

RTOHQ

The Magazine

APRO's 2009 Rent-to-Own Convention and Buying Show

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Meet RTO's Lobbyists
Protecting Trade Secrets
RTO and Corporate Housing
Bonnie Nitzsche Profiled



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A positive influence in Washington

Prior to becoming our 18th president, Ulysses S. Grant was fond of sipping brandy and smoking cigars in the lobby of the famed Willard Hotel, just two blocks from the White House. Folklore has it that America's Civil War hero coined the term "lobbyist" to describe those who approached him seeking special favors while he was enjoying his libation in the hotel lobby. Whether this origin of the word is fact or folklore, the practice of influencing lawmakers by other lawmakers, constituents or organized groups has become known as lobbying. It's unfortunate that the term has garnered such negative connotations. This hallmark of our democracy is set forth in the constitution: we have the right to freely petition our government and let our decision-makers know how we, as citizens, feel about issues concerning us.



Over the years, rental dealers have organized to protect their way of doing business. This grassroots army is the most effective form of lobbying. In addition, we have been fortunate to have professional Washington insiders who help us develop strategies to accomplish our goal of federal legislation. They are "The Lobbyists." In this issue of RTOHQ: *The Magazine*, we profile the lobby team that guides the RTO industry's efforts.

In 1990, I "lobbied" the APRO Board of Directors to retain John D. Raffaelli to help guide us on Capitol Hill. He has been working on our behalf ever since. It was John D., more than anyone else, who helped us convince the Internal Revenue Service that the rent-to-own transaction should be considered a lease, not a sale. Tonya Speed and Zahra Buck have been instrumental in helping get our message out to many Democratic members of Congress. Palmer Hamilton has been invaluable in lobbying Congress members from the South. And I would be remiss if I failed to include Jim Butera and Bob Royer, two lobbyists who have helped our efforts with Republican members of Congress. I hope you will have a better appreciation for our lobbyists after reading their profiles. With 83 House co-sponsors and 11 Senate co-sponsors, we are on the fast track to make our united voices heard and the members of this team serve a vital role in Washington.

Also in this issue, we recognize an important vendor and very special person in rent-to-own—Bonnie Nitzsche. Bonnie has been a part of the industry and APRO for more than 20 years and has more friends in rent-to-own than anyone I know. She "retired" last year and handed the reins of her company over to her son, Tom. If you haven't used The Niche Connection, you should consider doing so.

Ed Winn writes about protecting your trade secrets—read it! Tiffany Hamburger profiles an under-tapped market for rental dealers in her insightful article "A Permanent Opportunity in Temporary Housing." Finally, this issue gives you all the important information about APRO's upcoming RTO Convention and Buying Show. *Be there!*

APRO's executive director
bkeese@rtohq.org

RTOHQ

The Magazine



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Paris and Las Vegas share the nickname "City of Light." But you don't have to settle for one over the other—enjoy both at the same time! APRO returns to Paris and Bally's in Las Vegas for the 2009 Rent-to-Own Convention and Buying Show, August 30–September 2. What happens in Vegas is *très magnifique!*

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by Kristen Card

While the rent-to-own industry employs an impressive grassroots movement aimed at securing a federal definition, it relies on efforts from inside the Beltway, as well. Lobbyists John Raffaelli, Zahra Buck, Tonya Speed and Palmer Hamilton help keep rent-to-own on the minds and agendas of the lawmakers on Capitol Hill.

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Known for her good cheer and stalwart dedication, an APRO Vendor of the Year recipient and undisputed friend of the rent-to-own industry turns the reins over to her son.



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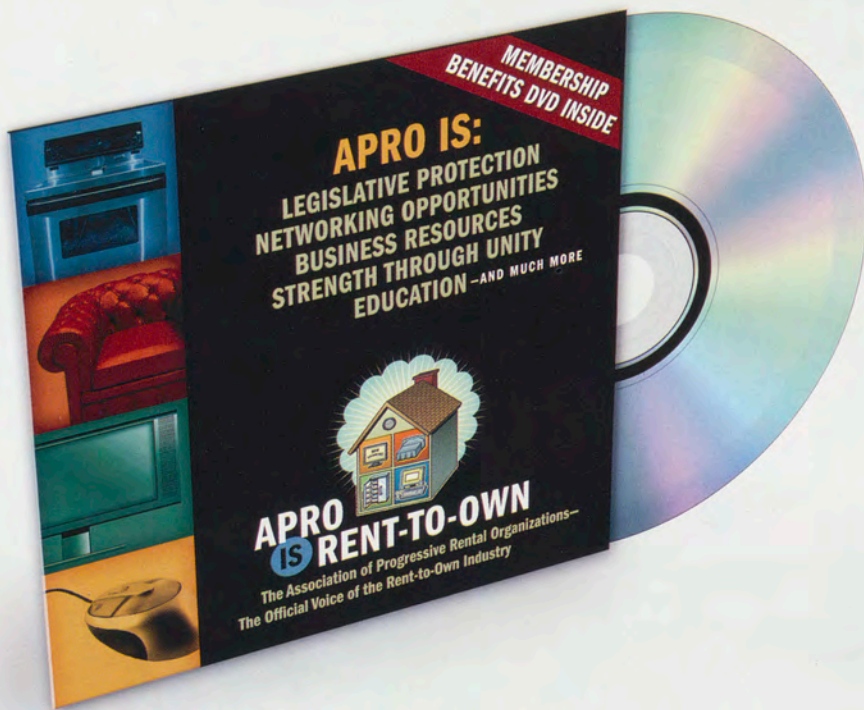
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**APRO IS THE OFFICIAL VOICE OF THE
RENT-TO-OWN INDUSTRY. SEE FOR YOURSELF.**

RTOHQ

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RTO Matters

Legislative Conference increases momentum for federal bill

More than 150 RTO-industry professionals from across the country traveled to Washington, D.C., April 21-23, to participate in APRO's 2009 Dave Egan Legislative Conference. The primary goal was to urge Congress to pass federal legislation that will benefit rent-to-own customers and businesses: the *Consumer Rental Purchase Agreement Act of 2009*—H.R. 1744 in the House and S. 738 in the Senate. During the conference, rental dealers held more than 300 meetings with legislators and legislative staff on Capitol Hill.

Currently, the RTO transaction is defined as a lease in 47 states. The federal bill will echo these definitions, providing uniformity and security to the industry across all 50 states and strengthening consumer protections in 33 states.

APRO President Tiger John Cleek Sr. says that the economic and political ocean in which the bill now swims will play in the industry's favor this session, the ninth session in which

similar rent-to-own legislation has been introduced.

"I fully expect to have a rent-to-own law passed before this session is over," Cleek told conference participants. "I'm very strong of mind that we will get a hearing this year with enough co-sponsors."

"In Missouri we have a saying: You have to *show us*," Clay told conference attendees. "[The RTO] industry *shows us every day* that it helps millions of Americans get the things they need. I am proud to stand with APRO and walk down that road toward a federal

tendeer. "We need to create more jobs and we need the security this bill gives us to do that."

"The air is different this time," says attendee Shannon Strunk, former APRO president and president of Mississippi-based Baber's. "There is something about



Among APRO's 2009 Legislative Conference attendees were several who have served as the association's president, pictured here with Representative William Lacy Clay (center): Ernie Lewallen, Gary McDougal, Gary Romine, Lyn Leach, Congressman Clay, Shannon Strunk, Larry Carrico, current APRO President Tiger John Cleek Sr. and APRO's Executive Director Bill Keese.

Currently, the bill has 83 co-sponsors in the House of Representatives and 10 in the Senate. The lead sponsors are Representative William Lacy Clay (Democrat-Missouri) and Senator Mary Landrieu (Democrat-Louisiana).

law that President Obama will eventually sign."

"RTO is the perfect transaction for these times because it does not incur any debt," says Ohio-based UHR Rents' Ernie Lewallen, a former APRO president and veteran conference at-

the lack of regulation of the financial and banking industry and all the problems that has caused that is making even Republicans more comfortable with regulation."

Ed Winn III, APRO's legal counsel, told those gath-

ered that RTO industry advocates must work to dispel common misconceptions about rent-to-own, such as the notion that the transaction has a high keep rate; although independent academic studies dispute this, the idea still lingers. Winn says that the bill's consumer protections—such as its enhancement of reinstatement rights, reduction of consumer liability for lost

or stolen merchandise and mandatory pricing disclosures—are key to its overall design and popularity.

With cautious optimism, determination and a well-developed argument in favor of the legislation, participants took to the Hill. Both ColorTyme and Premier rent-to-own franchise companies brought approximately 25 people each to the conference and more than 15 vendor companies were

represented. "It's heartening to see so many vendors here," says Ellison Crider, vice chair of the APRO Vendor Advisory Committee and general manager of RSSS. "When we walk into House or Senate office buildings, we're walking in as one—supporters of the industry."

Matt Baker, a Georgia-based Premier franchisee says he was surprised at the accessibility of Congress members. "I went

from mortified to comfortable," he says. "We just have to explain what we do and how we do it and how important it is to get this legislation passed for us and for our customers."

In April, President Obama reiterated his commitment to sign into law credit card regulations that would eliminate the tricky fine print in credit card contracts, along with the sudden rate increases and ever-increasing late fees that give millions of consumers headaches. Banking representatives who oppose Obama's objectives say the new regulations will increase their risk, thus shrinking the availability of credit nationwide and driving consumers to seek other ways to acquire goods.

Such circumstances nurture the demand for rent-to-own, which incurs no debt and does not require credit checks. Credit-card debt has increased by 25 percent in the past 10 years, reaching \$963 billion by January, according to statistics released by the White House. A regulation-friendly environment in Washington, combined with restricted consumer lending, could contribute to the momentum rent-to-own legislation is gaining in the 111th Congress and with consumers.

For more photographs of the 2009 Legislative Conference, see page 12 and visit APRO's online photo gallery at www.rtohq.org.
—Murlin Evans

In search of APRO's RTO 2009 Employee of the Year and Customer of the Year

Help APRO and the RTO industry honor the most important people in rent-to-own: the customer and the employee. Nominations are now open for the 2009 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 tenth anniversary in 2009—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 stands out both professionally and personally, then 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 employees. It also bolsters 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.

The 2009 RTO Employee of the Year will win a trip for two—with accommodations, travel and registration included—to APRO's Convention and Buying Show in Las Vegas, August 30–September 2. 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 2009 Customer of the Year will win a cash prize, along with recognition during the Convention, in APRO's publications and on its Web site. For helping APRO award the distinguished Customer of the Year, the store that nominates this year's winner will receive \$500.

The competition benefits rent-to-own employees, customers, the industry and its image—and gives those who nominate a chance to win some money. So what have you got to lose? Visit APRO's Web site (www.rtohq.org) to read profiles of past winners and get a better idea of the caliber of people APRO is striving to honor; then complete the online nomination form and submit it to APRO by July 31.



Employee Q&A: What's in store?

We've asked a rent-to-own employee to give us a taste of the in-the-store, on-the-floor experience. Jessica Fisher is a store manager for A Full House in Manhattan, Kansas.

How long have you worked in rent-to-own and how did you get started in the business?

I have been in the rent-to-own business only since December 2008. I had been looking for work for a while and with the economy the way it is, jobs come few and far between. When I answered the ad in the paper for an opening at A Full House, I never thought I would get a call back, since I had no relevant experience for the position. They must have seen something in me though, because a week later I was the new store manager.

What do you like best about your job?

I have a good relationship with all of my customers. I like having a little part in so many different people's lives and when they walk in our store, they are greeted with a smile, no matter how delinquent their account might be.

With the economy in a downturn, have you noticed an effect on your store?

Times are hard, people are losing their jobs, unemployment and Social Security income just don't cut it—but this January, our store had higher sales than we had in any month during 2008. I think that is because people still need things and we have the prices and payment plans to attract new customers and keep the old ones coming back.

What are the "hot" items in your store?

TVs—the bigger the better. Also, laptop computers go as fast as I can get them in; and, while not quite as exciting, washers and dryers consistently rent really well.

What questions do your customers ask most often about the products you offer?

"How big is that TV?" and "How do I change the Internet settings on my laptop?" We go to great lengths to educate our customers on what they are getting. Sometimes that means having to do a Google search for the answer. I think it's OK to tell a customer [who asks a question], "I am really not sure, but I will get you an answer."

How do you keep up with the latest products—styles, technologies, etc.?

Gloria [Homeier], the owner, is active in attending the industry trade shows and makes sure that all of her stores have the newest and trendiest items. She asks us "can you sell it?" If the answer is yes, then we get it.

What is it about your store that brings customers in? Why do they go with your company over the competition?

A Full House does not spend a lot on advertising; we rely on word of mouth.



Jessica Fisher

A Full House, Manhattan, Kansas

In order for a customer to tell his family members and friends about us, we must offer competitive pricing, flexible payment plans, quality products and exceptional customer service.

Tell us about the relationship you have with your customers and how you've developed your rapport with them.

As a single, working mother, I can relate to the everyday struggle. I think my customers can sense that and, in return, feel that I can be trusted and that my word counts. I tell it like it is and most of our customers appreciate that.

What interests do you have outside of rent-to-own?

I have two beautiful kids who dictate what I do during my time off. I could not tell you the last time I watched a movie that was not rated PG!

Where do you see yourself in 10 years?

What will you be doing?

Well, Gloria [Homeier] has to retire one day! :)

What is your motto in life?

Learn from your mistake, pick yourself up when you're down and give all that you have to anything you're involved in.

Premier ranks as one of the country's fastest-growing franchises

Premier Rental Purchase has been ranked number five on the 2009 "Fast 55" list of fastest-growing young franchises in America by FRANData, the franchise industry's source for objective information and analysis. The "Fast 55" list was published in the March 2009 issue of *Franchise Times* magazine (www.franchisetimes.com). According to the data, Premier has achieved a growth rate of 1,230 percent since it began franchising in 2005.

"We set an aggressive early goal to grow from 4 to 40 stores in 4 years," says Trooper Earle, Premier Companies' president and CEO. "But we shot past that to our current store count

of 78 within that time and we are on our way to our next benchmark of 80 stores. This ranking is a big feather in our cap and signifies that our model for franchising is effective and attractive to those wishing to open their own businesses and belong to an organization that will help them grow.



"People within rent-to-own share their success stories and those who have

joined the Premier family have let their colleagues know about us," Earle says. "There is nothing like a personal endorsement to sell a good idea—and that drives our numbers up."

Headquartered in Williamsburg, Virginia, Premier Rental Purchase (www.premierrents.net, 800/2Premier) was the first of five Premier Companies to offer franchising opportunities. Premier Home Furnishings, Premier Wheel

Workz (wheel and tire rentals), UGetcha cash services and Premier Auto by Rent have expanded Premier's reach beyond traditional rent-to-own to allied industries supported by RTO's customer base. All Premier stores are independently owned and operated.

According to Earle, Premier has a solid reputation among bankers for having a successful franchising program in an industry poised to do well in a shaky economy. "The company is well positioned to help dealers to hurdle financing issues and prepare them for success with a proven business plan and guidance in their transition from operator to business owner or single- to multi-unit dealer," Earle says. "Premier's philosophy remains centered on encouraging the independence and growth of franchisees who may choose from a wide array of services and programs."

Delaware and New Jersey form rental dealer association

More than a dozen rent-to-own professionals representing six companies met March 25 in Trenton, New Jersey, to form the Delaware/New Jersey Rental Dealers Association.

Attendees elected Joe Romano, regional director for Rent-A-Center, as



the organization's president; Tim Fogerty, an Aaron's franchisee, was elected vice president; and Robert

Spiller, a regional manager for Aaron's corporate, was elected secretary/treasurer.

Romano, who oversees 38 stores in New Jersey, Staten Island and Brooklyn, New York, has experience with state associations—

Call for entries: APRO's Rental Advertising Excellence Awards

Are you proud of the creative advertising your rent-to-own company has produced over the past year? Add to the benefits that output has already garnered: enter APRO's Rental Advertising Excellence Awards competition, which recognizes the industry's best in television, radio, print, direct-marketing, Web-based and specialty advertising created since August 2008. The RAE Awards recognize the year's best community-relations program (food drives, volunteer work, etc.) developed by a rent-to-own company, as well.

Every rent-to-own company has its own style and ideas, but not the same resources with which to spread the good word about its business. The annual

RAE Awards divide the judging of the year's best into two categories—materials produced in-house and those created by an advertising agency—so that rent-to-own companies compete on the same level with their peers.

Fees are \$50 per entry for non-APRO members and \$25 per entry for APRO members. For more information, call Richard May at 800/204-2776, ext. 104, or e-mail rmay@rtohq.org. The 2009 RAE Awards rules and entry form are on APRO's Web site, www.rtohq.org. The award-winning entries will be displayed at APRO's 2009

Rent-to-Own Convention and Buying Show, August 30–September 2 in Las Vegas.



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he serves on the board of directors of the New York State Rental Dealers Association and on that group's government affairs committee.

"With no state law, business is very tenuous in New Jersey," Romano says. "The end goal—having a state law passed—would be *huge*, but it will require a lot of hard work and education. Nothing's impossible; the first thing to do will be to get everyone together and organized."

He has high hopes for the new association and the momentum it could build for a state rent-to-own bill in New Jersey. Currently, New Jersey dealers operate under a state supreme court ruling that requires them to comply with the state's retail installment sales act and a 30 percent interest rate cap.

—Murlin Evans

PTS Financial Services adds RTO industry expertise

PTS Financial Services has developed a tax-preparation program designed for rental dealers interested in adding that service for their customers. John Blair, who previously served as TRIB Group's executive director for almost 15 years, has joined PTS to help the company develop and promote financial programs that will service existing rent-to-own customers and attract new ones.

"PTS realizes the strength of the rent-to-own industry and is committed 100 percent to the RTO dealer in providing the best tax-preparation service for his or her customers," Blair says.

The company's tax-preparation program includes marketing and advertising materials and software. Also, RTO businesses receive ongoing support and training for their staff on how to file customers' taxes electronically.

Georgia-based PTS Financial Services is one of the largest independent tax-service providers in the country. Founded in the late 1980s, PTS works with nearly 1,400 businesses in more than 30 states. Many of PTS's affiliates earn more than \$30,000 in additional revenue a year by preparing simple tax returns for their customers.

"Our tax program works well for businesses with frequent customer contact," Blair says, "businesses that place a high value on their relationships, such as rent-to-own dealers."

Although the 2009 tax-preparation season has passed, Blair recommends that rental dealers interested in adding the service for 2010 sign up now. "By doing so," Blair says, "PTS will have time to complete the compliance process and implement a training program in your area."

For more information on PTS Financial Services, contact Blair at 706/602-0597, ext. 181 (office), or 770/262-5609 (cell); johnb@ptsfinancialservices.com.

RTOCalendar

June 9

New York State Rental Dealers Association Legislative Day, Albany, New York. For more information, contact Dave Edwards, 860/895-1640, dave.edwards@aaronrents.com; or visit www.nyrentaldealers.org.

June 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, steineraa@aol.com; or visit www.missourirentaldealers.org.

June 17-21

ColorTyme 2009 Summer Retreat, Jackson Hole, Wyoming. For more information, contact Rhonda Davis, 972/403-4945, rdavis@colortyme.com.

June 22-24

The Premier Companies Mid-Year Business Conference. For more information, contact Tony Craig at 814/806-3171, tonycraig@premierrents.com.

August 20

KLQ Education Golf Tournament, Hawks Prairie Golf Course, Lacey, Washington. For more information, contact Bryan Huff, 253/539-0516, Bryanh@quality-rentals.com.

August 30-September 2

APRO's 2009 Rent-to-Own Convention and Buying Show, Paris and Bally's, Las Vegas, Nevada. For more information, contact Shelley Martinek, 800/204-2776, ext. 109, smartinek@rtohq.org; or visit www.rtohq.org.

September 14-17

Las Vegas Furniture Market, Fall 2009. For more information, call 888/416-8600; or visit www.lasvegasmarket.com.

September 21-22

Florida Rental Dealers Association's Norman "Slats" Slatton Golf Memorial and Casino Night (September 21); and Vendor Mingle and Annual Meeting (September 22), Tampa, Florida. For more information, contact Sharon Tomaszewski, 813/241-0607, ext. 11; sharon.rentking@verizon.net.

September 29-30

2009 Midwest RTO Training Expo, Concourse Hotel and Conference Center, Columbus, Ohio. For more information, contact Mike Tissot, 740/634-2666, mtissot@r2o.com.

APRO's 2009 Dave Egan Legislative Conference

More than 150 rent-to-own professionals gathered in Washington, D.C., April 21-23, for APRO's annual Legislative Conference. For complete coverage of the event—and the subsequent success in attaining co-sponsors for the *Consumer Rental Purchase Act of 2009*—see page 5 and visit APRO's Web site, www.rtohq.org, which offers several articles on the conference, along with an extended photo gallery.



1: Tiger John Cleek Sr., Congressman Clay's Senior Policy Analyst Frank Davis, Kenneth Jones, Paul Davis, Jamie Slatton, Gary McDougal and Ron DeMoss; 2: Congressman William Lacy Clay and Gary McDougal; 3: Shannon Strunk, Kristin Baber Pugh and Cynthia Baber-Strunk meet with Louisiana Senator David Vitter; 4: Ernie Lewallen and Bob Lawrence meet with a member of Congressman John Boehner's legislative staff; 5: Bob Bloom, Albert Kohut and Chris Higgs; 6: Gopal Reddy meets with Congressman Aaron Schock; 7: Frank Davis, Bill Keese and Tiger John Cleek Sr.; 8: Larry Sutton, Cleek and Clay; 9: David P. David, Clay and Bill Kelly; 10: Tiger John Cleek Jr., Bill French and Gary Jones 11: Congressman Danny Davis meets with Larry Carrico and Trent Agin; 12: Clay, Todd Homberger, Slatton and Davis; 13: Carrico with U.S. Transportation Secretary Ray LaHood; 14: Shannon Strunk and Cynthia Baber-Strunk with Mississippi Senator Roger Wicker.

PHOTOGRAPHS BY MURLIN EVANS



See page 10 in 2009-2 Supplement Catalog



See page 23 in 2009-2 Supplement Catalog

See page 30 in 2009-2 Supplement Catalog



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TRIB Group members met March 22–25 in Dallas for its 2009 Summit. Full coverage and an expanded photo gallery are posted at www.rtohq.org.

1: Buddy's Home Furnishings employees, managers and owners; 2: TRIB's "Hot Show" auction racked up \$3.6 million; 3: Committee recognition: Keith Ferriman, Kathy Windsor, Lyn Leach, Ernie Lewallen, Dan Kniesly, Chris Bolin, Ron Rose, Mike Tissot, Shannon Strunk and Marty Auble; 4: Vendor Hall of Fame (standing): Steve Sherman, Dick Barrett, Lee Warder, Don Julson, Michael Gerwe, Robby Tyson, Dick Klein and John Blair; (seated): Dennis Rosen, Bonnie Nitzsche and Paul Eichberger; (not pictured): Phillip Gough, John Rogers and Bob Saunders; Tom Kitchens and Norm Smith were awarded posthumously; 5: TRIB Group Executive Director Dennis Shields, "Slats" Award winner Terry Beville and TRIB Group President Ernie Lewallen; 6: AVB/BrandSource CEO Bob Lawrence; 7: Ellison Crider, Mike Wood, Shelley Martinek, Bill French, Doug Funk, Yessica Rizelia and Cindy Ferguson.

PHOTOGRAPHS BY MURLIN EVANS



Aaron's Managers' Meeting

Almost 2,000 assembled for Aaron's Managers' Meeting, held April 13–15 in National Harbor, Maryland. The agenda included, among other things, community outreach projects in the nation's capital and meetings with Congress members and their staffs to lobby on behalf of the RTO industry. Full coverage and an expanded photo gallery are posted at www.rtohq.org.



1: Best Overall Division of the Year went to Mid-American Operations; 2: APRO President Tiger John Cleek Sr., Charlie Loudermilk and Robin Loudermilk Jr.; 3: one of several Aaron's community outreach programs; 4: Keynote speaker Marcus Luttrell, former Navy SEAL; 5: Aaron's emcee Michael Blair fires up runners before the company's Wounded Warrior 5K at the company's annual managers' meeting in Maryland. Aaron's 2008 Top Franchise awards went to Kelly Sayre (6) and Robert Briley (7).

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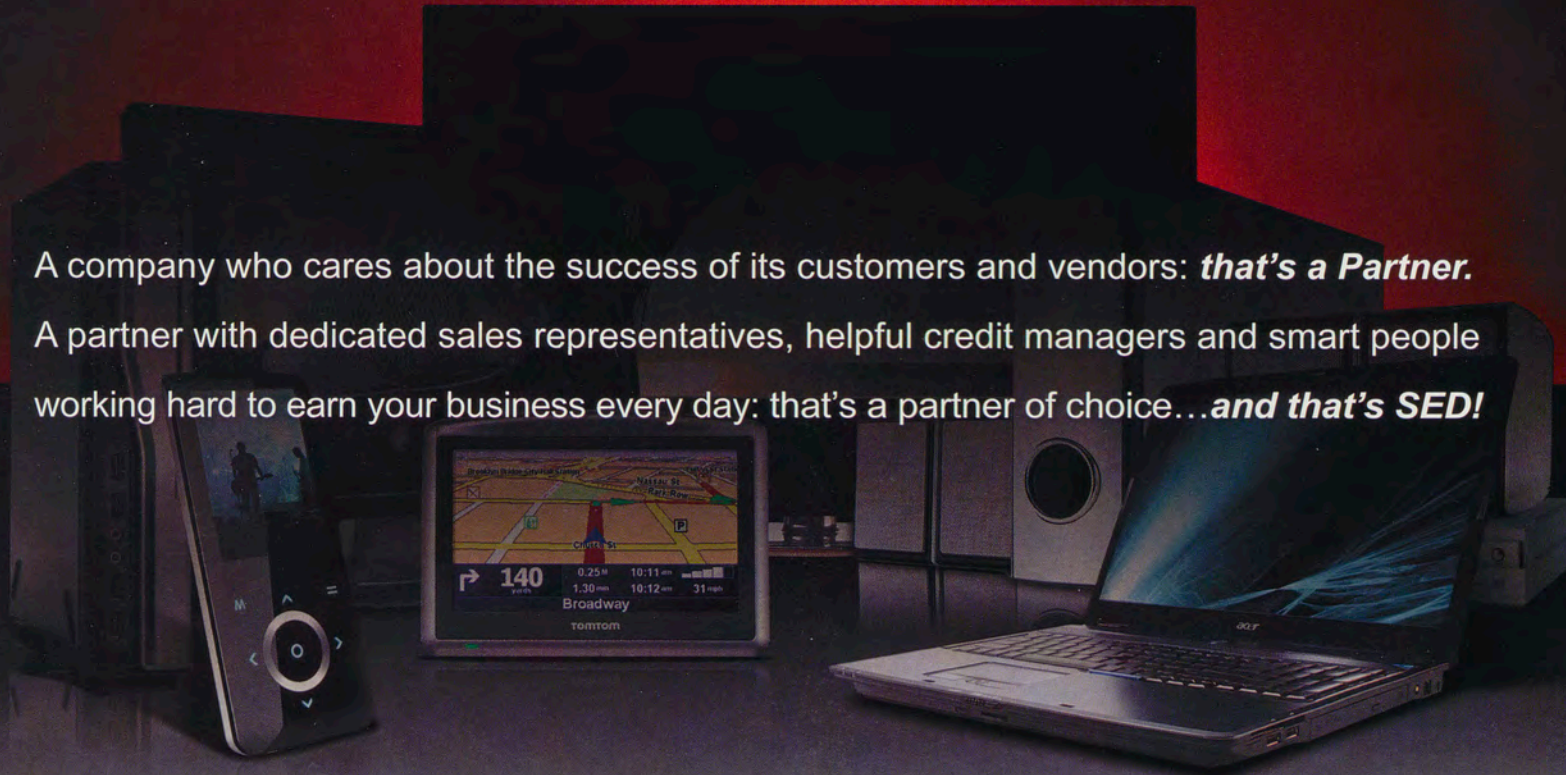
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AUGUST 30–SEPTEMBER 2, PARIS and BALLY'S, LAS VEGAS


APRO's big show returns to the



Paris and Las Vegas share the nickname “City of Lights.” But you don’t have to settle for one over the other—enjoy both at the same time! APRO returns to Paris and Bally’s in Las Vegas for the 2009 Rent-to-Own Convention and Buying Show, August 30–September 2. It’s the RTO industry’s favorite destination and the must-attend event of the year. This year, we’ve added some new features, such as the opportunity to take advantage of two buying shows—APRO’s and BrandSource’s. Also new for 2009: APRO’s “Hot Show” Auction of fabulously priced merchandise, a “Best Rent-to-Own Ideas” contest, more parties, more food and more networking opportunities. Our big event will offer convention favorites, too: APRO’s All-Industry Roundtable, the Joe Eason/Tom Kitchens Golf Tournament, Awards Banquet, business-enhancing seminars and more. APRO’s 2009 extravaganza is the right place, the right time and the right show for you—in the Cities of Light. What happens in Vegas is *très magnifique!*



2009 HIGHLIGHTS



APRO'S 2009 RENT-TO-OWN CONVENTION and BUYING SHOW

Cities of light



An Expanded Event: APRO's 2009 Rent-to-Own Convention and Buying Show features more options. In addition to finding great deals in the APRO exhibit hall, you'll have access to new buying opportunities in the BrandSource exhibit hall. There will be more free food and social/networking opportunities, with two continental breakfasts and two complimentary lunches.

APRO "Hot Show" Auction: Don't pass up on this fast-paced auction of specially priced products from APRO exhibitors. Come ready to buy—these are deals you can't afford to miss!

"Best Rent-to-Own Ideas" Contest: APRO's rapid-fire "best ideas" session will give you invaluable information to take back to your stores and it's your opportunity to share great business ideas with others. Participants will vote for the best of the best ideas and winners will receive casino chip prizes.

APRO Buying Show Specials: During APRO's Buying Show, more than 100 vendors exhibiting products specifically for the rent-to-own industry will offer show specials that you will not be able to get anywhere else. All valid purchase orders written at the show will be entered in a drawing for cash prizes!

Business-Enhancing Seminars: Top speakers and rent-to-own experts from across the country will present the information you and your employees need to expand your business. This is the **only** annual educational program geared specifically to rental dealers.

APRO's Rental Roundtable: This insightful forum has become one of the most popular events at the APRO Convention. The hottest rent-to-own topics will be discussed. Don't miss this chance to share information with your peers. To review the results of 2008 All-Industry Roundtable session, log on to APRO's E-Communities at www.rtohq.org.

Networking: Social events with great food and entertainment are always a highlight of the APRO Convention. This year's Cocktail Party will feature a live concert by a well-known entertainer. The APRO President's Reception will recognize legislative activity by association members. The annual Awards Banquet will offer an elegant evening honoring the best and brightest in the rent-to-own industry.

Golf Tournament: Always a popular event, don't miss this year's Joe Eason/Tom Kitchens Golf Tournament.

RAE Awards: APRO's Rental Advertising Excellence Awards competition recognizes the creative advertising efforts in our industry. The winning entries will be on display in the exhibit hall during the Buying Show.

A Favorite Location: APRO is back at its most popular convention location—fabulous Las Vegas! Paris and Bally's have hosted some of our most successful conventions in past years. In surveys, APRO members have urged a return to this favored location. APRO's 2009 Rent-to-Own Convention and Buying Show is right where you wanna be!

KEYNOTE

Igniting Performance in the Tornado of Business

Michael Hoffman

2:30–3:30 p.m., Monday, August 31 (General Session begins at 1:30 p.m.)

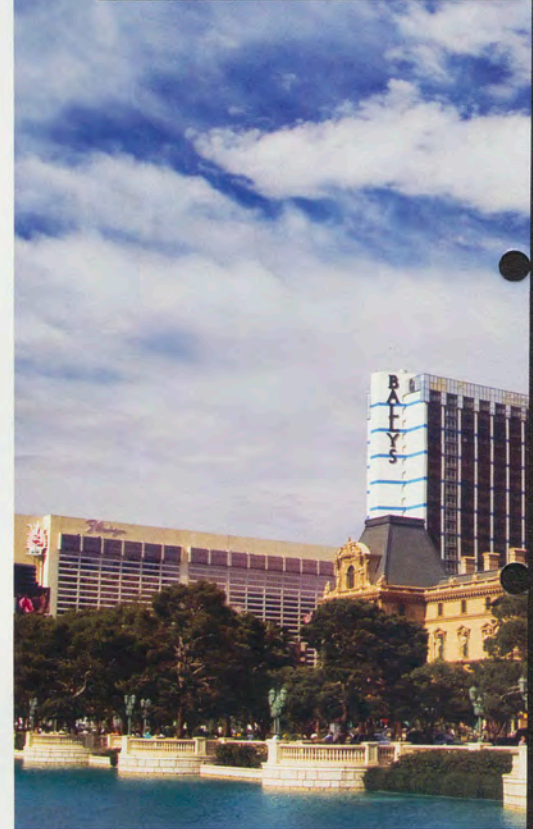
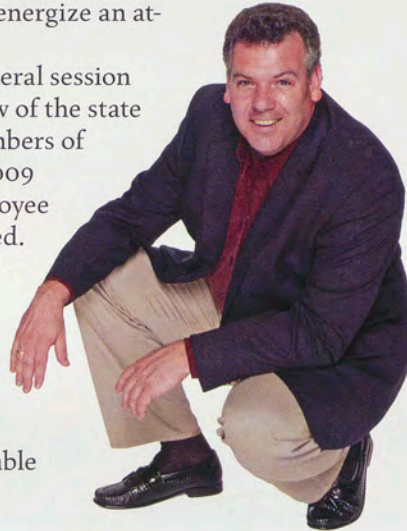
Sponsored by GE Consumer & Industrial and Vontoo

Modern business can whirl like a tornado—and the current business climate is really tossing everyone and everything for a loop. In this enlightening keynote address, you'll learn strategies to prevent your business from simply reacting to "tornados" or passing them on to your customers. There are more productive ways to weather the storms. Michael Hoffman will help you discover what it takes to get business results when conditions are at their worst. He infuses a great deal of humor into his presentation while shedding light on the most productive ways to operate your business and seek success "on purpose."

Hoffman has enlightened Fortune 500 companies with his workshops and speeches for more than a decade. His Dallas-based training and consulting firm, Igniting Performance, specializes in helping businesses enhance their leadership, sales and customer loyalty. During his highly interactive presentation, Hoffman offers techniques to help rent-to-own professionals approach their jobs with renewed purpose—helping re-energize an attitude of ownership and professionalism.

In addition to Hoffman'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. Winners of the 2009 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 also will be published in the *Show Guide* available at the Convention.



GET SOCIAL!

APRO President's Reception:
honoring state presidents, APRO PAC and Team APRO contributors and Congressional leadership
4–5:30 p.m., Monday August 31
Sponsored by Serta

Join APRO President Tiger John Cleek Sr. in honoring those who have gone the extra mile to protect and promote the rent-to-own industry's legislative process at the state and federal levels. Attendees will be updated on the status of the industry's federal bill. Business casual attire. Complimentary drinks.

Cocktail Party Concert
8–10:30 p.m. Monday August 31

APRO always knows how to throw a party and being in Las Vegas makes social gatherings with fellow rent-to-own professionals even better! So whether you want to wind down after an eventful day or get down on the dance floor, we promise you won't be let down at APRO's Cocktail Party Concert. Top-name entertainment will perform amidst the revelry. Cash bar. Casual attire.

APRO's 2009 Awards Banquet
8–10 p.m., Tuesday September 1
Sponsored by High Touch

Enjoy a lovely dinner with fellow rent-to-own professionals as APRO acknowledges those who have done an exceptional job for our industry over the past year. We'll honor this year's recipients of APRO's Rental Dealer of the Year Award, the President's Award of Excellence, Lifetime Achievement Award, Heritage Award, Vendor of the Year Award and more. Semi-formal evening attire.



2009 SCHEDULE

THIS SCHEDULE IS SUBJECT TO CHANGE. PLEASE CHECK THE APRO WEB SITE (WWW.RTOHQ.ORG) FOR UPDATES ON THE CONVENTION SCHEDULE AND INFORMATION.

Sunday, August 30

- 11:30 a.m. Buses depart for APRO Golf Tournament
- 1-5 p.m. Joe Eason/Tom Kitchens Golf Tournament (sponsored by Whirlpool)
- 2-5 p.m. Early registration

Monday, August 31

- 8 a.m.-5 p.m. Registration
- 8:30-9 a.m. APRO's Rental Roundtable coffee break (sponsored by DPI Teleconnect, Imagery Marketing Group, Simmons and Speed Queen)
- 9-11 a.m. APRO's Rental Roundtable (sponsored by Ashley Furniture, D&H, Florida State Games and LG Electronics)
- 11 a.m.-12 p.m. "Best Rent-to-Own Ideas" contest
- 12-10 p.m. Exhibitor set-up
- 1-1:30 p.m. Pick up ballots for board election
- 1:30-3:30 p.m. General Session and Keynote Address (sponsored by GE Consumer & Industrial and Vontoo)
- 4-5:30 p.m. President's Reception (sponsored by Serta)
- 5:30-7 p.m. APRO "Hot Show" Auction (sponsored by TRIB Group)
- 7-8 p.m. Dinner—on your own
- 8-10:30 p.m. Cocktail Party Concert

Tuesday, September 1

- 6:30-7:30 a.m. Complimentary continental breakfast for attendees
- 7-11 a.m. Exhibitor set-up
- 8 a.m.-5 p.m. Registration
- 8:30 a.m.-12:45 p.m. Seminars (break sponsored by RES Accessories)
- 11 a.m.-12 p.m. APRO exhibitor lunch and Vendor Advisory Committee elections
- 12 p.m. Deadline for APRO pre-show purchase orders to be submitted for cash-prize drawings
- 12:30-7 p.m. Exhibit hall open
- 12:30-2 p.m. Complimentary lunch for attendees
- 8-10 p.m. APRO Awards Banquet (sponsored by High Touch)

Wednesday, September 2

- 6:30-7:30 a.m. Complimentary continental breakfast for attendees
- 8 a.m.-2 p.m. Registration
- 8-9 a.m. APRO Vendor Advisory Committee meeting
- 9-10 a.m. APRO Board of Directors meeting and election of officers
- 9 a.m.-4 p.m. Exhibit hall open
- 11:30 a.m.-1:30 p.m. Complimentary lunch for attendees
- 2 p.m. Deadline for APRO purchase orders to be submitted for cash-prize drawings
- 3-4 p.m. Cash-prize drawings in the APRO exhibit hall
- 4-9 p.m. Exhibitor tear-down

ADDITIONAL SPONSORS

Badges: Archbrook Laguna; Relaxation Station: Benefit Marketing Solutions; registration computers: CybertronPC; registration electronics: O'Rourke Sales Co.; registration bags: TRIB Group; Pocket Show Guide: RSSS



2009
RENT-TO-OWN
CONVENTION and
BUYING SHOW

PARIS and BALLY'S, LAS VEGAS
 AUGUST 30 - SEPTEMBER 2

**Joe Eason/Tom Kitchens
Golf Tournament**

1-5 p.m., Sunday August 30
Sponsored by Whirlpool

Whether you take golfing seriously or just like to play a round for the fun of it, APRO's annual golf tournament is a popular and enjoyable way to spend time with fellow rent-to-own professionals. Soak in the desert air, sun and scenic beauty on one of Nevada's fabulous courses. Trophies will be awarded to the top five teams. Space is limited and assigned on a first-come, first-served basis—so register early.

"Best Rent-to-Own Ideas" contest
11 a.m.-12 p.m., Monday August 31

Do you have some great ideas—tips and tricks you've learned along the way to help your rent-to-own business run more smoothly? Bring your expertise to APRO's rapid-fire "best ideas" session and you could win a prize. Also, come to acquire great ideas from fellow rental dealers, invaluable information to take back to your stores. Participants will vote for the best of the best ideas and winners will receive casino chip prizes.

APRO's "Hot Show" Auction
5:30-7 p.m., Monday August 31
Sponsored by TRIB Group

Going once...going twice...we certainly urge you to go to APRO's new-for-2009 "Hot Show" Auction, where you can bid on unbelievable deals for your business from your favorite APRO exhibitors. This event will offer special deals available during the auction only, so come prepared to bid—and buy! Casual attire. Complimentary drinks.

FOR MORE INFORMATION

APRO: 800.204.2776
WWW.RTOHQ.ORG

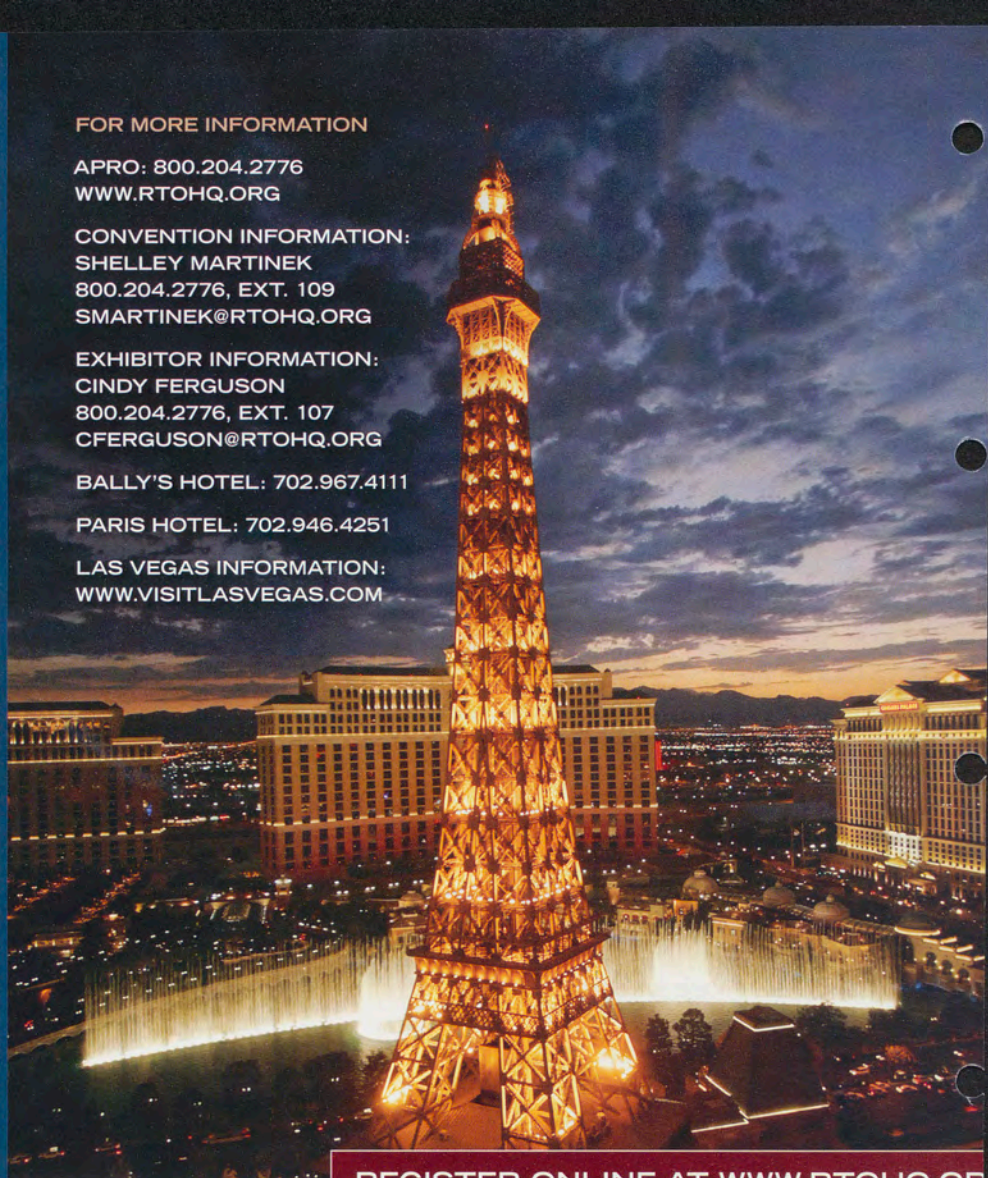
CONVENTION INFORMATION:
SHELLEY MARTINEK
800.204.2776, EXT. 109
SMARTINEK@RTOHQ.ORG

EXHIBITOR INFORMATION:
CINDY FERGUSON
800.204.2776, EXT. 107
CFERGUSON@RTOHQ.ORG

BALLY'S HOTEL: 702.967.4111

PARIS HOTEL: 702.946.4251

LAS VEGAS INFORMATION:
WWW.VISITLASVEGAS.COM



REGISTER ONLINE AT WWW.RTOHQ.ORG

APRO Convention Registration

Each APRO 2009 Rent-to-Own Convention and Buying Show registration includes the following for up to two people from the same company:

- ▶ Up to four nights of accommodation at Bally's. Reservations at Paris are available at an additional charge—as well as additional nights at Bally's.
- ▶ Two breakfasts and two lunches
- ▶ Cocktail Reception Concert—featuring top-notch entertainment
- ▶ APRO President's Reception
- ▶ APRO's "Hot Show" Auction
- ▶ APRO Awards Banquet
- ▶ APRO General Session and Keynote Address
- ▶ APRO's Educational Seminars
- ▶ APRO's Rental Roundtable
- ▶ "Best Rent-to-Own Ideas" Contest

Travel arrangements

If you're flying to Las Vegas, book your flight early to get the best rates. Make arrangements through your travel agent or preferred online service.



SEMINARS AT A GLANCE

THIS SCHEDULE IS SUBJECT TO CHANGE. PLEASE CHECK THE APRO WEB SITE (WWW.RTOHQ.ORG) FOR UPDATES ON THE CONVENTION SCHEDULE AND INFORMATION.

MONDAY, AUGUST 31

8:30-9 a.m.	APRO's Rental Roundtable coffee break (sponsored by DPI Teleconnect, Imagery Marketing Group, Simmons and Speed Queen)
9-11 a.m.	APRO's 2009 Rental Roundtable Possible roundtable discussions include (but are not limited to): rent-to-own legal update, community involvement, changing perceptions of rent-to-own, employee salaries, learning from business mistakes, how the economy is affecting business and new technologies (sponsored by Ashley Furniture, D&H, Florida State Games and LG Electronics)
11 a.m.-12 p.m.	APRO's "Best Rent-to-Own Ideas" Contest An hour of rapid-fire exchange among rental dealers offering the best ideas to improve your rent-to-own business. At the end of the hour, participants will vote on which ideas are the best and winners will receive casino chip prizes.
2:30-3:30 p.m.	APRO's Keynote Address: "Igniting Performance in the Tornado of Business" by Michael Hoffman (sponsored by GE Consumer & Industrial and Vontoo) Held as part of APRO's General Session, which begins at 1:30 p.m.

TUESDAY, SEPTEMBER 1

8:30-9 a.m.	Seminar coffee break (sponsored by RES Accessories)			
8:30-9:45 a.m.	Info-to-Go Product Seminars (BrandSource's opening and keynote address will be held 8-9:45 a.m.)			
10-11:15 a.m.	Relating, Not Translating: How to Market to U.S. Hispanics, Kelly McDonald, McDonald Marketing	Man in the Glass: Evaluating Your Company to Improve Your Operation, Mike Tissot, Countryside Rentals	Cybertracking: A Skip Tracer's Tool, Ron Brown, Manhunt Seminars	Rental Training Online: Why You Can't Afford Not to Train Your Employees, Larry Carrico, Rent One
11:30 a.m.-12:45 p.m.	Relating, Not Translating: How to Market to U.S. Hispanics, Kelly McDonald, McDonald Marketing	Inside-Out: An Outside Perspective of Rent-to-Own from a Former Insider, Mike Viveiros	Cybertracking: A Skip Tracer's Tool, Ron Brown, Manhunt Seminars	Gap Grow: Awakening the Forgotten, Mike Hickey, Aaron's
1-5 p.m.	"Ask the Rent-to-Own Expert" booth, located near the APRO registration desk—featuring wage-and-hour expert Brian Farrington, Harry Weisbrod Associates			

Thanks!

APRO would like to thank the following companies for their generous sponsorships of the 2009 Rent-to-Own Convention and Buying Show, Paris and Bally's, Las Vegas August 30-September 2



2009
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CONVENTION and
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The Lobbyists

AS RENTAL DEALERS SHARPEN THEIR FOCUS ON CAPITOL HILL, WE TAKE A CLOSER LOOK
AT THOSE WHO WORK IN D.C. ON BEHALF OF THE RENT-TO-OWN INDUSTRY

Sometimes it feels like an endless uphill battle. Whether you've been in the rent-to-own business for a month or a decade, you've struggled with the legal issues hampering the industry's prosperity. Yes, in 47 states those issues are, for the most part, ironed out. But state laws have been challenged—sometimes false or out-dated perceptions of the industry lead opponents to their state capitals seeking more restrictions on RTO businesses. Thus, the long-sought goal to secure *federal* legislation. It's a battle you've waged since you opened your first rent-to-own store.

Others have been fighting that battle with you: the industry's lobbyists. John Raffaelli, Zahra Buck, Tonya Speed and Palmer Hamilton, among others, keep the pursuit of a federal bill on the minds and agendas of the lawmakers on Capitol Hill. Year after year, session after session, lobbyists have been working with APRO and its rental dealers to devise the strategies for success and, along the way, also have helped avert the forces who would like to see the industry defeated.

In this session of Congress, the *Consumer Rental Purchase Agreement Act of 2009* is garnering impressive bipartisan support in both the House and Senate, with more than 80 co-sponsors signed on to the bill so far. RTO lobbyists are working diligently to see that both the House and Senate versions of the bill are shepherded through the process toward passage into law. As in the past, it's an uphill battle; after all, Capitol Hill has a full plate—fuller than usual this year, to be sure—and rent-to-own is not in the center of that plate.

Raffaelli stresses that his lobbying success relies on the participation of APRO members. Indeed, he couldn't have a better "army" of business men and women who have waged a tireless grassroots campaign for federal legislation over many years. There is no doubt that rental dealers are pulling their weight in this effort. But the likeliest strategy for success calls for a team effort, combining the mighty persuasion of constituent-based grassroots and the inside-the-Beltway know-how of this industry's lobbyists. So keep up the good fight—and meet the team doing the same on Capitol Hill. —Neil Ferguson

BY KRISTEN CARD | PHOTOGRAPHS BY BOB RIVES







THE LOBBYISTS

John Raffaelli

CAPITOL COUNSEL, WASHINGTON, D.C.

**As the
rent-to-own
industry's
longest-serving
lobbyist, "The
General" says
his success
depends upon
APRO members'
participation**

“They sometimes refer to me as ‘The General,’ which is, in some respects, fairly accurate. I can build a battle plan, but the execution is totally dependent on the troops, the client. If you’ve got a good general, then he’ll tell you when to shoot and where to shoot and how to shoot, but if the guns don’t fire, then you’re a general without an army—and you lose.”

To talk with John D. Raffaelli, founding partner of Capitol Counsel LLC, and a “big-name lobbyist” (according to the *Washington Post*), you’d find it difficult to perceive him as “The General.” Raffaelli’s easy-going Southern manner, well-developed sense of humor and all-around affability belie his 25-plus years of waging public-policy war up on the notorious battlefield known as Capitol Hill.

Of course, it’s exactly that laid-back likability that makes Raffaelli—known by friends and colleagues as “John D.”—so darn good at his job and what has made him the federal lobbyist who, at almost two decades and counting, has worked the longest for America’s rent-to-own industry. Raffaelli’s early 1990s introduction to the industry was a baptism by fire, courtesy of then-Congressman Henry B. González and the Internal Revenue Service.

“[The Association of Progressive Rental Organizations] had managed to get 40 or so states—today, we’ve got 47 states—to adopt legislation regulating rent-to-own transactions consistent with state laws,” Raffaelli explains. “The consumer groups felt they had lost at the state level, so they got González to introduce a federal measure essentially to put the industry out of business. APRO did an incredible job of rallying its members and getting the

industry to tell the story of what rent-to-own was really about, rather than letting the consumer groups define it.

“A couple of years later, the IRS came after us and redefined taxable income for the industry,” Raffaelli continues. “They said with every first payment [under a rent-to-own contract], the dealer had to assume the customer was going to pay all the way to term and report all that income, even though he had received only one payment. This would have put [rental dealers] out of business, because they would have been forced to pay taxes on money they didn’t have. Well, the IRS had made its decision based on faulty data, so we presented them with accurate data and also worked with members of Congress to make sure they listened—we made sure the story got heard.”

Raffaelli comes by his thoughtful approach to his work naturally. Growing up in Texarkana, he was the youngest of five children, three of them older brothers, so strong-arming to get his way was a perpetually losing proposition; Raffaelli had to use his brain because he was always out-browed.

“I’ve got a math-oriented mind,” Raffaelli says. “I like puzzles and finding solutions. The art of Washington is the art of compromise: 535 people from different parts of the country, with different ideas, coming together and you’ve got to try to find creative ways to show an understanding and appreciation for where they’re coming from, while trying to meld those ideas into something that will get the majority [support].”

Raffaelli’s father died when John D. was just seven, but John D.’s mother managed beautifully on her own, taking over her

CONTINUED ON PAGE 54





Zahra Buck

CAPITOL COUNSEL, WASHINGTON, D.C.

Rent-to-own's
newest lobbyist is
a go-getter—
unafraid to ask for
what she wants
and what the
industry needs

Zahra Buck was about to graduate *cum laude* from Mississippi's Jackson State University and head for graduate studies in psychology when she decided—"on a whim"—to take the LSAT, the entry exam for law school. "I made a decent score, but still wasn't really involved in the process of applying to law school," Buck remembers. "The president of the university and I happened to be at the same awards ceremony and I pulled him aside and asked, 'Can you help me get into law school?' and he answered, 'Sure.'"

Buck, who says she is "kind of known for asking the impossible," was accepted two weeks later into Texas Southern University's Thurgood Marshall School of Law. Her purported whim quickly evolved into another *cum laude* degree and a series of professional steps that ultimately led her up the esteemed steps of the U.S. Capitol. Today, Buck is a principal with Capitol Counsel LLC, lobbying primarily on financial-services issues, including banking, housing and insurance. Also, she works closely with the firm's founding partner, John D. Raffaelli, for the rent-to-own industry.

"What we do more than anything is try to protect business interests and minimize risk," Buck explains. "We try our best to make the day-to-day workings of the industry and make doing business for the individual as simple, straightforward and cost-effective as possible. We're here to help keep the rent-to-own transaction profitable and viable."

With a few years of lobbying experience behind her, Buck says the profession is a lot less glamorous and a lot more complicated than many people might believe.

"Lobbying is, in many ways, very much like what many lawyers do, in terms of document drafting, legal interpretation and just understanding the overall impact of potential legislation on your clients," Buck says. "But the thing about lobbying is, there's no casebook example of what to do—every client, every circumstance is unique. You have to consider not only legislative impact, but also political impact and you must balance the two, along with dealing with a variety of styles and personalities every day. It can get pretty tricky."

"Meanwhile, all of my friends think I'm having so much more fun than they are at their jobs," she continues. "So I'm always trying to convince them what a lot of hard work it is; and they say, 'Yeah, right.'"

But this Greenville, Mississippi, native isn't whistling Dixie. Lobbying isn't a giant 24/7 cocktail party with the nation's elected movers and shakers. It entails 10- to 12-hour days, jam-packed with back-to-back meetings and calls, continuous conversation and calibration, all to build the right relationships with the right people in hopes of getting the right response at the right time.

"We lay a lot of groundwork long before our clients come up for their legislative [meetings] on the Hill," Buck says. "We're scheduling meetings and meeting with members of Congress and their staffs. We're constantly talking about the rent-to-own industry and sort of testing the temperature for moving our legislation in the current political climate. It's crafting a message that resonates with decision-makers on the Hill and building relationships with these key people, so that when the rent-to-own folks come to Washington to meet with those

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Tonya Speed

CLARK & WEINSTOCK, WASHINGTON, D.C.

From coal-mining roots to high-level politics, this federal lobbyist makes sure that Congress is up to speed on rent-to-own concerns

Tonya Speed has heard the one-liner a thousand times before, but understands how people can't help themselves once she reveals her West Virginia roots. After all, it's true: she's *proud* to be a coal miner's daughter. "It's a badge of honor where I come from," Speed says. "I was born and raised in Logan County, which is in the southwestern portion of the state, in the heart of what's called the Coal Belt. My father and grandfather were both coal miners, so I come from humble beginnings, and a solid background of strong, long- and hard-working individuals. Mining is not an easy job and it was the mainstay for most of the families in the southern part of West Virginia."

Today, Speed continues her family's industrious work ethic, but rather than laboring in the mines of West Virginia, she lobbies in the halls of Congress in Washington, D.C. And though it wasn't as difficult as scaling the Appalachian Mountains, ascending the career ladder up to the Capitol steps wasn't exactly an easy climb.

"I have a passion for political science," Speed says. "So while attending West Virginia State College, I became involved in Operation Big Vote (a non-partisan, grassroots, black-voter-participation program) in our state. The then-Secretary of State, Ken Hechler—who was also a former Congressman—noticed me and invited me to come work as his special assistant. I spent a couple of terms with him and finally decided I wanted to move to Washington, D.C., mainly for better schools for my children."

But Speed didn't have a D.C. job—yet. While she hunted for work long-distance, Speed began volunteering for the re-election campaign of U.S. Senator Jay Rockefeller (Democrat-West Virginia). Befriending and impressing his D.C.

staffers, Speed was offered a basic staff assistant position in Rockefeller's Washington office, which she accepted gratefully. A few years later, when big-time Washington lobbyist John D. Raffaelli was searching for an assistant, a friend of his from Rockefeller's office thought Speed might be a good fit.

"John D. needed an extremely organized individual," Speed recalls, "someone who could step in and take charge without a lot of oversight. I interviewed with him and he liked me, and he was very aware of the fact that I worked for Jay Rockefeller, for whom he had a great deal of respect. John D. would never dare just take one of the senator's staff members—especially one the senator likely wanted to keep—without asking permission. So that's what he did. John D. made an appointment with the senator to talk with him about me. There we were, the three of us, sitting and talking about whether I should go to work for John D. or stay with Senator Rockefeller. It was definitely an interesting meeting."

Ultimately, the trio determined that Speed should join Raffaelli's lobby firm, where by 1995, she became a lobbyist herself. Today, Speed works for Clark & Weinstock—a merger of Raffaelli's former firm, The Washington Group—and has built solid working relationships with elected officials on both sides of the aisle, including the Congressional Black Caucus. She addresses issues such as health care reform, international trade, tax and other financial issues regularly—and, yes, issues related to the rent-to-own industry.

"I feel the rent-to-own industry is providing a valuable service," Speed asserts. "The industry has grown over the years; it's come a long way. Being very honest about it, I have to say some of

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Palmer Hamilton

JONES WALKER, WASHINGTON, D.C.

As federal lobbying evolves beyond party lines, Hamilton's natural pragmatism works well for the rent-to-own industry

“**O**ne of the more senior staffers on [Capitol] Hill says people have a misconception about what lobbying is all about,” Palmer Hamilton says. “People believe it’s about influence with members of Congress; and, of course, good relationships and a sense of trust are indispensable. But the most important quality, he says, is [having] a sense of what is practical and how to state the issue in a way that is understandable and persuasive to the members and their staffs. [The system today] works for the people who can put briefing papers, talking points and a message together in a way that serves policy as well as the client’s goals.”

It may not be the glitziest description of his profession, but it suits Hamilton. As a partner with the law firm Jones Walker and a key federal lobbyist for the rent-to-own industry, he is not a glad-handing, back-slapping type of guy. His charms are more understated, subtler and reflective of his deep Southern roots.

“I was born and raised in Mobile, Alabama,” Hamilton says. “My family goes back almost 200 years in Mobile. I earned my bachelor’s degree at the University of Alabama and my law degree at Duke University and, after school, went to Washington, D.C., to work at the Comptroller of the Currency, the regulator of national banks. Then, I returned home to Mobile to practice law in my family’s law firm. We founded Miller, Hamilton, Snider and Odom LLC, in 1979 as a kind of niche practice, representing banks and thrifts in the Southeast specifically.” The firm merged with Jones, Walker, Waechter, Poivent, Carrère & Denègre LLP, last summer and is now known as Jones Walker.

Whenever a major banking bill was up before Congress, Hamilton found himself being

tapped to go to Washington and help the firm’s clients reach their legislative goals. During the 1990s, he befriended a fellow lobbyist who worked with rent-to-own clientele; when the industry needed further banking and finance expertise, Hamilton was a natural choice. Today, he continues to represent rent-to-own, as well as lobby for the City of Mobile, the Alabama Community College System and several banks.

His favorite part of working with rent-to-own, he says, is the people. “They’re bright, they have great senses of humor and they tend to have a solid understanding of the [legislative] process,” Hamilton effuses. “Many times, people working in Washington on these matters don’t appreciate how the system works and become frustrated with it; but if you come to understand it and have some sense of how it works—and don’t let the frustration get the better of you—then you can be much more effective.”

Now, Hamilton and the rest of the RTO lobby team are working toward passage of the *Consumer Rental-Purchase Agreement Act of 2009*, H.R. 1744 in the House and S. 738 in the Senate. “The bill basically does two things,” Hamilton explains. “It provides a federal standard of consumer protection for the rent-to-own industry—which is clearly important for the consumer, but is also important for the industry, because I feel the industry is best served by being *well*-regulated, rather than *over*-regulated. I think it’s prudent for the industry to support a good, strong federal standard they can live with and work well with, rather than risk an over-the-top, reactionary standard in the future.

“The second benefit of the bill is that it provides that states can regulate as they see fit, but cannot characterize the RTO transaction as a

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Protecting your rent-to-own trade secrets

Last February, the Poneman Institute reported the startling results of a survey of employees who had left their jobs during the past year. Nearly 50 percent took proprietary information belonging to the employer on their way out the door. Two-thirds took e-mail lists. Nearly half took non-financial business information. Forty percent took customer contact lists. A third took employee records. Two-thirds said that they took the information to get a leg up on a new job. Twenty-five percent said that they still had access to their former employer's computer network after having been terminated.

Those conducting the survey conjectured the causes of such behavior to be increased employee mobility, a lack of employee loyalty to an employer and an increased sense of employee entitlement to information that really belongs to the employer.

BY ED WINN III

One can only wonder whether statistics among rent-to-own employees would be better or worse than these national averages. Rent-to-own employees are probably more mobile than average. Whether they are more or less loyal probably depends upon the employer. It would come as no surprise that an RTO employee might view himself as more valuable to a competitor down the street if he showed up for the job interview with his former employer's customer list.

There are laws in place to protect a company's trade secrets and other proprietary information. Most states have criminal theft-of-trade-secrets statutes, modeled on the *Uniform Trade Secrets Act*. There is a federal criminal statute, the *Economic Espionage Act of 1996*, with penalties of up to \$500,000 for individuals, up to \$5 million for companies and up to 10 years in the penitentiary. These statutes apply to the employee thief and can also apply to a competing company that knowingly and intentionally obtains and uses the trade secrets of another company.

Today, there may not be many secrets in a rent-to-own store—a lot of people know how to rent and collect, after all. RTO stores and their software systems generate reams of reports that measure store performance. In addition, there are financial records, product lists, strategic plans, training manuals, policy and procedures manuals, and more. All of this information is proprietary in the sense that the employer uses it to run the store and would prefer that the competition not have access to any of it. Whether some of this information rises to the level of trade secrets can be a complicated legal issue. Customer files, however, are generally perceived by dealers as secret and valuable. When a dealer sells a store, the customers and their files are primarily what he or she is selling. That is where the value lies in such a transaction, far outweighing the value of the trucks, fixtures, equipment and idle inventory.

Distinguishing between what is a true trade secret and what is merely confidential or proprietary is important. If a dealer were to mark every report as a trade secret, it could weaken the argument that a stolen customer list is really a trade secret. Also, rental dealers must distinguish between trade secrets and the general knowledge, skill and experience an employee gains on the job—courts make that distinction, protecting the former, but not the latter.

What is a trade secret, then? The general definition is: any valuable business information that is kept confidential in order to give the business a commercial advantage in the marketplace and that cannot be obtained readily from publicly available sources. A key element in the definition is whether the employer has taken steps to keep the information secret. That means protocols such as keeping customer files in a locked filing cabinet and limiting who has access to them. It means marking the files as “TRADE SECRETS: DO NOT COPY.” It means having control of logs to see who accesses the files. It includes using passwords, if some of the information is stored electronically, and changing those passwords when an employee leaves the company.

In an Alabama case, the state supreme court ruled that a customer list was not a trade secret because the company had not taken sufficient steps to maintain secrecy: “At least 10 employees had free access to the lists. In addition, the lists were not marked ‘Confidential;’ the lists were taken home by employees; multiple copies of lists existed and the information was all in the receptionist’s Rolodex file.” (*Allied Supply Company v. Brown*, 585 So2d 33, Alabama 1991.)

Often, a former employee’s misdeed will become apparent to the ex-employer. The employee goes to work for a competitor and soon thereafter, customers are getting calls from the competitor’s store urging them to return merchan-

dise and do business with the new store. Pursuing a former employee and his or her new employer for stealing your customer list can be time consuming and expensive, and proving your case can be difficult. On similar facts in the Northwest a few years ago, a rental company spent more than \$50,000 in discovery before giving up in disgust. Among other things, when confronted with evidence that he had called customers from his new store, the former employee insisted that he had recalled the phone numbers from memory and not from accessing them off his previous company’s list.

In light of the amount of information that some employees are taking with them when they leave a company, what can rent-to-own dealers do to protect their business’ trade secrets from being compromised? They can require employees to sign confidentiality agreements. These agreements list the items that the employer deems to be confidential or trade secrets. They can be made part of employment agreements or included in the policies-and-procedures manual that the employee signs separately.

Such an agreement should clarify that the employer makes no claim on the employee’s general knowledge, skill or experience acquired while on the job. The agreement should include a promise that the employee will return all written and electronic material considered confidential when employment terminates. For a new hire, get a representation that the new employee is not bringing anything with him into the company in violation of a former employer’s confidential, proprietary or trade-secret information.

Dealers may consider requiring vendors, independent contractors and third parties to sign modified confidentiality agreements if they are going to have access to the company’s proprietary information. The agreement can require the employee to agree to injunctive relief if there is a violation. A confidentiality agreement gives the employer the right to allege “breach of contract,” another weapon—in addition to criminal statutes—to use if the employee runs off with trade secrets. Confidentiality agreements, if carefully drafted, will be enforceable everywhere.

Also, rental dealers can require employees to sign covenants not to compete as a condition of employment, both during employment and for some period after they leave the company; however, non-compete covenants are not enforceable everywhere. California, for example, has determined that such covenants in the employment context are unenforceable because they conflict with an employee’s right to make a living. On the other hand, rent-to-own dealers in other states have been successful in getting injunctions against former employees to prevent them from going to work for a competitor during the term of the covenant.

Covenants not to compete do restrain trade and therefore must be reasonable in terms of 1) how long the covenant lasts;

2) the geographic limits of the covenant; and 3) the type of activity limited by the covenant. In the rent-to-own business, covenants for employees usually last from one to two years after employment ends. Anything longer will be difficult to

If trade-secret theft is discussed during store meetings from time to time—and if the company's policies regarding private business information are carefully and fully explained at the beginning as well as at the end of the employment—then the rental dealer stands a better chance of keeping his secrets confined to his employees who are supposed to be using them.

enforce due to the length of rental agreements and the rate of employee and customer turnover. Geographic limits for store-level employees should conform to a business' delivery area. Employees higher up in the organization may be further restricted, but the narrower a company can draw the geographical limits on an employee, the better the chance that a court will find it to be reasonable and enforce it.

By the way, a covenant not to compete that is a part of the sale of a business is treated very differently in the law from employee covenants. In one rent-to-own case, the court enforced a covenant not to compete in a one-store sale that extended out 200 miles from business, based on the ADI of the store location. The court ruled that the seller made the deal and had to live with it.

In employee covenants, proscribed activity must conform to that necessary to protect the former employer's type of business. A general prohibition against the employee continuing in the rent-to-own business might not be enforced if he or she leaves a store that rents televisions, appliances and/or furniture and goes down the street to work in a wheel-and-tire rental store. If an employer goes for too many restrictions, most courts will declare the covenant to be an unreasonable restraint of trade and rule it unenforceable. A minority of courts will modify the covenant to make it reasonable.

Also, dealers may want to consider having employees sign a non-solicitation agreement. These agreements prevent a former employee—over a designated period—from attempting to persuade former co-workers to come work for the new employer. This agreement should apply both *while* the employee is working and *after* employment is terminated. The agreement also may include the non-solicitation of customers.

It is important to have an in-depth exit interview with employees whenever possible. A part of the interview can include

getting the departing employee to certify that he is aware of the confidentiality agreement or covenant not to compete and fully intends not to copy, retain, disclose or use any of the company's trade secrets. There are technologies available that allow an employer to create a forensic image of an employee's hard drive to determine what is on it when an employee leaves.

Perhaps the most important thing that a rental dealer can do is to increase awareness of the issue of employees taking company information with them when they leave. Put some focus on the problem. If employees never hear about the issue, then they are not likely to be sensitive to its importance. If trade-secret theft is discussed during store meetings from time to time—and if the company's policies regarding private business information are carefully and fully explained at the beginning as well as at the end of the employment—then the rental dealer stands a better chance of keeping his secrets confined to his employees who are supposed to be using them.

Advice to employees: you made certain promises to your employer when you took the job and you need to keep those promises or risk severe civil and possibly criminal penalties. First of all, give all of the employer's property back—originals and copies—when your employment terminates. Even if you have not signed a confidentiality agreement or a covenant not to compete, you still cannot take your employers property with you when you leave. You may get your new employer in trouble if you try to use information that you have taken from a former employer. You risk permanent harm to your reputation in the industry.

Know that the entire history of all e-mails that you have sent on company computers can be retrieved, if necessary. Those e-mails are not necessarily private. Your employer has tools that allow him to recover all of your e-mails, even the ones you have deleted. Employee e-mails have been used by employers to prove wrongful solicitation of the employer's customers, breach of fiduciary duty, conversion and theft.

Know that the entire record of telephone calls you have made on company telephones can be retrieved. Telephone companies keep records of all calls made for years and, while the substance of those calls may not be available, who you talked to and when is within the companies' databases and is discoverable information. *

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In our previous issue, we profiled the home staging industry, a potential new revenue source for rent-to-own. Now, a look at another under-tapped market to consider.

By Tiffany Hamburger

A Permanent Opportunity in Temporary Housing

I

t may be obvious that when opportunity knocks, you answer the door. But if that's the case, why are so many rent-to-own dealers missing out on an opportunity that, on any given day in the U.S., represents 73,000 housing units filled primarily with rented furnishings? Fortunately for the go-getter in rent-to-own, the corporate housing industry has come knocking and answering that door could prove to be a very good idea.

Though it's known as corporate housing, the industry includes nearly all forms of non-hotel temporary housing. According to Dave Caple, president of the Corporate Housing Providers Association (CHPA), corporate housing and relocations are the majority of business, but the industry also provides military and government housing, vacation units, units for displaced insurance policyholders and much more. Nearly any person with a need for a temporary place to live can find a corporate housing provider to assist them.

Just as the extended-stay hotel sector is expanding, so is corporate housing. CHPA estimates total industry revenue for 2008 at \$2.8 billion and, while it's down a bit from 2007, the trend since 2001 has been steady growth. But with extended stay hotels popping up all over the place, how does corporate housing compare?

“We offer twice the space, three-quarters to half the cost, you cook at home and save money there and have all the amenities of an apartment complex that a hotel or extended-stay would not have,” says Paul Sternberg, founder and CEO of Houston-based Choice Corporate Housing. So yes, they compete with extended-stay; and, he adds, “we’re doing really well.”

Sternberg’s company, begun three years ago, is enjoying steady growth and is, he reports, “the fastest growing corporate housing provider in the industry.” Though he is primarily a housing provider, he is also an APRO member. Why? Because, he says, “we own our own furniture. We’re like a rent-to-own store.”

If that’s the case, where’s the opportunity? Even with many corporate housing providers owning their own furniture, it turns out there are plenty of opportunities. Citing his association’s 2008 survey, CHPA president Caple explains that while 51 percent of the membership owns its furniture, 64 percent rent furniture.

But wait—doesn’t that add up to more than 100 percent? One thing to understand about the corporate housing industry is its remarkable scalability. Rather than owning a property with a fixed number of units, a provider operates more like an individual renter. “Typically,” Caple explains, “we sign individual leases. So, like anybody, we’d go walk an apartment, sign a lease, whether it’s month-to-month or a year... Depending on how big you are, you could have a couple of [individual leases] or you could have thousands of them.” This helps to reconcile the seeming contradiction of both owning furniture and renting it. Because the number of units can fluctuate depending on demand, a housing provider may need to supplement the furniture they own with rentals during their busiest months.

Choice Corporate Housing’s Sternberg also describes the expansion challenge for a rapidly growing business such as his. For small contracts, or those that are logistically difficult for his Houston-based operation to handle, he would like to rely on the rent-to-own dealers in the location of the contract to help supply his furnishings.

So why doesn’t he? “The problem,” Sternberg says, “is standards.” Currently,

the vast majority of corporate housing providers rely on the dominant players in rent-to-rent. Caple says that this is largely because they are “used to working with us and the nuances of what we do.”

In dealing with the rent-to-rents, Sternberg says, “you know the product you’ll get in all the different stores because it’s the same product.” Whether a contract is in Topeka or San Diego, there’s no guesswork, often thanks to standardized packages offered to the corporate housing industry. “We can call and say, ‘We want the Presidential Package,’ and we know what we’re getting.” However, he says, he’d appreciate more choice and having a diverse list he can call on in locations all around the country.

Mamie Salazar-Harper couldn’t agree more. Salazar-Harper, owner of M Rentals Inc. based in El Paso, Texas, is a former rent-to-own dealer who now operates a successful military contracting business renting and servicing washers and dryers, as well as a temporary housing business, which—primarily, but not exclusively—serves the military. Given, as she says, that “the government is the largest purchaser of goods and services in the U.S.,” Salazar-Harper’s

business is booming. “I can get the jobs,” she says, “I just need help making it happen.”

Salazar-Harper attributes her background in rent-to-own as one reason behind her current success. “If you don’t provide operable machines or take care of problems right away, customers are reluctant to pay; and even though I understand that the government will pay, that sense of urgency is embedded in [me] and ingrained in my company,” she says. “That’s why I do so well in the government contracting arena.”

Besides her belief that a rent-to-own background meshes well with government work, another reason she wants to work more with rent-to-own dealers is that she doesn’t want to give too much business to rent-to-rent, which, she notes, is a competitor. “I am in the process of trying to recruit as many providers in as many places as I can, so that I can not only do more and have a larger capacity, but be able to bring real value

For companies that want to supply to the corporate housing industry, “standardize a package,” Sternberg says. “If I was in rent-to-own, I’d call a corporate housing company and say, ‘Look, let’s meet. What can we do to get your business?’ Tell them you want to be their provider; tell them what you’re going to offer them, what kind of package. It’s all about uniformity.”

and real dollars to my peers in the rent-to-own industry.” Indeed, she adds, “the more rental dealers I could utilize, the better I would like it.”

Salazar-Harper believes it's a very good place for rental dealers to be. She gives several reasons, including the reliability with which government and corporate clients pay their bills—something Sternberg echoes as a benefit. Another advantage, says Salazar-Harper, is the way the business cycle of temporary housing complement those of rent-to-own. “One of the things I tell dealers,” she says, “is that we are busy when rent-to-own is slow. It's a perfect match. We have a lot of people moving in January, right after Christmas and New Year's, whereas rent-to-own slows down in January. Same thing happens in June, after their children get out of school. It's a perfect fit.”

So what do rent-to-own dealers need to do to work with corporate housing providers and take advantage of this opportunity for additional revenue? Because Paul Sternberg's biggest gripe is standards, that's where he starts. For companies that want to supply to the corporate housing industry, “standardize a package,” he says. “If I was in rent-to-own, I'd call a corporate housing company and say, ‘Look, let's meet. What can we do to get your business?’ Tell them you want to be their provider; tell them what you're going to offer them, what kind of package. It's all about uniformity.”

Because of the investment and time it takes to set up this sideline business, he emphasizes that this may be best suited to dealers with a reasonably large franchise, though he indicates that any dealer willing to meet the standards should consider contacting corporate housing providers. Salazar-Harper, with her government contracts, is willing to team up with dealers of any size. “When I get an order for 200 apartments,” she says, “I may subcontract several rental dealers in town and get them all together and say, ‘OK, you're going to do 20, you're going to do 30.’”

Both Sternberg and Salazar-Harper agree that it requires an aggressive dealer to contact them and that it likely won't happen the other way around. “I'm not going to walk into [a rent-to-own store] as a corporate housing company and say, ‘I need a unit in Topeka.’ I don't have time, it's not worth it,” Sternberg says. “I need that store in Topeka to contact me so that we can put them on a list [of rent-to-own providers], because we're not going to spend all that



time.” For dealers willing to pursue temporary housing providers, the rewards can be rich, Sternberg says. “It's a huge source of revenue that's untapped,” he says, adding that even given the fact that he owns much of his own furniture, he can easily spend \$100,000 a month with a furniture rental company.

But providing furnishings to temporary housing providers goes beyond just showing up and asking for the business, says Salazar-Harper. She notes that her reputation with government contractors is essential to her success—and she's completely unwilling to have it tarnished. “If someone is not totally serious and committed to fulfilling what they promise they can do, don't call me,” she says. “They would need to be able to perform and that means having the inventory, being able to provide the labor, installing things on a timely basis.”

CHPA president Caple advises dealers interested in his industry to join CHPA as associate members. “Participating in CHPA,” he says, “gives them more access to corporate housing providers, more access to the industry.” He also adds that there may be an opportunity for rent-to-own dealers to develop an attractive financing package for smaller corporate housing providers who may want to begin purchasing their own inventory. Right now, he says, rent-to-rent companies don't have that kind of financing plan and it's an unmet need that could be satisfied by those in rent-to-own.

When asked if economic conditions worried them, all three emphasize that a stagnating economy might actually make corporate housing more attractive and potentially increase market share. “One way we sell our benefit,” Caple says, “is that we are more comfortable and more cost-effective than a hotel.”

Salazar-Harper, who has housed soldiers in base-overflow housing as well as Homeland Security and Border Patrol employees, notes that the government sees temporary housing as a better value for its needs. “It is booming,” she says of the government needs, adding that, because the current administration has promised to recall troops back to the U.S., “we should be getting busier and busier. It's good news for our rent-to-own products—good news for our industry overall.”

Sternberg is equally bullish on his industry and the potential boon it could provide to rent-to-own. “It's really untapped,” he says. “I'm interested in it. I want more sources.” ✽

Tiffany Hamburger is a freelance writer based in Austin, Texas.



Bonnie Nitzsche

THE NICHE CONNECTION, CINCINNATI, OHIO

Known for her good cheer and stalwart dedication, an APRO Vendor of the Year recipient and undisputed friend of the rent-to-own industry turns the reins over to her son

By Tiffany Hamburger

When one generation turns over the reins of a successful business to the next, it's only natural to wonder: Will the circle be unbroken?

For the Nitzsche family of Cincinnati, Ohio, certainly the answer is "Yes." When founder Bonnie Nitzsche retired last year due to health concerns, the company name changed, unifying two businesses—Let's Print, Ink and America On Hold—into The Niche Connection. But in all other respects, this veteran vendor of the rent-to-own industry hasn't altered the service or the philosophy for which it is renowned.

As Tom Nitzsche, Bonnie's son and the new head of the company, says, "We've been here for 20 years and hopefully we'll be here for another 20."

The business began in 1987 when Bonnie's late husband, Tom, attended an APRO trade show and encountered some rental dealers who wanted to create an advertising flyer but didn't know how. As Bonnie tells it, her husband quickly volunteered her, saying, "You need to talk to Bonnie; she can do anything." Bonnie, who was selling insurance and running a Mary Kay consultancy at the time, took on a new niche. "I thought, 'I think I would like this,'" she says, and so she jumped head first into learning the flyer-production business.

Later, Tom and Bonnie began another company to provide on-hold messaging. Now called Advantage On Hold (a subsidiary of The Niche Connection), the service boasts a state-of-the-art recording studio, allowing the company to provide high-quality productions. If you call the Association of Progressive Rental Organizations (800/204-2776), you'll hear the company's work; they've produced APRO's on-hold messaging for more than decade.

Successful early on, the business met its first real challenge when Bonnie's husband died suddenly in 1990. However, as anyone who has met her can testify, Bonnie is not one to give up on anything. "After he passed away," Bonnie says, "my oldest son, Tom, came in and started working with us. My son Chris went to graphic design school and then he joined us. So we became a team."

It's a team that has worked to build a business with an uncommon dedication to the customer and to quality, a reputation that Ernie Lewallen, president of Cincinnati's UHR Rents and a Niche Connection customer, confirms. "I've been one of Bonnie's customers for more than 20 years," he says. "Bonnie will refuse to let anybody be unhappy. She's the most customer-conscious vendor I've ever been exposed to."

This commitment to customer service is no accident. Indeed, Tom Nitzsche attributes much of the company's success to what he calls "the personal effect. A lot of times when our customers call us," he says, "they don't have to identify themselves; we already know who they are." And, he adds, the company strives for unparalleled levels of consistency and reliability. "I don't think we've missed a print in 20 years."

When asked to what he attributes the company's longevity, Tom doesn't hesitate. "Experience dealing with the dealer," he says. "We have a good idea in advance of what they're going to ask for."

Another factor, he says, is contained in the company's new name: finding a niche that works and sticking with it. "We have a niche with certain small vendors," he says. "All the big guys had all their stuff that was in house."



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PEOPLE THINK

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Image donated by Corbis-Bettmann

We came in and gave the little guy the opportunity to put out a full-color piece that would compete with the bigger guy.”

While the industry’s consolidation has eaten away a bit of this niche, Bonnie notes that there’s always someone somewhere who can use The Niche Connection’s services. “We have customers all over the United States and Guam and Saipan and St. Thomas.” No matter where they are, she says, “we can give them a flyer that fits their needs.”



Nitzsche receiving the 1994 APRO Vendor of the Year award from APRO’s 1993-94 President Kevin Quinn.

Today, the company’s services include custom flyers, direct-mail marketing, insert pieces and on-hold messaging. The company can also reserve markets for customers, guaranteeing them unique advertising.

In this economy, says Tom, advertising is key. He feels that rent-to-own is positioned well, since consumers may be less likely to purchase items outright. The Niche Connection, he says,

will help them get more of that business. “If you don’t put a piece out there to compete with your competitor, how is anyone going to know you’re there?”

The Nitzsche family has also long supported APRO and the entire rent-to-own industry, going so far as to print flyers promoting and supporting the industry’s legislative efforts in the 1990s. This support has garnered Bonnie and her business numerous awards, including APRO’s Vendor of the Year award in 1994. “I have never, ever gotten over that,” she says. “It was just such an honor and such a privilege to be singled out.” She explains her support of the industry matter-of-factly: “APRO has been just another arm of my business.”

Business, for the Nitzsches, is rarely just about business. “The big thing is,” Tom says, “is it’s about making friends.” Customer Lewallen agrees. “Bonnie’s business is very personal,” he says. “She goes out of her way to treat each and every one of her customers as a friend and she treats you like a best friend.”

Unlike many, Bonnie doesn’t shy away from this mixture of the personal and the professional. “I love my customers,” she says. “I just really admire them and I don’t think that any of them would tell you that I didn’t try to make things right if there was ever a problem.”

As The Niche Connection continues with the second generation at the helm, it’s clear that this philosophy will endure. After all, it has been passed down from mother to son. “Nobody’s going to do business with someone they don’t trust,” Tom says. “You’ve got to start with the cornerstone, which is building the friendship first.” ✦

Tiffany Hamburger is a freelance writer based in Austin, Texas.

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Let's talk about voice marketing

Technology is affecting personal communications in a big way. Texting, blogging, podcasting and social networking Web sites are the 21st-century's means of spreading the word. Businesses are realizing the importance of adjusting communication methods to reflect how customers prefer to connect in the modern world and one of the most effective of the modern communication tools in the business world is voice marketing.

Rent-to-own dealers are beginning to see—and hear—the value of voice marketing. It's a powerful and engaging way to reach an audience in a way in which they *want* to be contacted. Not to be confused with voice blasting or robodialers, which broadcasts a generic message (typically to an untargeted audience), voice marketing sends *personalized* messages to the audience that already knows you and your business—*your customers*. Of all the new communication technologies, it's the most customized method a business can employ; the call-to-action can be immediate and the ROI can be tracked in real-time.

And customers are responding favorably, preferring voice marketing's personal touch, which direct mail or e-mail can't provide. Personal communication with customers has become essential because it gives businesses the ability to convey emotion via the human voice—whether it's to express empathy regarding past-due invoices or invoke enthusiasm in promoting upcoming special events and sales. Moreover, leveraging the power of the human voice can take 80 percent to 90 percent off a company's traditional marketing expenditures—printing, postage, design, placement charges, etc.—while increasing sales and revenue.

Buddy's Home Furnishings and Countryside Rentals are two examples of how rent-to-own businesses are taking advantage of voice-marketing technology. One uses the service for collections; the other for reminders of special promotions.

Florida-based Buddy's Home Furnishings, the largest independent rent-to-own company in the United States, started using voice marketing in 2007 to improve customer service. The company was searching for a new way to reach its tens of thousands of current customers regarding payment collection. It had been spending hours every week calling customers personally, one by one, and mailing out past-due notices. By replacing this time-consuming—and profit-consuming—process with voice marketing, Buddy's has decreased its collections customers by 60 percent and its staff is able to focus on the customers who require more attention or are harder to reach.

Countryside Rentals operates 23 stores in southern Ohio and northern Kentucky. It was looking for a way of expanding how it communicated reminders and alerts regarding special in-store promotions and sales events, such as its Customer Appreciation Weekend. Prior to implementing voice marketing, Countryside spent hours and hours making customer calls manually. Now, it can still make manual calls as needed, but also the company can send thousands of calls simultaneously to alert valued, loyal customers of upcoming promotions. Countryside benefits from the tracking metrics offered by voice marketing. Since the service automatically tracks those recipients who opt out of receiving future messages, the business can be sure not to send future unsolicited calls to those recipients, which helps enhance customer relations.

Because rent-to-own businesses offer a distinct advantage to consumers—that of owning merchandise without paying the full amount up front or facing the inherent credit risk associated with financing a purchase—it's increasingly important during these difficult economic times for rental dealers to have the most up-to-date means of communicating RTO's benefits. Voice marketing can speak volumes on your company's behalf.

Kim Graham Lee is CEO of Vontoo Inc., the leading permission-based voice marketing company in the country. Its services are used by various industries, including rent-to-own businesses, around the country. Visit www.vontoo.com or call 877/TO-VONTOO (877/868-6686) for more information.



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www.a-america.com

Albany Industries *
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662/534-9800, ext. 228;
fax 662/539-4027
jay.cochran@albanyindustries.com
www.albanyindustries.com

Ashley Furniture Industries *^+
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954/401-2996; fax 954/385-8857
klebensburger@ashleyfurniture.com
www.ashleyfurniture.com

Bushline Furniture Inc. *
Contact: Hollis Bush
423/626-5246; fax 423/626-7237
hollis@bushline.com
www.bushline.com

Coaster Co. of America *^+
Contact: Larry Furiani
562/944-7899, ext. 1149;
fax 562/944-5129
lfuriani@coasteramer.com
www.coastercompany.com

Donco Trading Co. *^+
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817/923-5010; fax 817/927-2319
futonic@yahoo.com

Fraenkel Co./Englander Bedding *
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225/275-8111; fax 225/272-7319
briana@fraenkel.com
www.fraenkel.com

Home Line Industries *^
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Innovex Home Products Corp. *^
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United Furniture Industries *^
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www.labsinc.com

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husband's real-estate business and eventually putting all five of her kids through college and three of them through law school. Raffaelli earned his Bachelor of Science in business administration at American University, received his law degree from the University of Arkansas Law School, and later earned his Master of Law in taxation at New York University Law School.



Following a Congressional internship and some time spent clerking at the U.S. Tax Court, in 1984 Raffaelli found work as tax and trade counsel for then-U.S. Senator Lloyd Bentsen. Raffaelli also found in his fellow Texan a real role model and

“When you’re a dealer operating in only one state, you might feel like you don’t need to worry about what’s happening in other states, so why worry about federal legislation, right? But when you see someone suddenly trying to work around your state law with a bill that would put you out of business, then you realize, if we had a federal statute, that couldn’t happen. That’s why all operators should want to work for a federal bill.”

a strong influence on his future career path.

“Lloyd Bentsen was a master legislator,” Raffaelli effuses. “He knew how to listen to everybody, hear what they needed and figure out how to put together a deal that gave everybody something, but also fit acceptably within his own policy goals. And that’s kind of the heart of what I do now.”

Today, Raffaelli is working with the rest of the rent-to-own lobby team to gain bipartisan support for the *Consumer Rental-Purchase Agreement Act of 2009*. This year’s model of the rent-to-own regulatory bill mirrors state laws and will require consumer pricing and advertising disclosures, as well as define the rent-to-own transaction as a lease.

“We’ve just gotten the bills introduced,” Raffaelli says. “Representative [William Lacy] Clay [Democrat-Missouri] introduced it with 41 co-sponsors, which is absolutely phenomenal—almost unprecedented [at press time, there are 83 House co-sponsors]. Senator

[Mary] Landrieu [Democrat-Louisiana] is reintroducing it over in the Senate. Right now, our honest goal is just to get Congress to give a fresh, clean look at the measure and see whether we can get this thing approved so that there’s a final resolution to this issue.”

Even with an encouraging 80-plus bill co-sponsors already signed on, moving H.R. 1744 and S. 738 forward looks like an uphill climb—the first step of which is garnering any attention at all from Congressional leaders caught up in bank bailouts and economic stimulus efforts. That’s why Raffaelli insists it’s more important than ever that rent-to-own dealers take an active interest in their industry’s bigger legislative picture.

“When you’re a dealer operating in only one state, you might feel like you don’t need to worry about what’s happening in other states, so why worry about federal legislation, right?” Raffaelli says. “But when you see someone suddenly trying to work around your state law with a bill that would put you out of business, then you realize, if we had a federal statute, that couldn’t happen. That’s why all operators should want to work for a federal bill.”

Despite the distraction of a nose-diving economy, Raffaelli remains optimistic about the

federal bill. He’s prompt to praise APRO President Tiger John Cleek Sr. and the Association of Progressive Rental Organization’s staff leadership for their unifying and pump-up-ifying efforts in support of the federal statute. It seems “General” John D. Raffaelli sees his “troops” shaping up and is ready to lead them once again into the Congressional fray.

“In order for our efforts to be effective, there are two fundamentally important things to know about lobbying: one, you must stay united; and two, you must understand the success of your lobbying operation is directly related to how well [the rent-to-own dealers] communicate with their own members of Congress—because the best lobbyist to convince a Congressional member is a constituent. When this army has been organized and willing, that’s been the biggest part of our success.” ✦

Kristen Card is a freelance business writer based in Austin, Texas.

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members, everybody has some working knowledge of what the issues are and we can guide our clients to the offices most open to what we're saying."

That implies—accurately—that some lawmakers' doors are closed to the story that the rent-to-own industry is telling. Luckily, Buck has first-hand experience being on the other side of the door, having served as a legislative assistant to U.S.



Representative Bennie Thompson (Democrat-Mississippi) and as a professional staffer for the House Homeland Security Committee. Even the young Buck, unafraid to ask the impossible, realizes that you don't necessarily always receive.

"I've been there, so I can see both sides of it; I've had to be the rejecter and now I'm the rejected," Buck says. "A 'no' is not

a knock against you or your industry. The [Congressional] members' policies and considerations are always paramount, so sometimes, it's just the marching orders [staffers] have been given to execute. It isn't personal, so hopefully, you don't make friends or enemies based on somebody telling you they can or can't do something you're asking for."

With the country's economic crisis soaking up the spotlight at our national center-stage, Buck and her fellow rent-to-own lobbyists are valiantly vying for a little legislative lime-light. Optimistic, Buck sees an opportunity for the industry to shine amid darkening economic forecasts. "I feel that our [rent-to-own] message is even more relatable now than ever," Buck effuses. "There's a credit crisis, so many constituents can't go to big-box retailers and use their credit cards. Credit card companies aren't extending credit lines; in fact, they're reducing credit lines daily. If credit cards are no longer an option, then forget about financing a major purchase. And suddenly, rent-to-own is there as a much more viable option."

This capacity to take her client's key message and make it relevant to Congressional members and their staffs is one of Buck's strongest skills. She's picked up a few more fundamentals along the way—keeping this up-and-comer on the fast track to success in a town renowned for its ability to derail.

"It's a little like translation," Buck professes. "Listening to your client's business interests and translating it into a simple message that makes sense for people up on the Hill is definitely important. And patience is essential when you're dealing with the House and Senate. You never know what's going to happen next; you can go from having basically no opportunity on one day to all the cards just falling in your favor the next. So you have to stay patient, stay persistent and stay prepared." And it doesn't hurt to ask the impossible once in a while. ✧

Kristen Card is a freelance business writer based in Austin, Texas.

the things happening in the industry years ago weren't good for the customer, weren't good for the business. But those things have dissipated and those images that [some] people have of the industry are outdated. Part of what I try to do is bring them up to where we are *today*—look at what the industry is doing, look at who they *really* are, at who they *really* serve and why customers are satisfied."

To outsiders, lobbying might seem like a whole lot of conversation and not much action. But the fact is, while it's not a day in the coal mines, the lobbying life still requires plenty of savvy, salesmanship and stamina. "[Clients] want you to have one thing under your belt as a lobbyist and that's Hill experience," Speed says. "You need to have an understanding of the legislative process, access to members and just a general feeling of how the place operates. Beyond that, it helps to have—I'm not sure how else to say it—salesmanship, as well as staying power."

"For most lobbyists, a typical day begins with an 8 a.m. fundraiser breakfast for a Congressional member or policy breakfast on client issues, followed by a staff meeting," Speed says. "After that, you might have a fly-in, where clients are coming in and you have meetings scheduled up on the Hill. At lunchtime, you might have either a client lunch or maybe another fundraiser. Then you go to your office, try to return calls, reply to e-mails, write memos and a whole host of other things. Around 5 or 6



p.m., another fundraiser will start and you might have two or three of them to go to. You might have a client dinner somewhere in-between all that. Then, finally, you can go home, kiss your spouse, feed your dog, fall into bed and do it all over again the next day."

In addition to her own job, Speed is involved in her retired lieutenant colonel husband's dual career as a Baptist minister/IT business owner. The couple has five children and four grandchildren between them. Life for Tonya Speed is full—good and full.

Despite all the fast-moving parts around her, Speed herself comes across as unruffled, centered in spite of the commotion of life. She is a woman who knows where she comes from and is clear about her purpose—particularly when it comes to her client responsibilities. "One of our given rights as Americans is to petition Congress and fundamentally that's what we as lobbyists do," Speed says. "We're the frontline people who are here in D.C. at the disposal of our clients, to knock on doors and open those doors so that clients and Congressional members and their staffers can come together and have an opportunity to discuss their interests and concerns reasonably. That's pretty much what we do." ✧

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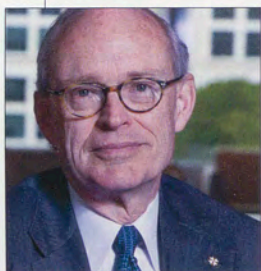
Premier Rental-Purchase is a franchising company that provides start-up and ongoing assistance to experienced rent-to-own operators. We can provide financial assistance with start-up capital—Premier has a program to help new business owners obtain inventory financing with SBA Guaranteed Loan assistance. If you have the desire to own your rent-to-own company, this is an opportunity you must review. For details, see our Web site at www.premierrents.net; or call Trooper Earle at (800) 2-Premier.

**EQUITY INVESTMENT FUND
AND SBA LOAN ASSISTANCE**

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sale rather than as a lease,” Palmer says. “They can regulate it as a lease however they deem appropriate, but they cannot incorrectly treat it as a sale—which would make it difficult or impossible for rental-purchase to stay alive.”

Business advocates and consumer groups alike tend to be keenly interested in rent-to-own legislation, which means lobbyists such as Hamilton must work both sides of the aisle to optimize the bill’s Congressional odds. “In a very partisan era, the most impressive thing about this legislation is the bipartisan support it has had,” Hamilton notes. “It had more than 20 Senate co-sponsors during the last Congress—fairly evenly divided between Democrats and Republicans—and we had 100 sponsors in the House, which is virtually unheard of.”



Hamilton stresses that strong individual support from RTO dealers nationwide is vital to the lobby team’s efforts. “Draconian negative legislation can have a devastating effect on what these folks do,” he says. “So even though they might never care to go to Washington, Washington can still affect them.

“Our main job as lobbyists is to come up with how to craft the message,” he continues. “But in terms of *communicating* our message, the messenger who carries the day is the owner or employer within the rent-to-own industry. A letter is good, but an in-person visit just can’t be beat. Real, live constituents, talking to members and staff—I can’t tell you how important it is. And Congressional members and staffers will listen to those people more than they do to us. Part of it is because those folks are constituents and part of it is because [staffers and members] have real respect for the person who does the job day-in and day-out—someone who knows the practical aspects of it all.”

Hamilton, with his gentle drawl and quick wit, knows from where he speaks. His natural qualities just happen to be exactly what today’s Congressional decision-makers want from lobbyists: Where others might have been into heavy-handed promotion, Hamilton is into honest practicality. Where others might have resorted to histrionics, Hamilton turns to history. He nurtures substance over style—“on your mind” messaging rather than “in your face” tactics.

Hamilton is humble enough to know that to stay on federal lawmakers’ minds, his rent-to-own message must make a deeper impression than one lone lobbyist—or even a lobby team—can imprint, which is why he calls continually upon rent-to-own dealers to come to Washington and make sure their voices are being heard. “Your voice is indispensable,” Hamilton says, as if addressing rent-to-own individuals directly. “You talking to your [Congressional] member about our issue is a hundred times more important than my doing the same. I may be able to help you figure out the best way to say it, but your voice is what will make it meaningful.” *

Kristen Card is a freelance business writer based in Austin, Texas.

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Fulfilling APRO's purpose

Since its inception, APRO has strived to be the voice of rent-to-own and put the industry's best foot forward to the press, the public and the government. The express purposes of the association have always been to "promote and inspire public esteem of the rent-to-own industry" and "foster the trade, commerce and interests of all members of the industry" [APRO Bylaws, Art. II(1)(A) and (B)]. We have never had all rent-to-own dealers as members, but we have always *wanted* all dealers as members—the good, the bad and the ugly. We want the bad and the ugly so that we can show them a better way to do the business of rent-to-own.



Despite our noble purposes, we have always had factions and a fair amount of in-fighting over how best to achieve those purposes.

Rental dealers are entrepreneurs, after all. They tend to want things done their way. At some fundamental level, they are competitors and they differ stridently about how things should be done.

While debates among members have raged, APRO has always tried to maintain its independence. It would do the industry no good over the long haul if the association were to land in the pocket of Rent-A-Center or Aaron's or Nationwide or TRIB Group—or any other company or group in the industry.

Over the years, APRO has endured conflicts with the big guys, the little guys, competing trade shows, competing magazines and Web sites, buying groups, RTO customers, board members, employees and vendors—in a word, just about everybody. Part of sticking your neck out on behalf of the perceived best interests of an industry that, at least occasionally, is bitterly criticized means that you get shot at—sometimes a lot and from different directions. To some extent, it is the nature of the association business to parry the thrusts of external critics while, at the same time, working patiently to resolve the internal disputes that inevitably arise.

The industry used to debate things such as

whether customers would ever rent a television if dealers had to disclose the total rent-to-own price. We are still debating the wisdom and efficacy of filing criminal charges on customers who don't pay. Recently, during the APRO Legislative Conference, a U.S. senator's aide told some visiting constituent dealers that the senator had been getting letters from rent-to-own dealers in his state opposing the Landrieu and Clay bills. That is not an issue that has been debated in the APRO board room lately, but apparently it is yet another tear in the RTO industry fabric that APRO will have to work to sew up.

Through the many differences of opinion that fester within our industry, the association tries diligently to avoid playing favorites, even though it is accused daily of doing exactly that. The APRO staff and board work hard to fulfill the association's purposes as they are determined and redefined from time to time. Lately, APRO board members have adopted a comprehensive "Conflicts of Interest" policy so that, during debates, board members must declare the interests and affiliations that might color their positions.

Make no mistake, APRO *does* have some self-interest at play. We who work for mother APRO want the association to survive and do so independently of any rent-to-own company or group. We do not claim perfection in all of the decisions that get made. Great wisdom has come from the APRO board over the years and also some great foolishness. But we at APRO are confident that the association has remained true to its purposes over time. We want the RTO industry to be the very best—most consumer-friendly, most profitable, most ethical and safest—that it can be. We work on those goals every day.

If you think APRO is doing a good job, renew your membership and send us money. If you think we are falling short—which might be the case for as many as half of you who are reading this—let us know and we will try to do better. Send us money, anyway. You can do far more good for the industry—and, ultimately, for your company—working on the inside rather than lobbing grenades from the outside. ✧

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

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