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APRIL-MAY 2008

25 | MAKE THE RENT-TO-OWN CONNECTION

Meet us in St. Louis and make *your* rent-to-own connection at APRO's 2008 Convention and Buying Show, August 11-14. It's the industry's must-see event of the year and we've got all the details and registration forms within these pages.

40 | IN SEARCH OF THE INDUSTRY'S FINEST

APRO's annual RTO Customer of the Year and Employee of the Year awards shed light on what makes this industry great. We're asking for your help in finding this year's recipients—we'll even pay you for your efforts! Check out profiles of past recipients and then start your search.

BY RICHARD MAY

46 | RENT-TO-OWN AND ISLAM

What do rent-to-own and Islam have in common? Quite a lot, actually. Islamic populations governed under Sharia law are being told they cannot enter into transactions where interest is charged. Enter *ijara*—rent-to-own Muslim-style.

BY ED WINN III

50 | LAPPING UP THE COMPETITION: AN APROFILE OF SCOTT BROWN

Scott Brown, a former record-breaking swimmer, now dives into his ColorTyme franchises with ambitious goals, plans and processes for unsinkable success.

BY KRISTEN CARD

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Association of Progressive
Rental Organizations'

RTO EMPLOYEE DISASTER

RELIEF FUND

Rent-to-own families helping families of rent-to-own

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@rtohq.org or by calling 800/204-2776, ext. 101.



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Legislative Conference garners increased support for RTO

More than 125 rent-to-own industry activists attended APRO's 2008 Dave Egan Legislative Conference, held February 11-13 in Washington, D.C. Dealers and vendors held approximately 200 meetings with members of Congress and their staffs to educate them on the importance of H.R. 1767 and S. 1012, the industry-supported *Consumer Rental Purchase Agreement Act*.

In addition to the successful meetings held during the conference, attendees were treated to an address by Frank Davis, senior policy analyst for Representative William Lacy Clay, sponsor of H.R. 1767

Davis praised the leadership and lobbying efforts of the rent-to-own industry and vowed adamant support for passage of the bill.

"You have done an amazing job," Davis said. "We are following your lead and we appreciate the professionalism you display every time you

are in Washington. This is truly a partnership. We will get this done and we will carry the ball across the goal line."

Along with the Senate version of the bill, S. 1012 sponsored by Senator Mary Landrieu, the legislation would define the rent-to-own transaction as a rental agreement, not a sale, and would provide for additional consumer protections.

In addition to Clay's efforts to get the bill through the House Financial Services Committee, APRO Public Affairs Director Richard May says recent developments on the Senate side put the industry in an enviable position.

"Less than one percent of legislation in the U.S. Congress is passed every session," May says. "If you can get the House and Senate moving concurrently, you are in one of the most advantageous positions legislatively you can be in."

Rent One stores flooded in Midwest deluge

The torrential rainfall and wide-spread flash flooding that battered the Midwest in March damaged at least three rent-to-own stores.

Two Rent One locations—one in Marble Hill, Missouri, and one in Harrisburg, Illinois—were shut down when



Above: Legislative Conference attendees.
Right 1: Frank Davis, Representative Clay's legislative director, with "Tiger" John Cleek and Larry Carrico. Right 2: Hayne Rainey, Senator Landrieu's legislative assistant, with Cleek and Carrico



water swamped the stores as a result of the deluge that pounded the area with nearly 12 inches of rainfall in a 24-hour period March 18 and 19.

Another Rent One store, in Carbondale, Illinois, was partially shut down after city sewer lines unable to handle the excessive run-off from the storms backed up and filled the store with two inches of raw sewage.

Despite the sewage back-up, SKC Enterprises (parent company of Rent One) Vice President Murray Beck says the store continued to do business, although much merchandise had to be moved to other Rent One locations.

"It was a mess because we had to pull the carpets and sanitize everything;



Flooding outside Rent One's Harrisburg, Illinois, location

but we managed to keep the store open at least partially," Beck says. "We'd meet customers at the front door to take their payments and had to move merchandise to other locations. So far we've been able to conduct business from afar."

At press time, the Marble Hill location is still being cleared of excess water and mud.

"Enough water got in there to float some

refrigerators around, but it receded real fast," Beck says. "I think our employees rose to the occasion and I applaud their efforts."

As for the Harrisburg store, at press time company officials couldn't even get to it because the state police had barricaded the area. More than 74 businesses reported flood damage and many homes were underwater. Reports estimate damages at \$4

million for the Harrisburg area.

SKC President Trent Agin credits the company's transition to an online network database two years ago with helping to alleviate the effects of the flooding on both Rent One and its customers.

"Everything is on a server so there is no data loss," Agin says. "Five years ago, the POS would have been underwater at that store. We'll be fine and thank goodness we have some tools in place to stay on top of it."

"This disaster is horrible, but if I had to take a hit somewhere and could choose the location, it would be here," Agin says. "With this quality of management and employee dedication, we will survive it well and make the best of the cards dealt to us."

Rent-to-own bill continues to move through Congress

U.S. Representative William Lacy Clay is working with House Financial Services Committee Chairman Barney Frank to get a hearing on H.R. 1767. That bill and S. 1012 are the respective House and Senate versions of the RTO-industry-supported *Consumer Rental-Purchase Agreement Act* currently pending in Congress.

Due in part to a very successful APRO Legislative Conference held in Washington, D.C., in February, the list of co-sponsors for the two rent-to-own bills continues to grow. At press time, the number of House co-sponsors was 82; the Senate bill has 21 co-sponsors. A complete and up-to-date list of all co-sponsors is available on APRO's Web site at www.rtohq.org. Since APRO's Legislative Conference, at least 18 members of Congress have signed on as co-sponsors.

TRIB Group board re-elects Lewallen

TRIB Group's board of directors wrapped up its "Silver at the Summit"



25th Convention and Trade Show in Dallas on March 20

by re-electing Ernie Lewallen as president. Lewallen, UHR Rents, retains his position and Lyn Leach of Ace Rent-to-Own, was elected vice president.

MAY 2008

6
New York State Rental Dealers Association Meeting, Turning Stone Casino, Verona, New York. For more information, contact Dave Edwards at 860/895-1640 or visit www.nyrentaldealers.org.

7-9
High Touch Users' Conference, Wichita, Kansas. For more information, contact Brenda Flax at 800/326-6059 or visit www.hightouchinc.com.

JUNE 2008

16-18
Missouri Rental Dealers Association Heartland of America Trade Show and Seminar, Lodge of Four Seasons, Lake Ozark, Missouri. For more information, contact Ken Steiner at 573/442-2963 or visit www.missourirentaldealers.org.

18-22
ColorTyme 2008 National Summer Retreat, Sagamore Resort, Bolton Landing, New York. For more information, contact Rhonda Davis at 972/403-4945 or visit www.colortyme.com.

JULY 2008

28-August 1
Las Vegas Furniture Market. For more information, call 888/416-8600 or visit www.lasvegasmarket.com.

AUGUST 2008

11-14
APRO's 2008 Convention and Buying Show, Renaissance Grand & America's Center, St. Louis, Missouri. For more information, contact Shelley Martinek at 800/204-2776 or visit www.rtohq.org.

17-20
RentDirect Nationwide PrimeTime! Vendor Show, Mandalay Bay Resort, Las Vegas, Nevada. For more information, contact James MacAlpine at 336/714-8802 or visit www.gorentdirect.com.

20-24
Tupelo Furniture Mart's Summer Furniture Market. For more information, call 662/844-1473 or visit www.tupelomarket.com.

21
Quality Rentals' Dan Quinn/James Webber Memorial Golf Outing, Lacey, Washington. For more information, contact Bryan Huff 253/539-0516 or Angela Quinn 253/847-3836.

24-28
AVB Brandsource Annual Convention Las Vegas, Nevada. For more information, contact Jennifer Maloney at 714/502-9620 or visit www.brandsource.com.

For a complete list of all rent-to-own industry events, visit RTOHQ's calendar at www.rtohq.org.

Missouri rental dealers hold record-breaking meeting

More than 120 dealers, employees and vendors turned out for the annual Missouri Rental Dealers Association's annual membership meeting February 6 in Columbia, Missouri, making this year's meeting the largest in the association's history.

Store-level professionalism, personal growth and legislative issues dominated the meeting. Guest speaker Bill Keese, APRO's executive director, stressed the important role played by store-level personnel in shaping the public image of the rent-to-own industry. Keese said the professionalism displayed in store-level interactions would translate into a more positive perception of the industry.

"The efforts of store personnel to help millions of customers achieve the American dream is a message we will take to the U.S. Congress," Keese said.

Also during the meeting, author and motivational speaker Bryan Dodge made a pitch for personal growth centered on goal setting and getting outside of oneself. Dodge told the audience the top two reasons people do not set goals are the fear of failure and the fear of success.

Boosting membership and participation in the state's annual trade show topped MRDA President John Cleek Jr.'s list of goals he shared with fellow rent-to-own dealers at MRDA's membership meeting. Despite hosting a record-breaking regional trade show last June that drew more than 171 dealers, 52 vendor companies and over \$600,000 worth of purchase orders, Cleek is convinced MRDA can draw even more dealers in 2008.

"The main thing we need to improve on is we've got to get more companies to these shows," Cleek Jr. says. "My goal as president is I want every rent-to-own dealer in Missouri to be a member of MRDA; then we want to get them active."



MRDA guest speaker Bryan Dodge

Kathy Windsor, National TV Sales and Rental, was elected secretary and Terry Beville of Buddy's Home Furnishings is the board's new treasurer.

Approximately 500 TRIB Group members and vendors attended the show and represented almost 180 companies. TRIB Group dealers bought a record-breaking \$23.7 million worth of product at the show. Approximately \$3.6 million of that—almost double the sales from last year—was purchased during TRIB Group's "Hot Show," which was held before the buying show floor officially opened.

The Dallas show was a landmark not only for its commemoration of the association's 25-year history but also for its recognition of TRIB Group's future as well.

The buying show, held March 17-19, marked the first time TRIB Group co-located its show with strategic partner AVB Brand Source, a 4,500-member buying group with 7,500 store-fronts and \$11 billion in buying power.

In other TRIB Group convention news, long-time board member John Spangle was honored with the Norman W. "Slats" Slatton Sr. President's Award, TRIB Group's most prestigious honor. The honor is awarded to a member who has made signifi-



TRIB Group President Ernie Lewallen presents the Norman W. "Slats" Slatton Sr. President's Award to John Spangle at the TRIB meeting.

standing ovation from close to 200 dealers and vendors in attendance.

"When I was elected to the TRIB board nine years ago, we were down to 83 companies," Spangle told the audience. "We were in transition and the industry was in consolidation

mode. In nine years, I've gotten more from you guys than I ever possibly could have given."

Spangle, who retired from the TRIB Group board at this year's convention, also noted improvements in the association's relationship with APRO during his tenure on the board and credited Lewallen with helping to mend the once-strained relationship.

TRIB Group members also honored Brian Duke of Whirlpool with the Lowry Shrader People's Choice Award, an honor awarded to a representative of an approved vendor who best exemplifies customer service and industry support.

Rent-A-Center initiates "Random Acts of Caring" program

In mid-March, New York Rent-A-Center employees delivered 10-packs of one-ride bus passes free of charge to 700 randomly selected households in Rochester. It's the latest event in Rent-A-Center's "Random Acts of Caring" program, which was initiated in January.

Additionally, the company is providing 3,000 one-ride passes to three

contributions to TRIB Group. Spangle, president of Partner's Rental Purchase, received a

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New York organizations—RochesterWorks, The ARC of Monroe County and the Trans-



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portation Foundation.

In February, Rent-A-Center employees went door-to-door in Elmira, New York, giving 400 families \$50 credits on their home heating bills.

“Every day we help people with multiple needs, but limited resources, build a better life for themselves,” says Ted DeMarino, senior vice president for Rent-A-Center in upstate New York. “We wanted a community initiative that embodied that same spirit and ‘Random Acts of Caring’ does just that. It lets us surprise people, who weren’t expecting the day to be any different from any other day, with something that instantly enhances their lives simply because someone cares.”

As part of the “Random Acts” initiative, Rent-A-Center will dispatch co-workers at least once a month to surprise people with something unexpected.

“This is a fun, creative and, most importantly, useful way to say ‘thank you’ to the many com-

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Rent-to-own industry donates 28 computers to St. Louis schools

Missouri Congressman William Lacy Clay joined national, state and local RTO-industry representatives on March 7 to launch the “Computers for Kidz” program—an initiative to help bridge the digital divide in needy areas. On behalf of four area charter schools, Clay accepted 28 computers at a press conference held at the Imagine Middle High College Preparatory School in St. Louis, Missouri.

“It heartens me to be in partnership with APRO in a program like this that we know will have a positive effect on the young people in the St. Louis community,” Clay said at the event. “It shows me that they care about the communities they serve and the plight of our young people and their future.”

The “Computers for Kidz” program is a collaborative effort of the Missouri Rental Dealers Association, National Rent-To-Own, Rent-n-Roll of St. Louis, Rent-A-Center, Aaron’s and APRO. In addition to the computers donated to the schools, two additional computers will go to each campus as prizes for an essay contest inaugurated by Clay’s office. Students at each school will be asked to compose an essay on the theme, “What Does Black History Mean in St. Louis.” Two winning essays will be selected by principals at each school and the winning authors will take home new desktop computers.

“It’s an awesome commitment,” says Tamara Thomas, assistant principal at Imagine Middle High School. “I hope it mushrooms and more organizations and companies will come to the table as well and be willing to donate these things to our schools that don’t have the collective resources.”

Missouri Rental Dealers Association President John Cleek Jr. says: “Our members are very active in donating their time and money to many worthwhile charities and we are pleased to be here for this worthwhile educational opportunity. Our goal with this donation is to give the teachers the tools and resources necessary to teach the students the skills they will need to learn in order to become successful.”

The school computer donation program was created in 2007 by the New York State Rental Dealers Association under the leadership of NYRDA President Dave Edwards, Congressman Ed Townes and APRO.



“Tiger” John Cleek Jr., Congressman William Lacy Clay and APRO President Larry Carrico with Imagine students

munities where we serve residential and business customers,” says Mark Speese, Rent-A-Center’s chairman and chief executive officer. “And for our co-workers who understand and champion the importance of a mutually beneficial relationship with these very same communities—this is a great opportunity to walk the talk.”

RTO pioneer Gates speculates on the industry’s future during RentDirect show

During RentDirect Nationwide’s Primetime! Spring Convention and Buying Show held March 2–5 in Dallas, Texas, former Rent-A-Center CEO Bud Gates spent more than an hour with rent-to-own dealers and vendors, recalling strides made during the past 20 years that have contributed to the health of the rent-to-own industry today. But, Gates warned, big changes are on the way.

“The industry is healthy and it’s growing,” Gates told the room of more than 100 attendees. “It is consolidating and the legislative environment is much more defined today. But I think we are facing some dramatic changes ahead.” Gates speculates that an aging population

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will be less likely to rent, but explosive growth in the Hispanic population could present new opportunities.

"Over the next 15 to 20 years, Hispanics are going to be a disproportion-

ate share of our growth," Gates predicts. "One in every four customers will be Hispanic."

Gates is a Harvard MBA who served as CEO of Rent-A-Center for more a decade. He is currently a master franchisor with Canada-based Easyhome Ltd., where he is leading that company's expansion into the U.S. market.

On the legislative front, Gates encouraged vigilance by dealers and vendors and challenged them to stay engaged in both state and federal legislative issues. "Get

involved and get involved now," he told the group.

When asked what he would say to New York Senator Chuck Schumer—who has introduced a bill that would impose price controls on the rent-to-own industry—Gates's answer was cordial and diplomatic: "I would encourage him [Schumer] to take the time to get past the sensational headlines. The customer understands what he is doing and [that customer] knows that if it were not for the rent-to-own transaction, he would probably go without. This

transaction has a tremendous place for certain customers."

Also during Prime-time!, rent-to-own dealers visited the show floor where more than 25 RTO-specific vendors displayed their wares.

RentDirect Nationwide's first show of 2008 broke previous attendance records for the twice-a-year conference with more than 3,500 in attendance. Approximately 260 members of the rent-to-own industry representing more than 120 companies attended the event.



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Bryce Jewelry acquires rights to M&B

Bryce Co. Jewelry, the nation's leading supplier of diamond and gold jewelry programs to rental and specialty retail companies, has acquired the exclusive rights to manufacture M&B jewelry designs. Bryan Collins, Bryce Co. president, says the agreement, which was finalized in late January, will allow Bryce to provide product to customers of M&B, a company that's been in business for 30 years and was previously known as Jerry Bogo Co.

"We are proud of the success our live jewelry program has within the rental industry and excited to place the Bryce touch on the M&B program," says Collins. "We are prepared to provide a seamless transition for M&B customers. In addition to the core M&B offerings, we will add other distinctive products. We consider this to be both a powerful solution for M&B customers and a unique business opportunity for Bryce Co."

Rent-n-Roll honors its finest at annual meeting

Rent-n-Roll Custom Wheels and Tires presented its top franchise

Association of Progressive Rental Organizations

RTO EMPLOYEE DISASTER RELIEF FUND

Rent-to-own families helping families of rent-to-own

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@rtohq.org or by calling 800/204-2776, ext. 101.



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award January 29 to Rental Concepts at an awards banquet marking the apex of a three-day franchisee conference in Orlando, Florida. Rental Concepts owners David Harrison, Geron Vail and Don Parker own and operate five stores in Arkansas, including the first opened under the re-branded RNR name. "They've got an incredible attitude about where we're going and what we do," says Rent-n-Roll founder Larry Sutton. "Everything they've done has been innovative and successful." Rental Concepts is

currently planning its sixth store opening in Dallas. "What a privilege it is to work with Larry—someone who has proven himself in business and this industry," says Vail. RNR store manager of year award went to John Stout, who manages a corporate store in Pinellas Park, Florida.

In addition, more than a dozen RNR stores showing 2007 receipts of over \$1 million in total revenue were honored at the banquet. Visit www.rtohq.org's news archives for complete coverage, of RNR's conference.

ColorTyme wraps up another great convention

ColorTyme's 2008 Convention, held in Frisco, Texas, January 13-16, marked the first time the company has combined its Winter Operations Meeting and National Convention into a single event. The convention provided a motivational start to the new year for ColorTyme franchisees, franchisee support team members and suppliers in attendance. Franchisees came from as far away as Boston and

Hawaii to buy, learn and share ideas and accolades with their peers during the training sessions, trade show and awards ceremony.

During the convention, ColorTyme recognized franchise owners and their managers for individual store accomplishments with Bronze, Silver, Gold, Platinum, Diamond and Double-Diamond award levels, as well as entrants into the "Million Dollar Club" and winners of the "New Store Award." For the fourth consecutive year, manager



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Mark Shaw earned the Double-Diamond award for the Waipahu, Hawaii, location. However, for the first time in the awards history, Shaw was not alone on stage. Dean Traufler, manager of the ColorTyme in Middletown, Ohio, reached the Double-Diamond status, marking his first time to receive ColorTyme's highest individual-store honor.

ColorTyme's top award went to ColorTyme's largest franchisee, Mike Harwood of TLH Enterprises, who was named 2007 ColorTyme Franchisee of the Year. He is the only ColorTyme franchisee to receive a Top 10 Award for three consecutive years.

The 2007 New Franchisee of the Year award went to Cort Hill and Jim Conyers, franchisee partners from Elkton, Maryland. Longtime friends and RTO veterans, Hill and Conyers opened their first store in November 2006 and plan a second location this year.

Also during the meeting in Frisco, ColorTyme's Director of Marketing Amy Woods presented ColorTyme's new store design, which offers a warm color palette to give customers a more pleasant, retail-inspired experience. She also previewed the new, more user-friendly Web site design, which will allow franchisees to customize their information

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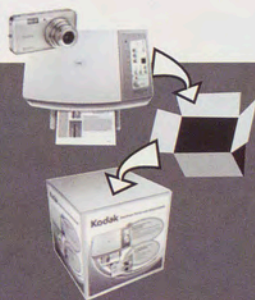
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on a store-by-store basis.

Rhonda Davis, ColorTyme's director of purchasing, gave an overview of the digital-to-analog converter coupon program and shared details of the ColorTyme Summer Retreat, scheduled for June at the Sagamore Resort in upstate New York. She also reported on a key

donation to Kids Across America, ColorTyme's primary charity since 1991. ColorTyme Inc. and ColorTyme franchisees partnered in 2007 to cumulatively donate \$48,402 to the non-profit group that provides mentors and sports camp experiences for 6,000 urban campers and 800 leaders from

more than 500 cities in 37 states each year.

Franchisees and their employees previewed ColorTyme's vendors' offerings for 2008, with the latest in home entertainment, appliances, furniture, computers and specialty items on display at the Vendor Show Preview. This year's show included

37 of ColorTyme's select vendors.

ColorTyme's general session featured successful franchisees sharing strategies that have worked well for them. Keynote speaker and hypnotist Anthony Galie captured the attention of all convention attendees when he gave a presentation on training the subconscious mind for success.

New recruitment campaign features video to carry APRO message

APRO board member Larry Goad's idea to bolster APRO's membership recruiting campaign landed him the starring role as host of an upcoming DVD production. Goad, owner of Zion's Television Showrooms in Harrogate Tennessee, visited APRO's Austin headquarters on March 31 to shoot the principal footage for the video, which will make the case for membership in the rent-to-own industry's national trade association. He's had some experience on camera before hosting this project; Goad scripts and stars in his television commercials for Zion's.

In the membership-recruitment video, Goad extols the virtues of being in APRO, urging rent-to-own dealers who are not members to consider the benefits of unifying through the association—not only to ward off legislative threats, but to rub elbows, share ideas and network with colleagues as well.

"Our industry is different than any other industry because we actually *help each other*," Goad says. "That's something you're not going to find in many other industries and APRO is a big part of that."

APRO's work as a proactive force in the industry—specifically its assistance in organizing state associations and helping move state rent-to-own laws to passage—are some of the benefits Goad highlights in the presentation. He recaps APRO's progress in reshaping the image of rent-to-own through its dissemination of news and information as well as its promotion of industry-defining legislation at the federal level.

"The value of our business is tied directly to our trade association, which in turn is tied directly to its members," Goad says. "Get plugged in. The stronger our trade association is, the more valuable our business."

Once completed, the membership recruitment video will be presented on APRO's Web site (www.rtohq.org) and will be issued as a DVD in September to recruit new members.

Rent-A-Center promotes Korst, DeMoss, Eichelberger and Crawford

Rent-A-Center announced three executive promotions in January. Chris Korst is now executive vice president-operations; Ron DeMoss is senior vice president and general counsel; and Dan Eichelberger is vice president-business development.

"It's great to be able to reward exceptional performance and further strengthen your management team at the same time," says Mark Speese, chairman and chief executive officer at Rent-A-Center. "Chris, Ron and Dan bring numerous assets to their new positions and we expect we will continue to see significant contributions to our company from each of them and their respective teams."

Korst has been serving as Rent-A-Center's senior vice president and



general counsel since 2001. He joined the rent-to-own

industry in 1985 as a staff attorney with Thorn Americas. In his new position, Korst will oversee operations for five divisions, primarily in the western half of the U.S. He will also have responsibility for the company's Canadian operations and its Get It Now! division as well as

its public affairs team.

DeMoss joined Rent-A-Center last year following the company's acquisition of RentWay, where he served as general counsel for 11 years. Rent-A-Center's legal team will report to DeMoss and he will also assume responsibility for the company's government affairs initiatives.



Most recently serving as senior director of business development, Eichelberger joined the rent-to-own industry



fresh from high school. He joined Rent-A-Center's home office

team in 2004 as director of acquisitions. Eichelberger will now manage strategic acquisitions as well as oversee some of Rent-A-Center's developing businesses, such as its corporate leasing group that provides furnishings for corporate housing, trade shows, event staging and temporary residences.

Rent-A-Center has also promoted Becky



Crawford to vice president—field human resources. She will

continue to report to Mel McCall, vice president—human resources for the corporation.

"Becky has strengthened every facet of the field human resources organization," McCall says. "Her promotion reflects her hard work to date as well as the many contributions we know she and her team will continue to make as we grow our company."

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Crawford joined Rent-A-Center in May 2005. Her previous experience includes more than 20 years in store operations and human resources at retail organizations. In her new role, Crawford will continue to oversee 12 field human resources directors and their teams, which have responsibility for recruiting and retaining the talent necessary to ensure operational expertise and excellent customer service.

BDI Laguna changes name to ArchBrook Laguna

BDI Laguna, a distributor of consumer electronics and computer products, has changed its name to ArchBrook Laguna in an effort to more accurately reflect the names of the two formerly independent businesses that currently make up the company as well as the group that

ArchBrook Laguna

helped to bring them together in 2000.

The name change, launched on January 16, coincides with the completion of a series of investments made by the company over the past few years. These investments have brought about a number of changes, including the relocation of its New Jersey and Georgia facilities, the

addition of warehouse automation tools and technological upgrades to both its external and internal communications.

ArchBrook Laguna's Executive Vice President

Pete Handy says that the name change won't affect how the company does business. "We'll always be a distributor in the classic sense of the word," Handy told *Twice*, an on-

line consumer electronics publication.

To see ArchBrook Laguna's new corporate logo and redesigned Web site, visit www.archbrooklaguna.com.

New expense and depreciation tax rules for small business

A part of the *Economic Stimulus Package for the American People Act of 2008* concerns small business taxation for the year 2008, specifically new rules regarding the expensing of new equipment and new bonus depreciation rules. At first blush, the new law would appear to help rent-to-own dealers pay fewer taxes, but the truth may be a bit more complicated.

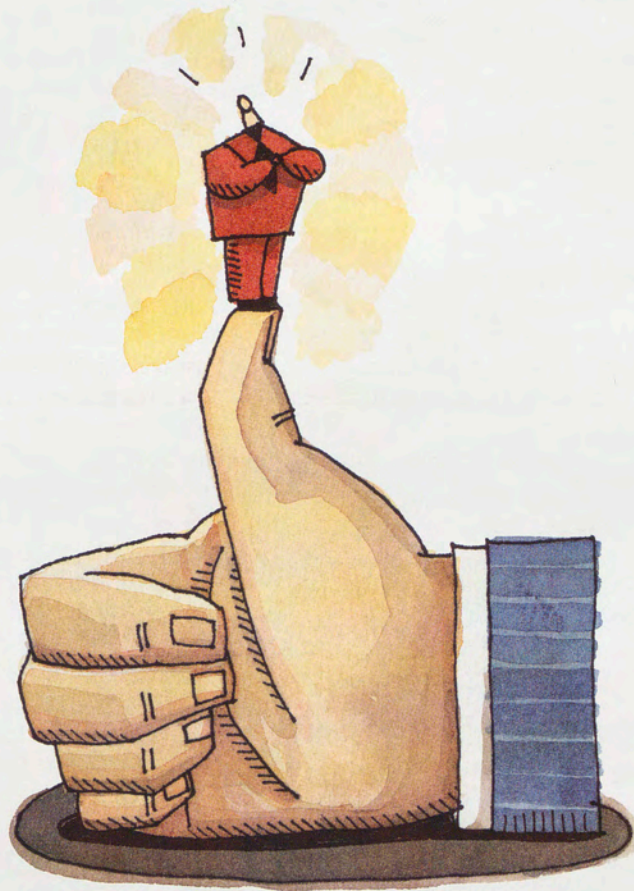
The first change doubles the amount of expenses for purchases of new equipment that can be claimed—from the current \$125,000 to \$250,000. However, this rule only applies to businesses that purchase less than \$800,000 in new equipment during the year. There are other limits as well.

The new depreciation rule allows business to take 50 percent of the value of new equipment purchases as depreciation in 2008 instead of whatever would have been allowed under the applicable depreciation rules. Once again, this new rule appears to be a boon, but the reality is more complicated.

There are a lot of rental dealers who jumped on the bonus depreciation bandwagon in 2001 only to regret it later. They reclaimed money in 2001 that they had paid the government in dollars taxed at a 25 percent rate only to have to repay that money later in dollars taxed at a 33 percent rate.

The ability for rental dealers to take advantage of either of these newly enacted tax rules depends upon the type of legal entity the dealer is using, whether the dealer is profitable in 2008 or not, the size of the dealer's business in 2008, the kinds of purchases that the dealer makes during the year—and a host of other variables.

It is imperative that dealers get with their tax professionals to determine the advantages—if any—of playing by the new rules. Ten different rental dealers, all contemplating the new rules, might get 10 different answers about how to file their taxes for 2008. As the year wears on, APRO will provide dealers with specific examples of how these new tax rules apply to rent-to-own dealers.



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Analytical, my dear Watson: RTOHQ's major makeover

If you've visited APRO's Web site in the past month, or opened an APRO news alert delivered to your e-mail inbox, you've probably noticed a new design. But the updated look of APRO's electronic publishing is just the tip of the iceberg. At the core of the changes made recently is a renewed mission to disseminate rent-to-own news and information that is timely, relevant and accurate. APRO has hired both a company that is an industry leader in Internet marketing technology and an additional staffer to help achieve these goals.

IN SEARCH OF A BETTER SITE

Internet technology changes daily—and almost as often, so do the surfing habits of those who depend on the Web and e-mail as news and information resources. To take the best advantage of constantly changing Internet technologies, APRO hired Phoenix-based WebShare in 2007 to implement the association's new, enriched RTOHQ site (www.rtohq.org), which debuted in early February of this year. WebShare is currently one of only five Internet marketing firms worldwide that is recognized by Google as Website Optimizer and Analytics Authorized Consultants, as well as a Google Adwords Qualified Company—components that represent key elements in directing qualified traffic to a Web site and enhance the user experience. WebShare is a leader in utilizing analytical data—

detailed statistics that track visitors from the second they enter the site to the time they leave—to bolster Web traffic and determine the correct approach to satisfying Web users' needs.

"The biggest change to the APRO Web site is that it uses the appropriate technologies to attract more visibility from two audiences—humans and search engines," says David Booth, a founding partner at WebShare. Human visitors view a Web site differently than the search engine "spiders," the automated programs deployed by search-engine companies such as Google and Yahoo to scour the Internet around the clock for relevant information on any given topic. "Today, search engines are our gateway to the enormous amount of information available on the Internet. We wanted to strike a balance and make the APRO site as attractive and easy to use

for the search engines as it is for the human visitors that use search engines to find it," says Booth.

Since its inception in 2005, Booth's company has focused on mountains of analytical data—analytics, as they're called—to determine what makes a site worth visiting. "One of the biggest draws to the [APRO] Web site is the news flow," says Booth. "Analytics tell us that the news is the most important reason people come to the site." To that end, the new design—along with other strategies implemented by APRO—makes rent-to-own news easier to access and more visible on the homepage.

WebShare's goal is to help visitors find the news they're after without having to click through a labyrinth of links to get there. "Most Web visitors use the internal search engine on a site to get to where they want to be," says Booth. "But we wanted to make it so that if you're externally searching from, say, Google and you enter, 'RTO legislative activity,' you can get to the precise page or pages on RTOHQ that have that information—instead of being sent to the homepage and having to navigate through to find the pertinent news."

If you're already familiar with APRO's site and aren't likely to use Google or Yahoo to get to the site,

you'll still benefit from the behind-the-scenes technologies designed to help with the continuous improvement of RTOHQ. WebShare's vast amount of analytical data helps determine how to make a Web site more beneficial to the end user. The company specializes in designing and conducting statistical experiments across a wide array of Web sites and markets to find out what makes users respond. Even seemingly small elements, such as the color of text for a navigation button, can have a significant impact on how visitors use a Web site. WebShare's research will help APRO stay ahead of the game and it will bring more to its users in the months and years ahead.

TUNE IN, TURN ON

Another significant content enhancement on the site is the RTOHQ Media Center, which offers podcast interviews with rent-to-own industry insiders and video feeds covering major industry events. APRO will beef up its video productions soon by implementing RTO news on demand. All videos and podcasts are being archived and will be search-engine friendly, meaning that if you type, say, "Larry Sutton video" into a Google search field, you'll land at RTOHQ's exclusive video interview with the owner of Rent-n-Roll Custom

Wheels and Tires.

The search engines have been crawling around RTOHQ and the numbers indicate that they like what they see. Analytics data shows that APRO Web site traffic from search engines has increased 172 percent since the new design was implemented in early February. Through Google's search engines alone, non-paid traffic is up 157 percent. Total unique visitors to the site are up 83.6 percent since the launch.

"We want to help APRO build traffic that is targeted to rent-to-own—traffic that is qualified," says Booth. "There's no point in boasting about your site's numbers if those numbers don't represent valid users of what you have to offer."

START SPREADING THE NEWS

While WebShare has helped APRO in its mission to disseminate



rent-to-own industry news in a timely and accurate fashion, the association has also beefed up its communications department with the addition of staff reporter Murlin Evans. If there's RTO news, Evans will be covering it.

Evans comes to APRO with more than 10 years experience in newspaper, magazine and television reporting, as well as

Internet content development and public relations experience. He has won awards—including one for "Excellence in Investigative Reporting" from the Associated Press Managing Editors of Texas—for his reporting in various Texas newspapers. And his background in video production, combined with the video skills of APRO's Public Relations Director Richard May, will enhance RTOHQ's Media Center productions.

Whether you've visited RTOHQ often or haven't yet made that click yet, check out www.rtohq.org, where you'll find accurate, ever-increasing news coverage of the rent-to-own industry. And if you have news pertaining to rent-to-own that you'd like to share with the industry, contact Murlin Evans, APRO's staff reporter, at 800/204-2776, ext. 105, or by e-mail at mevans@rtohq.org.

- 1 APRO's Media Center: Video and audio podcasts of rent-to-own events and interviews with industry leaders.
- 2 E-Communities: A forum for exchanging ideas and opinions on any and all RTO-related matters. Also, the place to go to register online for APRO events, including the upcoming 2008 Convention and Buying Show in St. Louis, August 11-14. In addition, E-Communities features a wide range of useful documents for downloading ("how-to" manuals, association bylaws, etc.).
- 3 Subscribe to *RTO Today*: While visiting RTOHQ, sign up for APRO's free e-newsletter, focusing on the latest news in the rent-to-own industry and delivered to your inbox several times a week.
- 4 Rent-to-Own Industry Headlines: APRO's extended coverage of everything newsworthy in RTO. News items are archived and searchable.
- 5 Calendar of Events: APRO keeps track of future happenings in the industry and lists them on RTOHQ.
- 6 What's new?: Here's where you'll find the latest information on APRO's push for federal legislation, including all the co-sponsors of current bills before Congress. You'll also find up-to-date information on APRO programs, such as the Customer of the Year and Employee of the Year contests. In addition, this section includes a list of new APRO members and vendors.
- 7 *Progressive Rentals* magazine: View the feature articles from the most recent issue of APRO's flagship publication; or download the entire issue as a PDF, which you can print out and read at your leisure. And there's much more to explore on RTOHQ!

This article could be about corn and biofuels, but it isn't. Rather it is about a hardy band of rental dealers in the great Midwest who, one might suppose, compete vigorously against one another day by day for rent-to-own customers and who come together with amazing speed and agility when dark forces from outside the industry threaten them.

Recently, Iowa—long deemed one of the reliable safe havens for RTO—saw a threat to the industry arise suddenly and without warning, and then, just as suddenly, the threat abated thanks to the Association of Iowa Rental Dealers with

Synergy in Iowa

some timely assistance from APRO. On February 19, Democratic Representative Mark Smith from Marshalltown, Iowa, introduced H.F. 2308, a bill proposing to amend various sections of the Iowa Consumer Credit Code, including an amendment to the definition of "cash price" in rent-to-own agreements in the state. The bill proposed to replace the "cash price" disclosure with the a "retail value" disclosure defined as:

The price at which personal property of like type, quality and quantity would change hands between a willing seller and a willing buyer, at retail, for cash, in the particular market area at the time the consumer rental purchase agreement is entered into...



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

This language was taken verbatim from the West Virginia RTO statute, but without the statutory guidance for calculating retail value in that state's statute. It is akin to the original definition of cash price in California, which resulted in class action litigation against a rental company in that state and a \$37 million settlement paid by the rental company. (The California statute has since been amended and state-imposed price controls now dictate rental dealers' cash prices there. There is also a class action suit pending in West Virginia that challenges how a rental dealer has been calculating "retail value.")

The dangers of this kind of language are not difficult to surmise from a rental dealer's point of view. In the first instance, the language is too vague for a rental dealer to know whether he is in compliance or not. He would only finally know after the plaintiff's bar filed suit and a jury determined whether the dealer guessed correctly when determining "retail value."

There are some items of electronic property that could be compared directly as to "type, quality and quantity." However, this is much more difficult to do in the case of furniture, which is an important rental category in Iowa. There are red sofas and there are red sofas. Some cost \$100 and some cost \$10,000—and they are *all* red sofas. Rental dealers can know how to price the sofas that they have purchased at wholesale, but they will be hard-pressed to monitor all retailers in the area to make sure that the price for the rental red sofa is the real "retail value" of all of the other red sofas that are of the same "type, quality and quantity."

If it is a nearly impossible task to determine "retail value" for new products, it is all the more challenging to determine "retail value" for used products, when there may be no real retail market for such products other than Goodwill stores, salvage stores or garage sales. And so this bill, if enacted, would have required rental dealers to spend too much time going around to garage sales and the like with the hope of finding used products similar to those that they want to rent so that they can come up with an accurate "retail value." Even then, they could only get "asking prices" and perhaps not the actual price at which something was sold.

Then there is the issue of defining the "particular market area." There have been a lot of legal fees generated over the years in antitrust litigation regarding the definition of relevant market area. This bill in Iowa threatens the same kind of lawsuit nightmare imposed on rental dealers.

"The industry can never know where the next attack will occur. Divided, rental dealers are vulnerable and can be picked off one by one. United, rental dealers have a compelling story and a powerful voice in state legislatures."

Is the particular market area a five-mile radius around the store? A 10-mile radius? A 20-mile radius? A 30-mile radius? The answer is that it depends and, once again, no one will really know until a jury comes back and tells the dealer after the fact whether he shopped enough retail stores to cover the "particular market area" properly.

And how often must a rental dealer scour the market for prices? For some products, such as computers, the retail price may change weekly and big-box retailers may change the price on electronics several times a week. When can a rental dealer ever really rely on the information that this bill would require him to collect? No matter what evidence the dealer has to support his "retail value," there will be other prices in the marketplace that can and will be shown to the court to contradict even the best efforts of the dealer to establish an accurate "retail value."

And, how many products is a dealer going to have to shop to determine "retail value"? In some rental stores, the SKUs run into the hundreds. Rental dealers do not and, indeed, cannot compete on price alone. They have ceded that market to Wal-Mart, Sam's Club, Best Buy and the other big-box retailers. And, yet, the Iowa bill would have required rent-to-own dealers to shop these stores, among others, to determine "retail value."

As innocuous as the bill's language might appear to the casual observer, Iowa rental dealers immediately understood the threat to the business and leapt into action. The bill was circulated far and wide as soon as the lobbyist sent it to the Association of Iowa Rental Dealers. AIRD sent the bill to APRO with a request for assistance in analyzing it and formulating a careful, yet penetrating response. APRO responded the same day. The next day, Iowa rental dealers convened on a conference call to discuss strategy. In the meantime, AIRD's lobbyist, who has been with the group since its inception, made contact with the bill sponsor, the committee chair and the subcommittee chair where the bill had been sent.

The lobbyist reported back that the sponsor told him that he had seen the West Virginia language and had thought it would be good for Iowa, but that the issue was not overwhelmingly im-

portant to him and that he would listen to the industry. The industry prepared a formal written response to the bill and circulated it to committee and subcommittee members. With the assistance of the lobbyist, rental dealers with stores in the districts of committee and subcommittee members made local contact with the goal of educating the legislators about the rent-to-own business and how unworkable and unfair the bill was for the industry. Brian Luksetich, president of the association, kept the ball rolling and kept rental dealers informed of events day by day as they occurred.

Within a week of the bill's introduction, the subcommittee members, all of whom had heard from rental dealers, decided not to take up the bill at all—no debate, no discussions, no votes—and the proposed legislation died its quiet death there in the subcommittee.

If only every state were so well organized and quick to act. The industry can never know where the next attack will occur. The lesson is not a new one. Divided, rental dealers are vulnerable and can be picked off one by one. United, rental dealers have a compelling story and a powerful voice in state legislatures. Iowa rental dealers made themselves heard to good effect and protected themselves admirably in this most recent, unexpected attack on the industry. ■

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



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St. Louis**

Make the Connection!

M eet us in St. Louis and make *your* rent-to-own connection at APRO's 2008 Rent-to-Own Convention and Buying Show. It's the industry's must-see event of the year—and this one will be spectacular. We've streamlined the convention schedule to accommodate both dealers and vendors. And for the first time, we're meeting in St. Louis, the gateway to expanding your business *and* enjoying leisure time with family, friends and colleagues. Last year's successful All-Industry Roundtable is back, along with informative seminars designed to help you improve your rent-to-own business. APRO's 2008 Buying Show will offer specials available

exclusively to attendees. So don't miss this year's best opportunity to connect with everything rent-to-own!



New Schedule

APRO has revamped its convention and buying show schedule for 2008 in order to make the meeting more convenient for rental dealers and exhibitors. This year's exhibit hall will feature extended hours in a two-day schedule, with new "Info-To-Go" educational sessions on the exhibit hall stage, as well as complimentary lunches and a cocktail party. The annual Awards Banquet will be held a day earlier than usual in the convention schedule.

APRO Show Specials

More than 100 vendors exhibiting products specifically for the rent-to-own industry will offer APRO Show Specials that won't be available anywhere else. The Buying Show will conclude with a cash giveaway of up to \$10,000. **New for 2008:** Exhibitors will be taking pre-show orders. If your entry is drawn and is a pre-show order, your winnings will be doubled!

All-Industry Roundtable

APRO's All-Industry Roundtable session is back by popular demand! The hottest topics in the industry will be discussed among rental dealers with companies both large and small. Roundtable participants will be able to give and get immediate insight into current issues via an interactive keypad-response system. And later that day, APRO will feature a top slate of educational seminars to help your business grow.

RTO Networking

APRO's social gatherings can't be beat! This year, we'll take you to St. Louis' unique City Museum for a Gala Cocktail Party, present our version of the ESPYs at our Awards Banquet and—**new for 2008**—host a cocktail reception right in the exhibit hall.

Golf Tournament

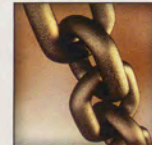
This year's Joe Eason/Tom Kitchens Golf Tournament will be held on the rolling hills of the Quail Creek Golf Club in St. Louis. **New for 2008:** The tournament will start later in the day this year to allow for more participation from those driving in from surrounding areas.

Meet us in St. Louis!

There's something for everyone in St. Louis, including the Anheuser-Busch Brewery, a ride to the top of the Gateway Arch, a paddle-wheel cruise on the Mississippi, the new Lumiere Place Casino, St. Louis' fabulous historic districts and more. Use this opportunity to nurture your business *and* have a great vacation with family and friends. The St. Louis Renaissance Grand Hotel offers an elegant and relaxing atmosphere near the banks of the Mississippi River and America's Center exhibit space is directly across the street.

It's Affordable

One aspect of the 2008 show that is *not* new is registration costs—we're keeping them low so that you can bring your most valuable employees to the most important annual event in the industry. We're offering a \$75 "limited registration" that includes all seminars and exhibit hall admission (with three lunches and exhibit hall cocktail party); tickets to social events are available for an additional charge.



APRO is Rent-to-Own

The Association of Progressive Rental Organizations is the national association for the rent-to-own industry, representing more than 6,000 businesses that rent home products—furniture, electronics, appliances and more—with an option for ownership. Now, with looming legislation, APRO provides a unified voice in the all-important fight to secure the future of our industry.





MONDAY, AUGUST 11: PRE-SHOW

- 11 a.m.-3 p.m. Joe Eason/Tom Kitchens Golf Tournament at Quail Creek (sponsored by Whirlpool)
- 4:30-5:30 p.m. APRO Board of Directors meeting
- 6-7 p.m. APRO President's Reception—honoring state presidents, APRO PAC and Team APRO contributors and Congressional leadership (sponsored by dPi Teleconnect and Speed Queen)

TUESDAY, AUGUST 12: EDUCATION DAY

- 8-8:30 a.m. Complimentary continental breakfast for seminar attendees
- 8:30-11:30 a.m. Rent-to-Own All-Industry Roundtable
- 11:30 a.m.-1 p.m. Complimentary lunch for seminar attendees
- 1-6 p.m. Educational seminars (breaks sponsored by RES Accessories)
- 7-10 p.m. Gala Cocktail Party at St. Louis' City Museum (sponsored by Coaster, D&H Distributing, Florida State Games, LG Electronics and Moneris Solutions)

WEDNESDAY, AUGUST 13: SHOW DAY 1

- 9-11 a.m. General session, keynote address and business meeting (keynote sponsored by G.E. Consumer & Industrial)
- 11 a.m.-7 p.m. Exhibit hall open—with a champagne welcome (champagne sponsored by Imagery Marketing Consultants)
New for 2008: "Info-To-Go" educational sessions in exhibit hall throughout the day
- 11 a.m.-1 p.m. Complimentary lunch in exhibit hall
- 1-5 p.m. Spouse/Guest Tour of St. Louis' historic homes and neighborhoods
- 3-4 p.m. Ice cream break in exhibit hall (sponsored by Ashley Furniture)
- 5:30-7 p.m. Exhibit hall cocktail reception (sponsored by RentDirect Nationwide)
- 8-10 p.m. APRO Annual Awards Banquet (sponsored by High Touch)

THURSDAY, AUGUST 14: SHOW DAY 2

- 9-10 a.m. APRO Board of Directors meeting and election of officers
- 9 a.m.-3 p.m. Exhibit hall open
New for 2008: "Info-To-Go" educational sessions in exhibit hall throughout the day
- 11 a.m.-1 p.m. Complimentary lunch in exhibit hall
- 12 p.m. Cash drawings—five \$1,000 prizes to be awarded, with the amount doubled if pre-show order. Must be present to win.
- 1:30-2:30 p.m. Ice cream break in exhibit hall (sponsored by Mitsubishi)
- 3 p.m. Exhibit hall closes

Additional sponsors:

Key cards: Nationwide Southwest; *Convention Daily*: TRIB Group; bottled water in the exhibit hall: TRIB Group; badges: ArchBrook Laguna; Internet Café: RSSS and SED International; *Pocket Show Guide*: Sears Contract Sales; Relaxation Station: Benefit Marketing Solutions; registration computers: Cybertron; registration electronics: O'Rourke Custom Solutions; registration bags: Inform Printing Services

Social events

Joe Eason/Tom Kitchens Golf Tournament

Quail Creek Golf Club
11 a.m.-3 p.m., Monday, August 11
Sponsored by Whirlpool

New for 2008! APRO has scheduled the golf tournament to begin at 11 a.m. to allow for more participation from those driving to the event from surrounding areas.

Quail Creek's Championship Golf Course provides natural streams, rolling hills and Bermuda fairways. The par-72 course has four sets of tees, playing from 5,500 to 7,000 yards. Designed by Hale Irwin, the club has hosted two USGA tournaments and a U.S. Open qualifier. When you're there, you'll understand why Quail Creek (www.quailcreekgolfclub.com) is considered one of the most popular courses in St. Louis.

Golf tournament space is limited and assigned on a first-come, first-served basis, so register early.

APRO President's Reception—honoring state presidents, APRO PAC, Team APRO and Congressional Leadership

6-7 p.m., Monday, August 11
Sponsored by dPi Teleconnect and Speed Queen

This annual event recognizes those who have gone the extra mile to help the rent-to-own industry thrive by nurturing the legislative process at both the state and federal levels. Join APRO President Larry Carrico in honoring those who work so hard to protect our industry. Missouri Congressman William Lacy Clay will address the group and offer insights into the latest developments regarding the Consumer Rental-Purchase Agreement Act on Capitol Hill.

Business attire; complimentary hors d'oeuvres and cocktails.

**Gala Cocktail Party
at the St. Louis City Museum**
7-10 p.m., Tuesday, August 12
Sponsored by Coaster, D&H
Distributing, Florida State Games,
LG Electronics and Moneris Solutions

St. Louis' City Museum is no ordinary museum. Housed in the 600,000-square-foot former International Shoe Co., it's an eclectic



mixture of playground, funhouse, surrealistic pavilion and architectural marvel made out of unique, "found" objects. Internationally acclaimed sculptor Bob Cassilly and his crew of 20 artisans constructed the museum from the very stuff of the city. Reaching no farther than municipal borders for its reclaimed building materials, the City Mu-

seum's features include old chimneys, salvaged bridges, construction cranes, miles of tile and even two abandoned airplanes! Dress casually and wear comfortable, closed-toed shoes so that you can explore the recesses of this unique creation.

Free food, complimentary drink tickets, music and dancing will be available at the cocktail party.

**Spouse/Guest Tour:
St. Louis' historic homes and neighborhoods**
1-5 p.m., Wednesday, August 13

Tour some of St. Louis' most historic homes and neighborhoods at this year's annual Spouse/Guest event, including the 42-room Cupples House, which was built in 1889 on the grounds of St. Louis University. Then move on to explore the unique character of St. Louis through three of its most historic neighborhoods: Compton Heights, Soulard and Lafayette Square. This tour is included in the Spouse/Guest registration. Tickets can also be purchased á la carte. Pre-registration is required as space is limited.



Exhibit Hall Reception
5:30-7 p.m., Wednesday, August 13
Sponsored by RentDirect Nationwide

New for 2008!: Enjoy light hors d'oeuvres and complimentary drinks while perusing the America's Center exhibit hall and visiting with friends, old and new. This reception will be held prior to the APRO Annual Awards Banquet.

**APRO 2008 Awards Banquet:
The ESPYs**
8-10 p.m., Wednesday, August 13
Sponsored by High Touch

In honor of St. Louis' rich sports history—which includes the Cardinals, Rams and Blues—APRO's Awards Banquet has a sports theme for 2008 patterned after the prestigious ESPN awards program. As the ESPYs honor sports heroes, APRO will honor the heroes of the rent-to-own industry during this elegant evening. *New for 2008!*: APRO has responded to your requests and scheduled the awards banquet for Wednesday night—one night earlier than usual in the convention schedule—so that those who wish to leave on Thursday afternoon after the close of the exhibit hall can do so. Semi-formal evening attire.



Take Control

...with RentDirect Nationwide MemberNet TV

Block Out the Competition and with Your Own Custom In-Store

Help shoppers focus on what matters most

No doubt about it, shoppers are attracted to TV displays. Now you can focus their attention with customized sales messages. The point is, you're no longer limited to a cable or satellite system. Now you can drive home the right messages, continuously, on stunning HDTV. And it's available this very minute from RentDirect Nationwide MemberNet TV system.

Showcase your sales messages in a powerful way

TV walls, video displays, and HD kiosks can be driven by your own private TV network. Members schedule breathtaking HD movie trailers, special programming, and demo footage. And of course, your own commercials as well. Think this is more dynamic than static posters and tent cards? What would you like to see? We produce it all in our own state-of-the-art studio near Atlanta.

Tested, proven and ready for your store

For more than a year, Nationwide has been providing customized HD programming directly to members via

the Internet. Top quality, HD programming is sent to in-store servers via normal high-speed connections. This is no experiment – it's a proven system that we continue to enhance. Have you seen the MemberNet TV Personal Greeter? You will!

Easy to implement and manage

To get started, RentDirect members purchase an inexpensive HD video server and software package. We then provide high quality demonstration programming, graphics, and generic ad materials. Users can access a vast library of commercials, then customize them at a modest fee as they see fit. Generic materials and HD programming are free.

Go for the new HDTV opportunity now

This exciting offering for RentDirect members is on the leading edge of video technology. In fact, it actually outperforms comparable systems now in use by the national chains. Take a close look, and then sell smarter with custom HDTV programming from RentDirect Nationwide.

Now Customers Programming!



*Experience your own HDTV programming,
featuring your company and your products,
playing in your store to your shoppers...
All Day Every Day!*

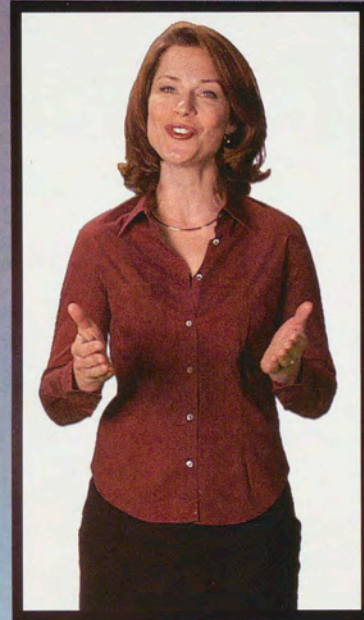


RentDirect
Nationwide™

To learn more, call James MacAlpine
at 336-714-8802

Or visit www.gorentdirect.com

APRS Associate Member since 2004



Meet... Your New Greeter

Make a powerful impact with customers the very moment they walk through your doors with the RentDirect Nationwide MemberNet TV Virtual Greeter. This unique HDTV display not only welcomes customers, but informs them of special opportunities within your store.

APRO's 2008 keynote address: *Success Is Your Own Fault!*, presented by Ross Shafer

General session and business meeting, 9–11 a.m., Wednesday, August 13
Keynote address sponsored by G.E. Consumer & Industrial
Special guest appearance by U.S. Representative William Lacy Clay

Emmy-Award-winning talk show host, writer and one of the nation's leading corporate speakers Ross Shafer will be the featured keynote at this year's APRO convention. "Finally, a motivational speaker without the speech!," says NBC's *Tonight Show* host Jay Leno. "Shafer is one of the funniest guys I know."

In his fresh and hilarious address, Shafer will show you how to make the most of your success and nurture other's talents for their benefit and yours. He'll reveal how you can enlist your employees' passions to generate new ideas, improve productivity, reduce turnover and stimulate the growth of your company.

Author of *Nobody Moved Your Cheese! (Ignore the Experts and Trust Your Gut)*, Shafer will encourage you to stop looking to the so-called "experts" such as Tony Robbins, Dr. Laura or the "Chicken Soup" gang to keep you motivated and instead discover how you are the expert on your own life.

He will also focus on customer service—the backbone of



the rent-to-own industry. Based on a compilation of 1,000 independent—and unsolicited—customer complaints, Shafer's book *The Customer Shouts Back!: Ten Things You Need to Do to Earn Their Lifetime Loyalty* traces the decline of customer service, the dramatic evolution of customer attitudes since the 9/11 attacks and the "10 Big Changes" we need to make to win our customers' lifetime loyalty. Shafer will share his findings during the keynote address, which promises to open the eyes of everyone who thought they knew everything about customer service.

In addition to Shafer's address, the general session and business meeting will include an overview of the state of the rent-to-own industry presented by members of APRO's board of directors. U.S. Representative William Lacy Clay—sponsor of H.R. 1767, RTO-industry-supported federal legislation currently before Congress—will update APRO members on the status of the bill. Winners of the 2008 Rent-to-Own Customer of the Year and Employee of the Year competition also will be recognized.

The general session will be your opportunity to vote to elect and/or re-elect members to APRO's board of directors. Profiles of the candidates running for the board will be posted on APRO's Web site (www.rtohq.org) a month prior to the convention and will also be published in the *Show Guide* available at the convention.

Rental Advertising Excellence Awards

On display in the America's Center exhibit hall

Winners of the prestigious Rental Advertising Excellence Awards will be on display in the exhibit hall during the APRO Convention and Buying Show. The winning print, television, electronic and radio entries set new standards every year. Entries developed in-house by rental dealers and entries developed by advertising agencies are judged separately. For more information on entering this year's competition, visit www.rtohq.org or e-mail rmay@rtohq.org.

2008 RTO Employee of the Year and RTO Customer of the Year

APRO's Rent-to-Own Employee of the Year and Rent-to-Own Customer of the Year contest winners will be recognized at the general session on August 13. Those honored demonstrate the warm relationships that develop between rent-to-own customers, employees, companies and the industry as a whole. Many companies are holding their own contests as well as entering their employees and customers in APRO's national contest. Look around—you may have the winner right under your nose! The RTO Employee of the Year will receive a complimentary trip to the 2008 Convention and Buying Show in St. Louis. The RTO Customer of the Year will receive a cash award and the company that nominates the winning RTO Customer of the Year will receive \$500. For more information, see page 40 or visit www.rtohq.org.



APRO's 2008 Roundtable and Seminars—all in one day

APRO's multi-faceted educational sessions have something for everyone. Whether you're a store employee, manager, owner or corporate executive, you will take away relevant information and strategies to help you do your job better. Choose the topics that benefit your business most. **Please put a check by the seminar sessions you plan to attend—you may change your choices later if you wish. Include this seminar schedule with your convention registration form.**

Tuesday, August 12 at America's Center

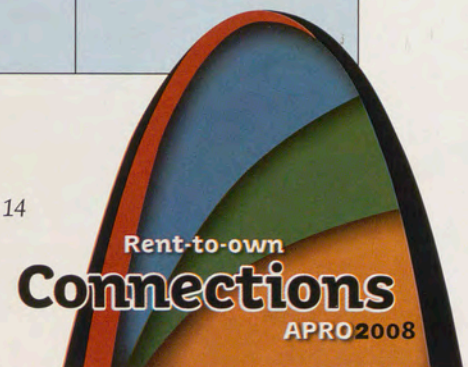
8-8:30 a.m.	Complimentary continental breakfast			
8:30-11:30 a.m.	<input type="checkbox"/> APRO's 2008 Rent-to-Own All-Industry Roundtable All APRO members are urged to participate! Possible roundtable discussions include (but are not limited to): community involvement, changing perceptions of rent-to-own, employee salaries, learning from business mistakes, new technologies, an overview of APRO's 2008 Rent-to-Own Industry Statistical Survey—and more.			
11:30 a.m.-1 p.m.	Complimentary lunch			
	RTO Business Operations	RTO Business Operations	Growing Your Business	Leadership
1-2:30 p.m.	<input type="checkbox"/> Employment Issues in Rent-to-Own: Wages, Discrimination, Turnover and More, Jim Corter, Corter Consulting	<input type="checkbox"/> Safety is No Accident: Ideas You Can Use in Your Business, Ralph Hood, Speak Inc.	<input type="checkbox"/> Growing Your Rent-to-Own Business, Dave Edwards and Brian Brereton, SEI/Aaron's	<input type="checkbox"/> Communication Skills for Leaders, Lawrence Helms, Trainergy
2:45-4:15 p.m.	<input type="checkbox"/> Employment Issues in Rent-to-Own: Wages, Discrimination, Turnover and More, Jim Corter, Corter Consulting	<input type="checkbox"/> Setting Customer Standards: Techniques that Work!, Ralph Hood, Speak Inc.	<input type="checkbox"/> Imagineering: Thinking Outside the RTO Box, Lawrence Helms, Trainergy	<input type="checkbox"/> Leadership and Self-Deception, Tom Krapu
4:30-6 p.m.	<input type="checkbox"/> 2008 Rent-to-Own Legal Update, Ed Winn III, APRO's general counsel	<input type="checkbox"/> Where's the Money? Financing Tips for Your Rent-to-Own Business, A Banker's Panel	<input type="checkbox"/> Imagineering: Thinking Outside the RTO Box, Lawrence Helms, Trainergy	<input type="checkbox"/> Leadership and Self-Deception, Tom Krapu

Seminar breaks sponsored by RES Accessories

New for 2008!

"Info-To-Go" Exhibit Hall Seminars Wednesday, August 13, and Thursday, August 14

Don't miss these up-to-the-minute educational sessions that will be presented on the new APRO exhibit hall stage. Store display ideas, tips on furniture repair, security and protecting your store, the latest trends in furniture and electronics, and more will be featured. "Info-To-Go" sessions included with your exhibit hall admittance.



Explore the spirit of St. Louis Who says that business and pleasure don't mix?

Take advantage of the 2008 APRO Convention and Buying Show to enrich your business while also enjoying some vacation time with family and friends. St. Louis is your gateway to a wide variety of leisure activities. During the convention, you'll get a sampling of the city's charm during our Gala Cocktail Party at the City Museum. APRO's host hotel, the Renaissance Grand, is conveniently located in the heart of downtown and close to the historic Mississippi River, the Gateway Arch and many shopping, entertainment and dining opportunities—even



casinos, such as the new Lumiere Place. Plan on arriving a few days early, or staying a few days after the convention, to enjoy a bit more of the spirit of St. Louis.

Over the past decade, St. Louis has evolved from its industrial roots into a diverse international city and it shows in its modernized downtown. Resurgence in that area has

included \$3.7 billion in development since 1999.

Start your visit at the Gateway Arch on the Mississippi Riverfront. It peaks at 630 feet, making it the tallest man-made monument in the nation. Take a tram to the top for a spectacular view of the city and learn how the arch was constructed. Visit www.gatewayarch.com for more information.

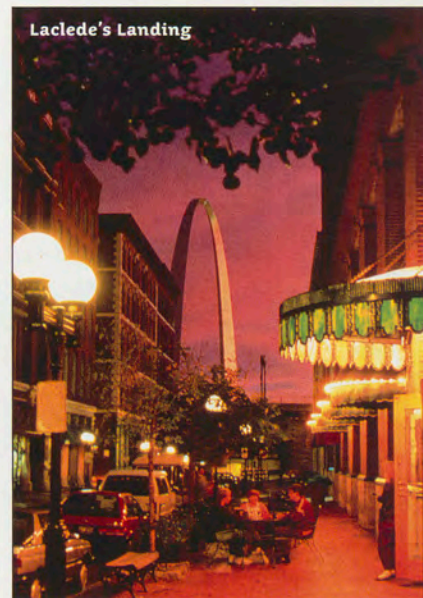
After a ride atop the arch, consider a trip down the Mississippi on a 19th-century replica steamboat. There are cruises for every occasion, including dinner, sightseeing and entertainment excursions.

St. Louis' great musical heritage lives on in entertainment districts such as Laclede's Landing, located on the Mississippi Riverfront near the Renaissance Grand. It's a popular attraction for restaurants and night life. Nearby Washington St. is also a must-see if you like to shop and dine.

Anheuser-Busch is the world's largest brewery, covering more than 100 acres in downtown St. Louis. It's located at 12th and Lynch St., close to the APRO convention hotel. Free tours, complete with beer tastings, are available every day except Monday. Visit www.budweisertours.com for more information.

No list of St. Louis' attractions is complete without mentioning the great sports teams that make their home there, including the Cardinals (winners of 10 World Series championships), the Blues (hockey) and the Rams (football). If you're in town after the convention, catch a Cardinals home game on August 19 against the Pittsburgh Pirates at Busch Stadium.

The city is home to some world-class museums, including the St. Louis Art Museum and the St. Louis Science Center, rated one of the top



science centers in the nation. There is also a bevy of other must-see's, such as the St. Louis Zoo, Forest Park, Missouri Botanical Garden, Grant's Farm and the breathtaking Cathedral Basilica. For St. Louis tourism information, visit www.explorestlouis.com.

Drop by the St. Louis Visitor Information Center on the corner of 7th and Washington for a more detailed list of attractions. Plan on making this your perfect mix of business and pleasure. Bring the family and explore the Gateway to the West! IRS rules on business travel deductions can be found at www.irs.gov/taxtopics/tc511.html.



See updates on exhibitors at rtohq.org

Exhibit hall grand opening and champagne welcome

11 a.m., Wednesday, August 13, America's Center Exhibit Hall
Champagne welcome sponsored by Imagery Marketing Consultants

APRO vendors will again offer great values to those who attend the buying show this year. All APRO members who place orders during the show will go into a drawing for cash prizes totalling \$5,000. This year, exhibitors will be taking pre-buying show orders. If your entry is drawn and it's a pre-show order, your winnings will be doubled! Up to \$10,000 may be awarded.

More than 100 exhibitors in over 200 booths in the exhibit hall will offer show specials that you will find only at the APRO Buying Show. Vendors are working hard to offer unbeatable specials for you to stock up for your fourth quarter and save.

New for 2008! Don't miss the "Info-To-Go" educational sessions that will be presented on the new APRO exhibit hall stage. Store display ideas, tips on furniture repair, security and protecting your store, and the latest trends in furniture and electronics, and more will be featured.

Admission to the buying show and "Info-To-Go" sessions is included in all full registrations and "limited" registrations. "Exhibit hall only" admission is available separately for \$25. Proper business identification is required to receive an entrance badge. Exhibit hall hours are 11 a.m.-7 p.m., Wednesday, August 13, and 9 a.m.-3 p.m., Thursday, August 14. A complimentary lunch will be served in the exhibit hall 11 a.m.-1 p.m. on both days.



APRO 2008 Buying Show exhibitors

A-America
Acer America Corp.
Adobe Equipment Truck Center
Adpro Advertising
Alliance Laundry/Speed Queen
AMCOR Group USA
American Sentry Guard
ArchBrook Laguna
Ashley Furniture Industries
Baseline Licensing Group
Benefit Marketing Solutions
Berklene/BenchCraft
Botanica By LABS
Bryce Co.
C.M. Jewelry Manufacturing Co.
Central File
Coaster Co. of America
ColorTyme
Cybertron PC
D&H Distributing
DAC Products
Dell
Dimplex North America
dPi Teleconnect LLC
DSI Systems
Easyhome Ltd.
Florida State Games
FLX Industries
Fraenkel Co./
Englander Bedding
GE Consumer & Industrial
Gidget Meaut & Associate
Guardsman, A Business Unit of The Valspar Corporation
HD Canvas Art
High Touch
Home Line Industries
I.C.E.
Ideal Software Systems
Imagery Marketing Consultants
Innovex Home Products Corp.
JFI/Catnapper
Legaré
Let's Print Ink/
America On Hold
LG Electronics Corp.
Mitsubishi Digital Electronics America
Moneris Solutions Corp.
O'Rourke Sales Co.
Peg-Perego USA
PFC

PlanITROI
Promobiz.Com
Protect.A.Bed
RentDirect Nationwide
RES Accessories
RSSS
RTO Funding
RTO Insurance, A Subsidiary of Integrated Insurance & Risk Management
RTO Systems/
Walter Clark & Associates
RTO TV
SED International
Sears Commercial Serta
Silko Radio/Mecca Electronics
Simmons Co.
Stealth Security Services
Steve Silver Co.
Stratford/Simmons Upholstery
Tax Refund Xpress,
dba TRX Alliance
Teletrack
TRIB Group
Twin-Star/ClassicFlame
United Furniture Industries
United Weavers of America
Vance Baldwin
Welton USA Ltd.
Whirlpool Corp.

Interested in exhibiting?

If you are a rent-to-own vendor and would like more information on exhibiting during the APRO Convention and Buying Show, please contact Cindy Ferguson at cferguson@rtohq.org or call 800/204-2776, ext. 107.



Registration and hotel accommodations

APRO members who book their room in the APRO room block at the St. Louis Renaissance Grand will receive a substantially discounted full registration rate to the entire APRO convention, including educational sessions, social events, meal functions and the buying show for the low price of only \$295 for the first registrant from each company. Additional registrants from that same company will get a discounted rate of \$225 per person. The non-APRO member “book-in-the-block” rate is \$495 for a full registration. To receive these special prices, registrants must book in the APRO room block at the Renaissance Grand. The hotel deadline is July 11. Call the Renaissance Grand at 800/397-1282 to check availability, or book online at www.rtohq.org.

\$75 “limited registration”

APRO is offering a special “limited registration” badge that will allow access to the exhibit hall (with free lunches), educational sessions (with a free lunch) and the exhibit hall cocktail party only; other meal functions and social events not included. This special price offers rental companies a chance to bring as many employees as they like for the affordable rate of only \$75 per additional attendee. In order to qualify, there must be at least one full-paid registrant from the APRO-

member company and all registrants must have confirmed reservations in the APRO room block at the St. Louis Renaissance Grand. This offer is available to APRO-member companies only. *Note:* If employees wish to attend the meal functions and social events (in addition to the exhibit hall cocktail party), they must purchase a full-registration badge or purchase tickets for individual functions. Those with “limited registration” badges will not be admitted to these events unless they have purchased tickets for the events.

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

Why book in the APRO block?

It is important that all APRO attendees book their hotel accommodations through the APRO room block as APRO must guarantee a certain number of rooms in advance in order to procure the lowest rates for attendees. If APRO books too few rooms, convention attendees may not be able to get a room at the St. Louis Renaissance Grand or might have to pay much higher rates to do so. If APRO books too many rooms, APRO is responsible for paying for unused rooms. Every effort is made to procure the number of rooms needed at the lowest rates possible, but we need the help of our attendees in order to keep convention costs down and the quality of the convention high.

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

Registration in three easy steps

STEP 1: TRAVEL If you're flying to St. Louis, book your flight early to get the best rates. High fuel prices may affect airline rates even more this year, so don't delay! You can book through your travel agent or use your favorite online service such as Expedia.com or Travelocity.com.

STEP 2: HOTEL RESERVATIONS AT THE RENAISSANCE GRAND & SUITES APRO's discounted rate of \$159 is available for August 10 through 14 at the St. Louis Renaissance Grand. To make reservations, call 800/397-1282 or reserve your room online through the APRO Web site at www.RTOHQ.org. For suite information and reservations, contact Shelley Martinek at APRO, 800/204-2776, ext. 109. **Important!** You must book your room in the APRO block at the Renaissance Grand in order to get discounted convention registration rates. Your hotel confirmation number will be required on your APRO Convention and Buying Show registration form, so book your room first. The deadline for booking accommodations at APRO's discounted rate is July 11.

STEP 3: APRO CONVENTION AND BUYING SHOW REGISTRATION APRO member rates for full registration range from \$225 to \$295 for those who book accommodations in the APRO room block at the Renaissance Grand—so please book your accommodations before registering for the event. The more who attend from one company, the bigger the discount! The “limited registration” rate is \$75; tickets to social events are available for an additional charge. The APRO Convention and Buying Show registration deadline is July 11.

APRO 2008 Convention and Buying Show Attendee Registration

(APRO BUYING SHOW EXHIBITORS SHOULD NOT USE THIS FORM)

Last name _____ First name (for badge) _____

Company name _____

Company mailing address _____

City _____ State _____ Zip code _____

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

Special needs? _____

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

Attendee type: Rental dealer Non-exhibiting vendor Other _____

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

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

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

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

APRO 2008 Convention and Buying Show registration prices—please check all that apply:

St. Louis Renaissance Grand confirmation number (mandatory to receive discounted registration rates; confirmation number will be verified) _____

Registration options and prices (APRO's General Session and Business Meeting is open to all attendees.)

	With valid hotel confirmation	Without valid hotel confirmation
<input type="checkbox"/> First APRO member full registration. Price includes all functions except the golf tournament and the spouse/guest tour.	\$295	\$495
<input type="checkbox"/> Additional APRO member full registrations, per person (from the same APRO member company) Price includes all functions except the golf tournament and the spouse/guest tour.	\$225	\$495
<input type="checkbox"/> Non-APRO member full registration. Price includes all functions except the golf tournament and the spouse/guest tour.	\$595	\$695
<input type="checkbox"/> Spouse/guest (non-industry). Price includes all functions except the educational sessions and the golf tournament. The spouse/guest tour is included with full spouse/guest registration, but you must be pre-registered to attend the tour. Please indicate if you wish to participate in the spouse/guest tour: <input type="checkbox"/> Will attend <input type="checkbox"/> Will not attend	\$195	\$495
<input type="checkbox"/> Limited registration. Price includes educational sessions (with lunch), exhibit hall admittance (with lunches) and the exhibit hall cocktail reception. Price does not include the golf tournament, spouse/guest tour, gala cocktail party or awards banquet. Must have at least one full registration from same APRO member company to qualify. For APRO members only.	\$75	\$75
<input type="checkbox"/> Exhibit hall only. Price includes exhibit hall admittance (with lunches) and the exhibit hall cocktail reception. Price does not include the golf tournament, spouse/guest tour, gala cocktail party, awards banquet or educational sessions.	\$25	\$25

A la carte pricing (APRO member and non-member):

- Child (12 and under only): \$75 Spouse/guest tour, Wednesday, August 13—this tour is included with the full spouse/guest registration or may be purchased a la carte): \$40
- Gala Cocktail Party at St. Louis' City Museum, Tuesday, August 12: \$95
- Awards Banquet, Wednesday, August 13: \$125

2008 Joe Eason/Tom Kitchens Golf Tournament registration:

Registration fee is \$115 per player; \$25 of every registration goes to the APRO Education Scholarship Foundation. Registration deadline is July 11. Space is limited and assigned on a first-come, first-served basis. Space in the tournament cannot be reserved until payment is received by APRO.

Handicap _____ Shirt size: S M L XL XXL

Convention attendee affiliation: Rental dealer Vendor Guest/spouse

Requested team (list three names below; make sure that every team member completes the same portion of his/her form, indicating the same participants):

Rental clubs will be the responsibility of the golfer and will be paid directly to the golf course on the day of the tournament.

Please indicate if you would like to reserve clubs at \$20 per set: Rental clubs: Right-handed Left-handed

Payment information:

Add all fees due and enter total here \$ _____ | Check enclosed (made payable to APRO) | American Express MasterCard Visa

Credit card number _____ Expiration date _____

Signature _____ Name as it appears on card _____

Pre-registration deadline is July 11. Registration will be available on-site.

A cancellation fee of \$45 will be charged for any cancellation made after July 11.

Mail or fax this form, with payment, to: APRO, 1504 Robin Hood Trail, Austin, TX 78703; fax 512.794.0097

This form may be photocopied. You may also register online at www.RTOHQ.org



Thanks!

APRO would like to thank the following companies for their generous sponsorships at the 2008 Convention and Buying Show, August 11-14 in St. Louis

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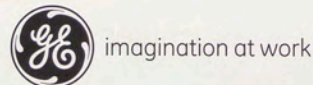
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IN SEARCH OF THE INDUSTRY'S

Pinnacle

Help APRO and the rent-to-own industry honor the two most important people in the rent-to-own business: the customer and the employee. How, you ask? By finding and nominating the 2008 Rent-to-Own Customer of the Year and Employee of the Year. 🌟 APRO's RTO Customer of the Year and Employee of the Year contest marks its ninth anniversary this year—almost a decade of recognizing those who best serve not only our industry, but their communities and the betterment of society in general. If you know a customer or an employee in the rent-to-own industry who excels in charity and kindness, then please help us honor them. 🌟 APRO's Rent-to-Own Customer of the Year and Employee of the Year competition helps increase store morale and motivate RTO employees. It also helps bolster the image of the industry and has proven to be one of the best means of attaining positive local news coverage for rent-to-own businesses. Many companies have created their own internal contest then nominated their winners for APRO's national competition.

APRO's annual Rent-to-Own Customer of the Year and Employee of the Year awards shed light on what makes this industry great. We're asking for your help in finding this year's recipients—and if your nominee is selected, we'll even pay you for your efforts!

BY RICHARD MAY



What's in it for me?

The 2008 Employee of the Year will win a trip for two—with accommodations, travel and convention registration included—to APRO's Convention and Buying Show in St. Louis, August 11-14. The winning employee will be honored during APRO's general session as well as in APRO's publications and on its Web site. APRO's 2008 Customer of the Year will likewise win a trip for two to APRO's 2008 Convention and Buying Show—or the cash equivalent. And for helping APRO find that distinguished Customer of the Year, the store that nominates this year's winner will receive \$500.

The competition not only benefits rent-to-own employees, customers, the industry and its image, but gives you a chance to win a free vacation or money. So what have you got to lose? Read the profiles of past winners (*see sidebar*) to get a better idea of the caliber of people APRO is striving to honor. Then visit APRO's Web site (www.rtohq.org) and complete the nomination form or use the form included in this article and send it to APRO.



Rent-to-Own Employee of the Year recipients at APRO's 2007 Convention and Buying Show: Murray Head (2006), Jody Katz (2004), Paul Russell (2005) and Jonathan Brown (2007).

See nomination form and requirements on page 44.

PROFILES IN

excellence

Here are brief profiles of APRO's previous Rent-to-Own Customer of the Year and Employee of the Year recipients since the program was initiated in 2000. If, while reading about these winners, you realize that you know an employee and/or customer who has likewise gone "above and beyond" the call of duty, please make the effort to nominate them for the 2008 competition (see entry form on page 44; or visit www.rtohq.org to submit nominations electronically). *Note:* these profiles were written at the time the honors were bestowed and may not accurately depict current circumstances or employment.

RTO Customer of the Year *

2005: Johnnie Bradford

Johnnie Bradford is pastor of Open Door Full Gospel in Columbus, Mississippi, which she founded in 1990 to provide not only a place to worship, but also to give children a sense of belonging. Bradford's church serves 300 members and includes a youth center for children with no place to go and nobody to love and care for them. Not only does she have a special place in her heart for children, she's also opened a personal-care home for the elderly. Bradford is a certified nurse assistant and certified in caring for the hard-of-hearing.

2004: Patrick and Marianna Head

Patrick Head has served as pastor of the Friendship C.M.E. Church in Dorsey, Mississippi, for the past 10 years where he and his wife, Marianna, help the community fight poverty, homelessness and hunger. Longtime Baber's Leasing customers, the Heads assist in tutorial and mentoring programs for children and Patrick is the co-founder of the Save Our Youth organization.

2003: Donna Brown

Minister and evangelist Donna Brown was raised by an alcoholic mother who was unable to hold down a job and, eventually, a home. "I had to overcome a lot of anger from my childhood," she says. "Just because you're a minister doesn't mean you have it all together. We all have to overcome things." Brown is a regular visitor to nursing homes to cheer up the elderly. She has spent a great deal of time counseling a young mother struggling with drug addiction and has taken on the responsibility of helping to raise the woman's child.

2002: Norma Burgenger

Norma Burgenger of Vinita, Oklahoma, has turned to Stanley's Rent To Own to assist her in opening her home to strangers in need. "Even though she lives on a fixed income, she takes in people who need a temporary place to stay regardless of their background or current situation," says Stanley's Rent To Own store manager Bobby Pierce. "Norma is a very caring person who does whatever it takes to help someone out. Without us, however, she might not be able to assist these folks in the manner she would like to."

2001: James and Brenda Atchison

James and Brenda Atchison have been loyal customers of the Rent One store in Mt. Vernon, Illinois, since its opening in 1985. The Atchisons have helped raise eight foster children as well as four children of their own. "They never know when the local child protective services

*The RTO Customer of the Year was not awarded in 2006 and 2007.

office might call to ask them to rescue another child," says Rent One's Keith Carrico. "However, when the call comes, they know Rent One will be there to deliver whatever is needed to make their house a home for a child in need."

2000: Maria Magdalena Estrada

El Paso's Fiesta Rent To Own customer Maria Estrada is a single mother of four boys who has relied on the service and convenience of her local store for many years. "I have acquired home furnishings, appliances and electronics to create a warm and stable environment for all of my boys," says Estrada.



RTO Employee of the Year

2007: Jonathan Brown

Jonathan Brown's participation in the Upward Bound program and his role in supporting his grandparents as they raised him and his siblings distinguishes him as an individual who goes above and beyond his job to help his community and family. Brown mentors other students and contributes to such causes as Adopt-A-Highway, the Red Cross, blood and food donation campaigns and local nursing homes. He has continued his leadership and mentoring through his employment at Best-Way/Rent To Own in Tappahannock, Virginia. In his first year of employment, Brown was named the company's Employee of the Year before going on to become APRO's Rent-to-Own Employee of the Year.



2006: Murray Beck

Murray Beck, vice president of Rent One operations in Mt. Vernon, Illinois, is a champion at raising money and awareness for muscular dystrophy and multiple sclerosis. His efforts not only raise awareness and funds for these important causes, they also serve to showcase Rent One's commitment to community involvement. In addition to being named APRO's 2006 Rent-to-



Own Employee of the Year, Beck was also honored as Rent One's Regional Manager of the Year in 2006.

2005: Paul Russell

During the 2004 flooding in the Ohio Valley, Paul Russell of Blue Ribbon Rentals led a team to solicit and deliver food and clothes for victims of the disaster. A pastor for his church, Russell started a youth ministry from scratch and now ministers to at least 60 teenagers—mostly from broken homes and/or abusive backgrounds. Russell doesn't believe in the word, "can't." He has taken care of employees in need and fed hungry customers who've lost their jobs.



2004: Jody Katz

Jody Katz of Buddy's Home Furnishings in Tampa, Florida, strives to raise awareness of the problem of missing children. His efforts and Buddy's role in supporting Child Protection Education of America raised \$10,000 for the organization by acting as a corporate sponsor for CPEA's annual "Leather & Denim Biker Ball" and sponsoring the annual "Missing Children's Walk" in Florida. In addition, Katz and Buddy's have sponsored at least 15 "ID Me Now" events where parents can have their children's fingerprints registered in each of Buddy's stores throughout Florida.



2003: Anthony Robinson

Rent-A-Center employee Anthony Robinson of Lakewood, Colorado, is a single parent who not only has two children of his own, but also adopted his sister's three daughters after their mother died in 2001. Robinson participates in Street Beat, a program for at-risk and troubled youth in Denver, Colorado. "I went there after high school and became a member and then an instructor," says Robinson. "My focus is the kids, because they need some-



body. That's my drive to keep going. I don't have that 'quit' in my system."

2002: Ronnie D. Williams

In addition to his duties as account manager for RentWay in Harrisburg, Illinois, Ronnie D. Williams manages the Harvest Deliverance Center, a homeless shelter that also provides food and clothing for the needy. A father of six, Williams spends the holidays preparing and serving meals to those unfortunate enough to find themselves without a home or family with whom to spend the holidays.

2001: Josef Warren

Josef Warren is manager of the New Image Rent To Own store in Security, Colorado, and "really knows how to make our customers feel right at home," says New Image Assistant Manager Mike Payne. "He's great with people—both customers and employees—and treats everyone with equal respect." Beyond his outstanding efforts at New Image, Warren also gives of himself outside of work. He makes frequent visits to cancer patients, holds prayer groups for the depressed and also visits with prison inmates.



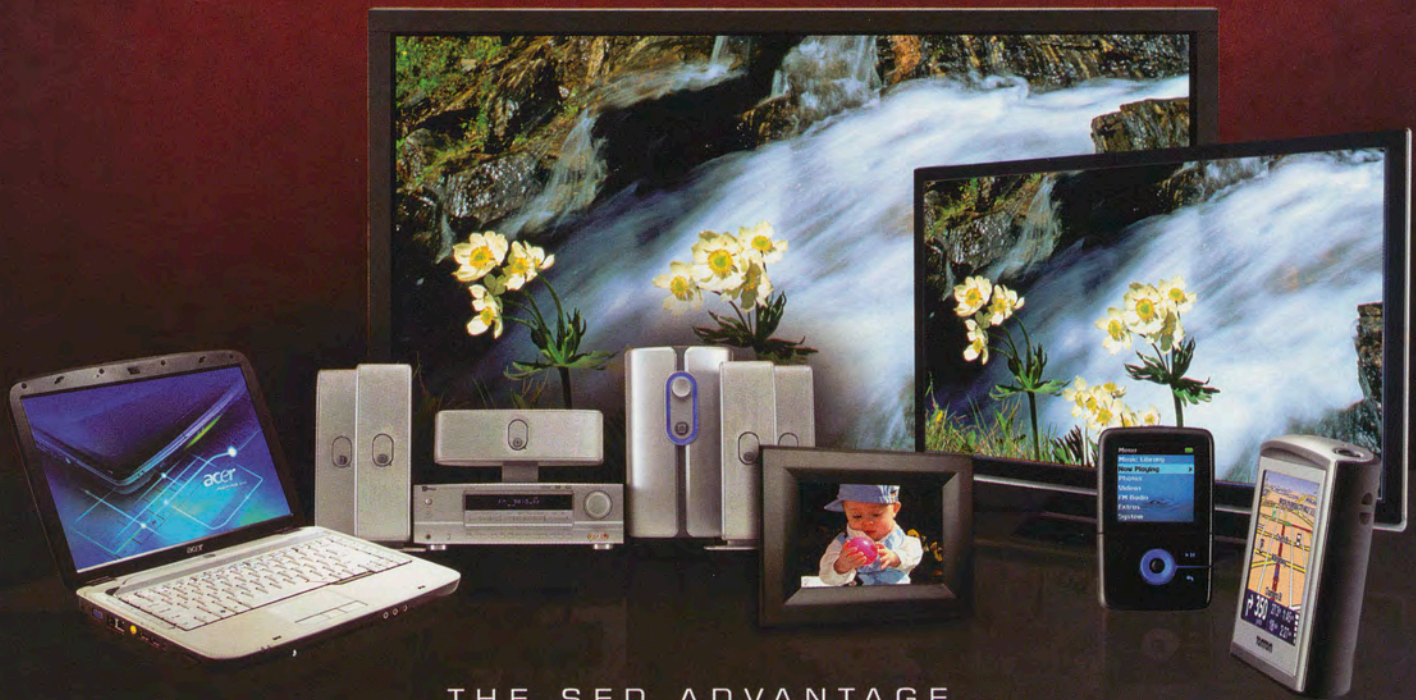
2000: Eric Ison

Eric Ison, store manager for Showplace in Marion, Ohio, was nominated for APRO's Rent-to-Own Employee of the Year award by his district manager for being a "valued high-performance manager." Ison not only has become one of the company's leading trainers—including developing a computer training class for employees—but also is involved in his community. He started a food drive, helped build a school playground and participates in United Way fund-raisers as well as the Adopt-A-Family program, the Salvation Army and the American Red Cross.



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Rent-to-own and Islam

What do they have in common?
Quite a lot!

If you are wondering what rent-to-own, a 20th century American commercial notion, could possibly have in common with Islam, a Middle Eastern religion that arose in the middle ages, wonder no more. The answer: quite a lot, actually. There are even Arabic words for rent-to-own—*ijara* (leasing) and *ijara wa aliqtina* (lease ending into ownership). ☒ Rent-to-own arises in the context of the Islamic religion because of interpretations of the Koran and the Hadith (official interpretations of the Koran) known as Sharia law. Sharia is among the most conservative of Islamic interpretations of the Koran and holds sway in several countries where Islam is the predominant religion—Saudi Arabia, Iran and Nigeria, for example. It is an influential doctrine in many other parts of the Islamic world, as well. Sharia law controls many aspects of public and private life for believers and non-believers alike: political, economic, sexual, social, dietary, dress, as well as the more traditional areas of law—civil and criminal. ☒ To Western sensibilities, many aspects of Sharia law seem medieval, often barbaric. Without investigating Sharia punishments such as stoning to death for adultery or amputations for theft, there are aspects of this body of law that control one's economic life. Sharia law prohibits believers from taking *riba*, which is a term akin to interest on a loan or a finance charge on a purchase. The idea is that it is unholy to gain without any effort and beyond the profit that may result from an exchange in the marketplace. Islam teaches that money has no intrinsic value and Sharia law forbids anyone from profiting just by loaning out money. There is some dispute among Islamic scholars whether *riba* means any interest or only interest at usurious rates, although the strict interpretation favors the former.

by Ed Winn III



The same kind of prohibition exists in the Bible. Exodus 22:25, Leviticus 25: 35–37, Psalms 15:5 and Ezekiel 18:13 all condemn charging interest for the loan of money. However, by the time the New Testament was written, the rules of money lending had been relaxed and Jesus' parable of the talents seemingly approves the charging of interest—Matthew 25:14–19. In any case, Christianity and Judaism both were able to rationalize their ways around the Old Testament prohibition against charging interest during the Enlightenment and as the world commercialized in the interests, perhaps, of greater and quicker earthly treasures. This easy rationalization has been harder to come by in Islam.

If loaning money without charging interest is an eco-

also pay rent for its use. Depending upon the deal, the rental rate may be stable or it may be adjusted as often as daily or less often—annually, or every three to five years.

In its purest form, an *ijara* transaction cannot charge a late fee if the rental payment is not made on time, because such a fee would be deemed *riba* and forbidden. However, the agreement can provide for the lessee to pay a certain amount to charity if the *ijara* payment is not made on time. The bank/lessor may control the charitable funds, but must ultimately give those funds away and cannot make them part of the lessor's income.

If the customer breaches any term of the agreement, the bank/lessor can terminate the agreement and claim the property as its own. Once the agreement is terminated, for any reason,

❖ ❖ ❖ ❖ ❖ ❖

Rent-to-own stores in areas with heavy Muslim populations may want to investigate the prevalence of Sharia law principles in their communities.

nomically senseless endeavor—and charging interest can send you to hell—what to do? The answer, in a word, for the most devout Muslims, is *ijara*—rent-to-own. While the motivation of Islamic rent-to-own dealers and customers is entirely different from the motivations underlying the RTO industry in the U.S., the business result and the transactions are the same. It is a *riba*-free transaction that may cost a little more, but one that does so very much more. In U.S. terms, it provides customers with access, flexibility, convenience and terminability. To Muslim believers, it provides goods and services today and nothing less than the keys to the Koranic equivalent of the Pearly Gates.

Islamic populations governed under Sharia law are being told that they cannot enter into transactions where interest is charged. The marketplace response has been rent-to-own and it is an increasingly popular option for housing and vehicles in England, several other European countries with heavy Muslim populations and Canada. There are Muslim financial institutions in these countries that are structuring *riba*-free RTO transactions for the devout. The bank buys the property the believer wants and collects rent on the property, whether real or personal, holding title until the purchase price, plus a little extra, has been paid. By some estimates, Sharia-compliant finance is growing at a rate of 15 percent per year in the Middle East.

Here is how a Sharia-compliant financial institution explains *ijara* financing: the customer identifies the desired property—either real estate or personal property. The bank purchases the property and puts title either in the bank's name or in a trust. The customer enters into an agreement to purchase the property at the bank's cost with payments over time. Title remains with the bank/trustee/lessor until the price has been paid in full. In addition, because the customer is using the property, the customer must

the customer is no longer obligated to make rental payments.

When the agreement runs its course, the bank/lessor transfers title to the property to the customer for no additional consideration, just like a rent-to-own transaction in the U.S.

The practice of structuring financial transactions to comply with Sharia law is not without criticism, even among Muslims. In Canada, the country's Mortgage and Housing Corp. has commissioned a study of Islamic banking and *ijara* there and that proposed study has come under attack. The Muslim Canadian Congress (MCC), a progressive Muslim group, has released a letter stating, "Religion has no place in the banking or mortgage industry."

According to the founder of MCC, "You are taking advantage of the most disadvantaged people. [Sound familiar?] You are telling them that we will charge you more for your total mortgage and when you die you will go to heaven. They are using the holy books to prey on a vulnerable market."

No one expects to see prayer rugs in U.S. rental stores any time soon, but stores in areas with heavy Muslim populations may want to investigate the prevalence of Sharia law principles in their communities. If there are a lot of adherents, some careful and respectful marketing and an explanation of rent-to-own, U.S. style, might bring some more business into the store.

Of course, if the Islamofascists, who insist on strict compliance with Sharia law worldwide, finally win the war on terror and Americans either bow their heads to Mecca every day or have them cut off, the rent-to-own business in the U.S. stands to get very, very big, indeed. In the meantime, a better understanding of Sharia law in markets with lots of Muslims might spur deliveries. ■

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

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Lapping the competition

ColorTyme franchisee Scott Brown and his team have a goal, a plan and a process for unsinkable success

Scott Brown spent the bulk of his Wichita, Kansas, childhood in two places: the grill and the pool. Both locales were manifestations of family legacies. Brown's Grill was opened by Scott's grandfather, Richard Brown, in 1946 and, by the time Scott came along, there were three locations run by Scott's dad, Charlie (yes, Charlie Brown), and uncle, R.J. Prior to joining the family restaurant business, Charlie had lettered nine times in three different sports and been an All-American as a high school football player, then went on to a full football scholarship at Kansas State University. Meanwhile, Scott's mother, Priscilla, had held a dozen or so national swimming records as a youth.

So it's no mystery how Scott not only inherited extraordinary athletic ability, but also absorbed a die-hard work ethic, entrepreneurial spirit and exceptional discipline and drive during his formative years—qualities that have served him well beyond his days of hosting duties at the grill or record-breaking competition at the pool. They've served him, in fact, all the way to owning a ColorTyme franchise that generated enough revenue to rank his four-store operation fifth nationwide in the system.

An APROfile by Kristen Card
Photographs by Maureen Porto

To call Scott Brown “hard working” is an understatement. Brown was a tender 10 when he began helping his grandfather at the restaurant, working three hours every Sunday for \$10. A competitive swimmer since the age of 8, Brown was driving himself to 5:15 a.m. practices by the time he was 14 and completing every weekday with another two-and-a-half-hour swim session. He kept up both “jobs” through his high school graduation, when his championship swimming—two-time Kansas state champ, All-American as a senior and still the holder of several statewide records—earned Brown an athletic scholarship to the University of Arkansas, where he became a four-year letterman.

“When you’re on an athletic scholarship, it’s like having a job,” Brown says. “If you don’t perform, then they cut you and you lose your college funding; you’re done.”

Despite the performance pressure—or maybe in addition to it—Brown learned many lessons about the real world while looking at life through swim goggles for up to 50 miles a week.

“Swimming absolutely taught me a lot,” confirms Brown. “We had only a few big swim meets a year, so I learned how to work hard every day toward an end goal. My AAU swim coach taught me how to use visualization, so I got to where I could visualize very, very clearly what the next meet would be like and what winning would feel like, and I was able to prepare myself mentally as well as physically. I had to develop solid time-management skills in order to juggle my swim-

ming and my academics—just like I juggle my responsibilities as a business owner today.”

When Brown was ready to graduate as a Razorback with a real estate finance degree, his idea was to go into commercial real estate—but it was late-1980s bust-time, so opportunities weren’t exactly knocking down Brown’s door. The family business was still going strong, but Brown wasn’t hot to go back into the kitchen.

“I didn’t go into the family business because, well, I wanted to try something different,” Brown says.

“People will often say to me, ‘Gosh, you’re so lucky—you’ve got these successful stores and everything just seems to be going your way.’ And I say, ‘Lucky? Luck is where preparation meets opportunity, and we don’t just happen to be at that intersection by accident. We had a plan—and we’re making it work.’”

“I love the restaurant business, but the hours are brutal. My dad used to get up at 4:30 a.m. and work until one o’clock, come home and sleep, then go back to work at 5:00 for the supper rush and work until after I was asleep. He was super-supportive and always there for me, for swim meets and other activities, but the job was so time-consuming. I just wanted to do something else.”

Brown’s father, Charlie, did happen to know two rent-to-own trailblazers—Rent-A-Center’s co-founder Tom Devlin and then-CEO Bud Gates—and suggested Scott interview with the company. Scott had no idea what rent-to-own was all about, but agreed to interview with Gates in June 1987.

“I wanted to get into the real estate department,” remembers Brown. “But Bud insisted that operations was a better career path, so I started as an account manager at Wichita 5 on Waco Street. The first three months I spent questioning what I was really doing there. Here I had a finance degree from a four-year college and I’m out on the truck in a tie delivering and picking up furniture, running a route, learning the basics of the business. It just wasn’t what I had envisioned for my career path. But I got some good advice from my dad; he said ‘Give it two years of your life and if you’re not where you want to be in two years, then go out and find something different.’ A year later, I was the assistant manager of the biggest store in town. Six months after that, I was the store manager back at Wichita 5 and man, I was in charge and in tall cotton.”

During this period, Rent-A-Center was bought by the British company Thorn EMI. The new owners decided to launch a new concept division within their retail/rentals area, as a competing brand to Rent-A-Center. They wanted to open up the first Thorn International Rentals (TIR) store in Baltimore and the first manager they chose for the job was Scott Brown.

“I moved to Baltimore to run the first TIR store,” Brown recounts. “And that’s when my career really began to take off. I doubled the size of the store within



Scott Brown, Dave McNichol and Louis Garcia



Pryia, Supereena, Scott and Nathan Brown

six months and was promoted to district manager. We opened up seven stores in seven months and secured 5,700 agreements within the division's first year-and-a-half. I got promoted again to market manager and I transferred to San Antonio, where I took the south Texas region from four to seven stores. In 1992, I was named TIR's market manager of the year. The whole thing was a huge learning experience for me."

The tremendous wave Brown had been riding gradually turned into a series of smaller swells to ride out, as Thorn EMI purchased Remco, converted all of its stores to the TIR brand, acquired Choice TV and transitioned those stores into Remco, then chose to fold all Remco stores back into the Rent-A-Center brand. Brown stayed in south Texas until late 1995, when he returned to Baltimore with his wife and their firstborn to oversee the Choice TV acquisition. Managing 16 stores at 30, he was among the youngest multi-unit managers within the TIR system. But when all stores were reverted to Rent-A-Center in 1997, Brown decided it was time for a change.

"I really enjoyed working in the Remco environment," Brown says. "We had a much different operating philosophy, a solid value structure, empowered supervisors and the whole system gave you a lot more latitude to run your business. Rent-A-Center was so big, it had to be really structured and that just wasn't a good fit for me. And if I wanted to get promoted, then I'd probably have to relocate. I was ready—with my family—to settle down for a while."

But for Brown, settling down meant first shaking things up. After a highly successful decade in the industry, Brown left rent-to-own and joined Merrill Lynch in Annapolis, Maryland, as a financial advisor managing high-net-worth individuals' investment portfolios. It's an almost-eight-year era Brown summarizes succinctly.

"It meant a big pay cut and building from the ground up again," he says. "I was quite successful at it, but after about seven years, I got the itch to do something different and I realized the clients I had with true wealth were the ones who owned their own businesses."

At the beginning of 2004, Brown rang up a former Rent-A-Center associate, Steve Arendt, who was at that time the CEO of ColorTyme, to see whether an opportunity existed for Brown to re-enter rent-to-own in the Washington, D.C., area through ColorTyme.

"[Arendt] said, 'Let's roll,' and by spring I was fairly committed to becoming a franchi-



Top: Brown mountain biking on the Porcupine Rim Trail in Moab, Utah. Above: Brown (fourth from left) as a member of the University of Arkansas swim team in 1987. Right: Supereena and Scott in 1991, a year before they married.

see," Brown says. "The ColorTyme model seemed like the right fit for me and the people felt like family."

Still serving clients at Merrill Lynch, Brown began to consider candidates for a business partner—someone who could launch the franchise while Brown eased out of his investment-house responsibilities. Louis Garcia, a colleague from Brown's TIR days, came to mind immediately.

"Louis was a regional director for RentWay in Texas at the time," Brown says. "I called him up and asked him whether he wanted to be in business with me. He was ready to go." The pair lined up their first lease by autumn and opened up the doors of Epic Venture's first ColorTyme store in November 2004.

"The plan was for me to continue working at Merrill Lynch while we got going," explains Brown. Their strategy was: "Let's start with one store and once it's cash-flow-positive and can support itself—under our model, about six or seven months—we'll go search for our next site. Louis will have a team in place to run the first store and he'll go open up the next one. And so on, up to five stores in the northeast part of the D.C. metro area—which is our development agreement with ColorTyme. Once the third store was cash-flow-positive, I was going to leave Merrill Lynch and get more involved in management."

The first three months went like clockwork, securing more than 300 agreements. But then opportunity knocked—loudly—and Brown and Garcia's best-laid plans turned topsy-turvy.

"We had an opportunity to buy three more stores from another ColorTyme franchisee who was, unfortunately, going out of business," Brown says. "It was a huge financial commitment, but the real estate was great, the leases were favorable and all the stores needed was some inventory and some leadership. So we went from one store to four stores overnight—and we had been in business only three months. It was a lot to bite off. I stayed with Merrill Lynch another three months, but Louis was doing everything and he was about to snap. He did an amazing job for us, but it was just too much work, so I left Merrill Lynch and came on full-time with Epic Ventures."

Three years later, Brown and Garcia are still running the same four stores, but the size of the stores has tripled. Along the way, they've garnered several ColorTyme awards, including 2005 New Franchisee of the Year and the Top New Store Growth, 2006 Top Ten Franchisee of the Year and 2007 Big Five Award for being among the top five revenue-producing franchisees. The next step? More stores, of course.

"We're planning to open up our second store in the D.C. market—our fifth overall—in May, another by next spring," forecasts Brown. "Then, we expect to revert to our original pattern, so that by the end of 2010, we should have eight stores—five in D.C. and three in Baltimore.

"Right now, I can visualize as clear as day what this company is going to look like and feel like when we get the eight stores built," Brown says. "We've already got the right sites selected; we're just on the waiting list with the landlords. I know how much revenue we're going to be doing. I have the vision, I know where we're going. Every quarter, we talk about whether our vision is aligned. Are we working toward the same thing down the road? It keeps us focused on it and working hard. Goals are good to have, but they don't mean a thing until you put them on paper and tell somebody about them."

At the core of Epic Ventures' success is the complementary partnership between Brown and Garcia. Brown, the company's CEO, handles all things financial, as well as site selection and marketing. Garcia, the firm's president, takes care of everything else—with the help of recently added minority partner and vice president of operations Dave McNichol.

"Dave is one of the best—maybe the best—operators in rent-to-own," Brown says. "He and I are sort of cut from the same cloth—we're hard-charging overachievers; we want to be number one at everything we do. Louis is the best balance for that—has more than 25 years of experience and more business maturity. I get all amped up and he calms me down. He's much more passive with his management approach; he's got the patience of a saint. I'm a lot more direct; I'll hit you between the eyes. He's like an older brother to me, the perfect partner for me. I'm the face of our company, I've got the vision going, I'm the passion—Louis is the heart and soul."

But it's not all about the perfect pairing. Brown and company also have an arsenal of not-so-secret—yet rather unique—'weaponry' that they are convinced make their continued success just about foolproof.

First: a generator program—a giant database Epic Ventures' stores use as a client contact system. According to Brown, the program is his company's biggest competitive advantage.

"No one else in the industry has this, that I'm aware of," he notes. "Others might have sales lead programs, but most of what I've seen consists of a three-ring binder with a bunch of names scribbled inside and the only time they get worked is whenever the boss starts poking around, 'What are you doing to generate new business?' They dust it off and leaf through it, begin calling numbers only to find half are disconnected, don't work or whatever.

"With our client contact system, we can track all of our future customers," Brown says. "Someone who comes into our store, but doesn't open up an account with us right off, we capture the person's name, address, telephone, all the details and we put it into the system through a computer at the store. That communicates with a master hub at my office and we can track and work those people until they become active customers."

Of Epic Ventures' current customers, about three-quarters of them are active because of the client contact system, with 1,800 "future customers" and about 1,600 inactive customers also plugged into the system.

"We market to these three groups—futures, currents and inactives—constantly," Brown says. "We can even track 'futures' by product desired, so if we're about to hold a big sale on, say, living room

"I can visualize as clear as day what this company is going to look like and feel like when we get the eight stores built. We've already got the right sites selected... I know how much revenue we're going to be doing. I have the vision, I know where we're going. Goals are good to have, but they don't mean a thing until you put them on paper and tell somebody about them."



Scott Brown and ColorTyme salesperson Deanna Benitez

sets, then I can simply pull up all the customers interested in living room furniture, gather their information, parcel it by location and send it off to our stores, with directions for our co-workers to contact these folks and let them know about the upcoming sales event. Tap the pipeline and eventually, once you've marketed to them enough, they will be your customers."

Second: targeted marketing, every month without exception.

"Consumer research indicates you've got to touch somebody 18 times before they buy," Brown says. "So we've got five direct-mail avenues we use every single month—ADVO [now called Valassis, a direct-mail marketing company], marriage mail [flier-type pieces grouped together with other, often coupon-oriented mail], solo mail, postcards and paid-in-full mailers. We also run 15-second radio spots twice a day, six days a week, just for pure branding purposes."

Third: Superior personnel. "We hire great people and we pay them well," quips Brown—and he means it. The company typically pays about 20 percent to 30 percent more than the competition, across the board.

"You get what you pay for and we want quality people," Brown says. "We want to make sure our people are compensated well at all levels. It helps us attract good candidates, it keeps them from looking for greener grass and it holds them accountable. We pay for performance and performance only. We pay a lot and we expect a lot."

Such expectations comprise the fourth and final leg of Epic Ventures' solid seat of success. Brown and Garcia have dubbed them "Top Gun activities"—22 well-defined processes that they believe are vital to a store's success. They expect all co-workers to embrace and execute these processes with dogged consistency and just to make sure, McNichol performs monthly audits of all 22 activities.

"We inspect what we expect on a monthly basis," says Brown. "You've got to do 80 percent of the Top Gun activities month in, month out, or you won't be working with us for too long."

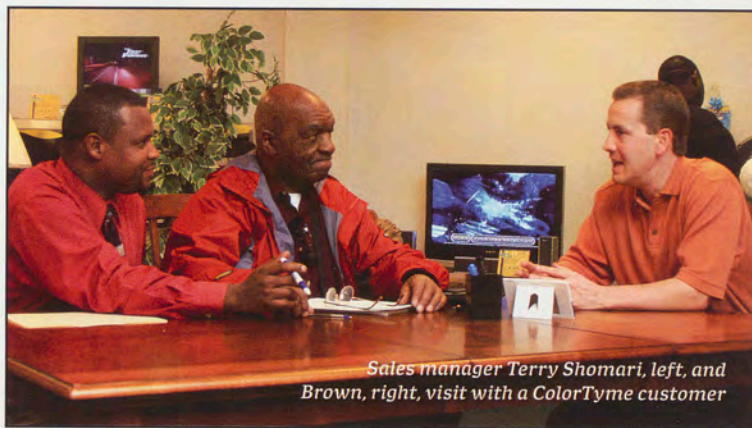
There are five categories of Top Gun activities, including a group of six activities related to the generator program. For example, follow-up actions—such as sending a coupon, giving a call or making an appointment—must be scheduled for all future customers. Daily, the general managers review all the 'futures' for their stores and flag ones without scheduled activities. As a co-worker, if one of the future customers you entered into the system during the past month doesn't have a follow-up action scheduled at the time of your audit, then you receive a zero for the month for that Top Gun activity. No excuses, no exceptions.

"This is purely about process; we're a process-driven company," Brown explains. "We know if we do these things, then the numbers will follow. We expect 20 appointments with future customers to be scheduled in every store every week by Thursday. Why? Because of that 20, half won't come in; 10 will, and about half of them will get something from you. So just that one activity is worth about three to five deliveries every week for every store—brand-new customers. We're not hoping for success; we've planned for it."

Scott Brown claims that despite his own workaholic heritage, he's not all that interested in how much time people clock at work. What he wants is quality time.

"When the day is done, I'm not about the quantity of hours at all," he says. "But if you're going to work, then make sure you're putting in really high-quality hours. Make your time impactful and create momentum whenever possible."

Brown also claims he himself is not a workaholic. Committed, energetic and passionate about his work, absolutely—but for Brown, balance is also part of the mix.



Sales manager Terry Shomari, left, and Brown, right, visit with a ColorTyme customer

"Too much work can make you dull, miserable and stale," he reasons. "I've got a wonderful wife of 16 years, Supereena, and two fantastic kids—Nathan is 13 and Pryia, 9—so I spend as much time with them as I can. And I'm an avid mountain biker; I go to Moab, Utah, a couple of times a year to indulge in that pastime. Extreme fun."

One can't help but wonder of the first Kansan ever to break a minute in the 100-yard breaststroke more than 25 years ago: does he still swim?

"You get what you pay for, and we want quality people. We want to make sure our people are compensated well at all levels. It helps us attract good candidates, it keeps them from looking for greener grass, and it holds them accountable. We pay for performance and performance only. We pay a lot, and we expect a lot."

"Hell, no," laughs Brown. "My last college swim meet was in April of 1987; I graduated in May and haven't done a lap since. My burnout on swimming was complete. I get into the water recreationally and splash around with my kids now and then, but no, I really don't swim anymore and don't want to."

And yet, Brown continues to do so much more than just keep his head above water. His natural ambition—coupled with a genuine affection for the industry he sort of stumbled into and can't seem to stay away from—keep Brown challenged, which is exactly where he likes to be.

"Rent-to-own is a really dynamic business," he says. "It changes all the time and there are a lot of balls you've got to

juggle to succeed. My favorite thing about it is that I get to build things—teams, organizations, relationships. That really excites me. But you've got to know what it is you're building. People will often say to me, 'Gosh, you're so lucky—you've got these successful stores and everything just seems to be going your way.' And I say, 'Lucky? Luck is where preparation meets opportunity and we don't just happen to be at that intersection by accident. We had a plan—and we're making it work.'" ■

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



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High gas prices can lead to high crimes

WITH GAS PRICES ON THE RISE, clever and, sadly, dishonest employees here and there are trying to take advantage of the situation. A dealer called the other day to report on just such a situation. As is the case in most rental companies, delivery employees at this location were given credit cards to purchase gas for company vehicles. The company had an elaborate system for reporting mileage on the trucks and gas purchases. For the past several months, the dealer noticed that gas card charges were up a couple of hundred dollars, but without looking too closely, he figured that it was due to climbing gas prices in his markets. Employees were still turning in mileage reports and they did not look out of line.

Then, the next time the bill for gasoline charges came in, it was up more than \$10,000 over the norm. The rental dealer immediately launched an investigation and learned that two not-really-such-longtime employees had been standing outside of a gas station near one of the stores and when a likely candidate drove up for gas, they would approach the driver and offer him a full tank of gas for \$20 cash. The employees would pocket the cash and put the gas on the rental company's gas card. They ran up the big bill and then ran off.

They were apprehended and one of the now-former employees confessed, which is how the dealer learned the details of the scam. He noted that they could have put a few hundred dollars on the card forever and probably not gotten caught, since gas prices were fluctuating so. But, when they got greedy, they got caught.

The two former employees will doubtless get to spend some time in the penitentiary. This is not a lesson in easy money and how to rip off the boss. Rather, it is a lesson for rental dealers that in times of rising gasoline prices, they need to be aware of the depths of human depravity—if they are not aware already—and they need to scrutinize their gas bills more closely than ever. It is not the \$10,000 hit that is of concern. The dealer has insurance against that kind of loss. It is the possibility of unknowingly losing a few hundred dollars a month for the next several years that is the concern. Dealers may be able to put caps on the number of times a credit card can be used in a given period—once per day, for example—or otherwise set up systems to alert the dealer of unusual gasoline credit card charges.

It is no surprise that gasoline customers would take these employees up on their offer of really cheap gas. It is no surprise that a couple of bad rental store employees would try to steal from their employer. It is really no surprise that these two braniacs got greedy and got caught. None of it is surprising. Just disappointing.

If rental dealers have already put safeguards in place to keep this kind of internal theft from happening, please let APRO know and we will share the information. In the meantime, review those gas bills and mileage reports carefully. ■

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