furniture Direct, dba Royal Furniture Express * ^

Contact: Thomas Schmidt
1221 Champion Cir., Ste. 112
Carrollton, TX 75006-6854
972/241-0600; fax 972/241-0618
opusalexander@msn.com
www.royalfurnitureexpress.com

Progressive Furniture Inc. * ^

Contact: Dan Kendrick
P.O. Box 729
Claremont, NC 28610-0729
828/459-2151, ext. 221;
fax 828/459-9702
kendrick@progressivefurniture.com
www.progressivefurniture.com

Sandberg Furniture *

Contact: Wayne Harris
P.O. Box 58291
Los Angeles, CA 90058-0291
863/285-9924; fax 863/285-8099
harrisfurnsales@aol.com
www.sandbergfurniture.com

Steve Silver Co. ^

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jpreskitt@ssilver.com
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Wayne Strachan * ^

Strachan & Associates
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905/880-7422; fax 905/880-7421
waynestrachan@rogers.com

Summit Furniture Group International

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Hixon, TN 34373
423/842-1474; fax 423/842-1625
tbatka@comcast.net
www.summitsalesgroup.com

United Furniture Industries * ^

Contact: Jay S. Quimby
P.O. Box 308
Okolona, MS 38860-0308
800/458-7212, ext. 4186;
fax 662/447-4086
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unitedfurnitureindustries.com
www.unitedfurnitureindustries.com

University Loft Co. *

Contact: Tracia Fernkas
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tfernkas@universityloft.com
www.universityloft.com

Welton USA Ltd. * ^

Contact: Steve Sherman
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fax 214/596-2727
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www.weltonusa.com

FURNITURE ACCESSORIES

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www.aetnaglass.com

Baseline Licensing Group ^

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1309 Raleigh Ave.
Norfolk, VA 23507-1329
336/882-8078; fax 336/882-8316
brown@racingfurniture.com
www.blsports.com

Bernards Inc. *

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High Point, NC 27261-1489
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www.bernards-furniture.com

Coaster Co. of America * ^ +

Contact: Larry Furiani
12928 Sandoval St.
Santa Fe Springs, CA 90670-4061
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Dimplex North America ^
 Contact: Crystal Andrews
 2367 Industrial Rd.
 Cambridge, Ontario N1R 7G8 Canada
 519/650-3630; fax 519/650-3651
 c Andrews@dimplex.com
 www.dimplex.com

Floranovara Inc. * ^
 Contact: Martin Leenders
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 Virginia Beach, VA 23471-8755
 757/499-5602; fax 757/499-5603
 Floranovara@aol.com
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Gidget Meaut & Associate LLC ^
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 9209 Champion Cir.
 Gulfport, MS 39503-7611
 228/831-5998; fax 228/832-7403
 gmeaut@bellsouth.net
 www.gidgetm.com

Guardsman, business unit of the Valspar Corp. ^
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 Grand Rapids, MI 49512-2005
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 www.guardsman.com

Canvas Art ^
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Labs Inc. ^
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 aschwartz@labsinc.com
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Paragon *
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 mreaves@paragonpg.com
 www.paragonpg.com

Twin-Star/ClassicFlame *
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 115 S.E. 4th Ave.
 Delray Beach, FL 33483-4515
 561/809-0941; fax 561/330-3205
 bcaples@twinstarhome.com;
 jpcollettogroup@aol.com
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 3562 Dug Gap Rd. S.W.
 Dalton, GA 30720-4929
 706/226-5555; fax 706/226-8844
 bruce@carpets.com
 www.unitedweavers.net

FURNITURE BEDDING

Coaster Co. of America * ^ +
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 www.coastercompany.com

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 www.fraenkel.com

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 vnicolson@simmons.com
 www.simmons.com

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 Asheville, NC 28806-0012
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