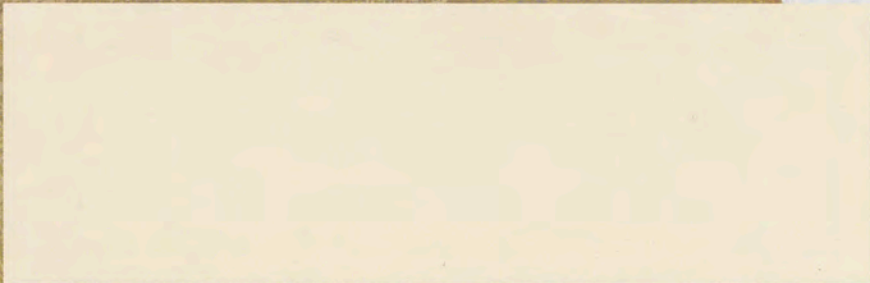


Pub: Every APKO: The of Rent-to-Own | November-December 2009

# RTOHQ

The Magazine

**Uniting the States  
of Rent-to-Own**





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## The united states of rent-to-own

**T**his issue of RTOHQ: *The Magazine* focuses on how state rental dealer associations contribute to the general health of the rent-to-own industry and provide vital information and networking opportunities to its members so that they can better operate and manage their companies and stores. While we wish we had the space to profile every state association, instead we've chosen a few that represent the broad span of possibilities within such organizations.

Some of these groups are at the top of their game; others are rising stars. All have faced an array of challenges that can help illuminate the importance of strong, healthy state associations. Leaders in Missouri, Florida, Illinois, Pennsylvania and Georgia provide us with their insight on what their associations have encountered and the opportunities they have provided their membership.

For those of you reading this issue who are members of every state association where you have stores: *thanks!* You know that your support is returned many fold to you in benefits. For those who have not yet experienced the nourishment and camaraderie of state associations, you owe it to yourself to get involved. In these days of uncertainty, 100 percent participation is no luxury.

Since the 1980s, APRO has provided a variety of services to all rental dealers wishing to establish, maintain or expand their state associations. Your current national president, Tiger John Cleek, began his APRO board involvement by creating our state association coordinating committee. For the past couple of years, Dave Edwards has assumed the chairmanship of that committee. APRO has a full-time staffer, Jeannie Hutchison, to assist all state associations with anything they might request.

State associations, in partnership with a national association, have provided a successful business plan to protect and professionalize the rent-to-own industry. Whether you are a member or not, this combination has served you well. It is, thereby, only fitting that we dedicate this issue to *all* state associations and all current and former rental dealers who have made this possible.

2010 marks the 30th anniversary of APRO. Beginning with the next issue, we will be dedicating each 2010 issue of the magazine to honoring those who helped create this industry and those under whose leadership and sacrifices have made history for all in rent-to-own.



*Bill Keese*

APRO's executive director  
bkeese@rtohq.org

# RTOHQ

The Magazine



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### 16 : Legislation Happens

Rent-to-own dealers, employees and vendors will unite on Capitol Hill February 23–25 to tell the rent-to-own story to members of Congress and their staff. We encourage you to be a part of this lawmaking process, because—with or without you—legislation happens.

### 20 : Uniting the States of Rent-to-Own

by Kristen Card

State rental dealer associations play a vital role in maintaining the health of the rent-to-own industry. In this issue, we profile a handful of these groups—in Missouri, Illinois, Georgia, Florida and Pennsylvania—and chart the expanding array of services they provide to members.

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by Ed Winn III

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by Phillip M. Perry

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### 44 : Vendor Spotlight: Ashley's Ron Wanek

by Tiffany Hamburger

Ron Wanek's Midwestern roots and work ethic, combined with abundant artistic talent, have helped assure that Ashley is seated at the top of the furniture industry.

Cover illustration by Barry Fitzgerald

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## Seeing is believing: APRO membership is worth every penny

If you work in the rent-to-own industry, the Association of Progressive Rental Organizations is an essential part of your business. APRO provides legislative protection, networking opportunities, business resources, education, strength through unity—and so much more. Now, you can see for yourself. APRO has produced a DVD highlighting all the benefits that the association offers, including the latest strategies to enhance the RTO industry's stature in Congress and help win passage of a federal bill defining the rent-to-own transaction. If you know colleagues who are not members of the Association of Progressive Rental Organizations, contact APRO and we'll send them a copy of the DVD. If you are an APRO member and haven't received the DVD, let us know and we'll send it to you. Contact APRO's Membership Director Laurie Hill at 800.204.2776, ext. 103, [lhill@rtohq.org](mailto:lhill@rtohq.org).

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# RTOHQ

The Magazine

Volume 2, Number 3

Published by the Association of  
Progressive Rental Organizations—the official  
voice of the rent-to-own industry

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**RTOHQ: The Magazine** is published  
bimonthly—in February, April, June, August,  
October and December—by the Association  
of Progressive Rental Organizations at  
1504 Robin Hood Trail, Austin, Texas 78703;  
512.794.0095; [www.rtohq.org](http://www.rtohq.org).

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prior written permission. Back issues \$5 each,  
subject to availability. For subscription, change  
of address, back issues, write to the above  
address. Three weeks required for changes on  
orders. Allow six to eight weeks for the first  
subscription copy to be shipped.



# RTOMatters



## APRO selects Louisville as site for 2010 Rent-to-Own Convention

The APRO board of directors has selected Louisville, Kentucky, as the host city for the association's 30th anniversary celebration, July 19-22. APRO's 2010 Rent-to-Own Convention will be held at Louisville's Marriott Downtown and the Kentucky International Convention Center. The APRO board's selection of Louisville was unanimous.

"We are very excited about this Kentucky site," says Bill Keese, APRO's executive director. "Louisville is an easy drive from more than 100 APRO-member home offices and over 1,500 stores. APRO's Rent-to-Own Convention provides the best opportunity for rental dealers to network exclusively with others in the industry. At the APRO show, rent-to-own's identity is never compromised."

The 2010 event will mark the first time APRO has held a convention in Louisville, home of Churchill Downs, which hosts the Kentucky Derby every year. The APRO staff is researching



Churchill Downs as the site for its annual Gala Cocktail Party to be held on July 20. Other popular sites for rental dealers to visit during the APRO show are the Louisville Slugger Museum & Factory, which offers tours demonstrating how the world-famous baseball bats are manufactured;



and the Muhammad Ali Center, a fascinating museum honoring one of America's most famous professional boxers, located near the Kentucky International Convention Center.

Mark your calendar today for this must-see event. During the 2010 Rent-to-Own Convention, APRO will celebrate 30 years as the voice of the rent-to-own industry.

For information on reserving booth space in the exhibit hall, contact Cindy Ferguson at 800/204-2776, ext. 107; [cferguson@rtohq.org](mailto:cferguson@rtohq.org).

## Successful grassroots political efforts take motivation, elbow grease and money

Sending rent-to-own advocates to Washington several times per year on behalf of the rent-to-own industry's federal legislative effort is a costly affair. But the benefit of maintaining those Capitol Hill connections and nurturing the indus-

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try's robust federal effort is too important to let slide.

That's why O'Rourke Sales Co. kicked off the 2009-10 Team APRO fundraising effort with a \$5,000 contribution at APRO's Rent-to-Own Convention and Buying Show, held this past September in Las Vegas.

"This level of commitment by O'Rourke Sales Co. shows a keen understanding of the importance of the federal legislative effort and it helps secure the rent-to-own transaction in the U.S. economy," says APRO's Executive Director Bill Keese.

APRO's Team APRO fund is not a political action committee and, therefore, the funds cannot be contributed to political candidates nor their campaigns. Instead, the fund is used to offset traveling costs and other related expenses incurred to implement the industry's federal legislative effort. Because this money is not used for political candidates or their campaigns, rent-to-own companies can donate (unlike PACs, to which only individuals can contribute) and the contribution also may be tax deductible.

Different contribution levels are available and APRO encourages its vendors to show support for the rent-to-own industry by contributing to the Team APRO fund. For more information, contact Jeannie Hutchison at 800/204-2776, ext. 108; [jhutchison@rtohq.org](mailto:jhutchison@rtohq.org).

## APRO's 2009 Customer Satisfaction Survey released

**A** PRO's 2009 Rent-to-Own Customer Satisfaction Survey, an invaluable customer service, marketing and advertising guidepost, is now available to APRO members only. This study is conducted once every five years by leading rent-to-own customer satisfaction expert Britt Beemer of America's Research Group, one of the premier household consum-

er research companies in the country. APRO has hired Beemer to research and study rent-to-own customer satisfaction since 1994.

APRO's Rent-to-Own Customer Satisfaction Survey is the benchmark to determine what rent-to-own companies are doing well in customer service and what needs improvement. The research helps rental dealers decide how and what to market and advertise, and how to keep customers satisfied and coming back to their stores. It's in-depth, indispensable and of the caliber that small rent-to-own companies could not afford to conduct themselves.

An executive summary of the survey is available



## RTOCalendar

### January 7-10

Consumer Electronics Show 2010, Las Vegas, Nevada. For more information, call 703/907-7600 or visit [www.cesweb.org](http://www.cesweb.org).

### January 17-20

ColorTyme 2010 National Meeting, Embassy Suites and Frisco Convention Center, Frisco, Texas. For more information, contact Rhonda Davis at 972/403-4945, [rdavis@colortyme.com](mailto:rdavis@colortyme.com); or visit <https://mail.geiaus.com/colortyme>.

### January 18

RNR Custom Wheels and Performance Tires Franchisee Meeting, Tampa Hilton Westshore, Tampa, Florida. For more information, contact Chanelle Washington at 813/977-9800, ext. 17; or visit [www.rnrwheels.com](http://www.rnrwheels.com).

### January 24-28

The Premier Companies' 2010 Convention, JW Marriott Grande Lakes, Orlando, Florida. For more information, contact Larkin Mott at 800/277-3643, [larkinmott@premierrents.com](mailto:larkinmott@premierrents.com); or visit [www.premierrents.net](http://www.premierrents.net).

### February 1-4

Las Vegas Furniture Market, Winter 2010, Las Vegas, Nevada. For more information, call 888/416-8600; or visit [www.lasvegasmarket.com](http://www.lasvegasmarket.com). APRO Hospitality Suite, sponsored by Ashley Furniture, 5-6:30 p.m., February 2, Ashley suite, World Market Center, building B, 15th floor.

### February 17

Missouri Rental Dealers Association Annual Meeting, Hampton Inn & Suites, Columbia, Missouri. For more information, contact Ken Steiner at 573/442-2963, [steineraa@aol.com](mailto:steineraa@aol.com); or visit [www.missourirentaldealers.org](http://www.missourirentaldealers.org).

### February 23-25

APRO Dave Egan Legislative Conference, L'Enfant Plaza Hotel, Washington, D.C. For more information, contact Jeannie Hutchison at 800/204-2776, ext. 108, [jhutchison@rtohq.org](mailto:jhutchison@rtohq.org); or visit [www.rtohq.org](http://www.rtohq.org).

### February 28-March 3

RentDirect Nationwide PrimeTime!, MGM Grand, Las Vegas, Nevada. For more information, call 800/777-8741; or visit [www.nationwideprimetime.com](http://www.nationwideprimetime.com).

free to APRO members as a PDF file. To receive the PDF and/or become an APRO member, contact Laurie Hill, APRO's membership director, at 800/204-2776, ext. 103; lhill@rtohq.org.

## Rent-to-own conventions abound in January

Three of rent-to-own's biggest franchise companies—ColorTyme, RNR Custom Wheels and Tires and The Premier Companies—will ring in the new year with annual conventions and business meetings in January.

The run of events begins with the ColorTyme 2010 National Convention January 17-20 at the Embassy Suites in Frisco, Texas. The event, which includes a Dallas Stars hockey game on January

18, also will recognize the accomplishments of individual stores, managers and franchise owners. To register for the ColorTyme show, visit <https://mail.geiaus.com/colortyme>.

ColorTyme has added 117 new stores and 51 new franchisees in the past five years. Today, ColorTyme franchisees operate 196 rent-to-own stores in 33 states, and the company's custom-wheels-and-tires franchise brand, RimTyme, operates 24 stores in 12 states.

RNR Custom Wheels and Performance Tires' will



hold its sixth-annual franchisee meeting January 18-21 at the Tampa Hilton Westshore in Tampa, Florida. It will kick off with a golf tournament on January 18, followed by a number of workshops where franchisees will learn about the latest industry trends in marketing, management,

operations and procedures. The meeting will conclude with RNR's awards banquet and reception.

Reservations can be made at the Tampa Hilton Westshore by calling 813/877-6688. The room rate is \$164 (the event code is RENTRO). For more information, contact Chanelle Washington, RNR's marketing assistant, at 813/977-9800, ext. 17.

RNR is the largest custom wheel and tire rental chain in the country with 67 stores.

The Premier Companies' 2010 Convention takes place January 24-28 at the

at another location, the JW Marriott has a sister course, Grande Pines Golf Course, which is located five minutes away.

The Ritz-Carlton Spa is also located on the property and The Premier Companies attendees will receive a 15 percent discount for services booked January 21-31. A number of family-friendly attractions are close at hand, including Disney World, Universal Studios, Discovery Cove, SeaWorld and Busch Gardens.

Attendees are encouraged to visit the Premier Web site, [www.thepremier-companies.net](http://www.thepremier-companies.net), for updates



JW Marriott Grande Lakes in Orlando, Florida.

Premier attendees are invited to play a round of golf January 25 at a Greg Norman-designed world-class course located on the hotel grounds. For those who would like to arrange additional tee times

and further details on the convention.

The five brands that comprise the Premier Companies include Premier Rental-Purchase, Premier Home Furnishings, Premier Wheel Workz and co-branded UGetcha Cash and Premier Auto By Rent.

## Speese honored for lifetime of entrepreneurship

Mark Speese, chairman and CEO of Rent-A-Center, received the Murphy Award on November 10 at the BDO Seidman LLP Leadership Luncheon in Dallas, Texas. The event benefits the University of North Texas Murphy Center for Entrepreneurship and the award is given to an individual who has demonstrated a lifetime commitment to entrepreneurship.

Former Dallas Cowboy quarterback and pro football hall-of-famer Roger Staubach, who is known for his enterprising ways on the gridiron and in commercial real estate, delivered the keynote address at the benefit.



Speese started his own rent-to-own business, Vista Rent-To-Own, in 1986 and expanded it through a series of acquisitions in the 1990s. Today he oversees Rent-A-Center's 18,500 employees and 3,000 stores in the United States, Canada and Puerto Rico.

He also is president of the board of directors for the Collin County Children's Advocacy Center in Plano and is a board member of Students in Free Enterprise and the Dallas Regional Chamber.

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## TRIB Group's Meeting of the Minds

A record-breaking number of rental dealers from around the country convened October 7 and 8 for TRIB Group's "Meeting of the Minds" in Atlanta, Georgia. The group delved into intense discussions of rent-to-own hot topics ranging from recruiting managers to training, store design and marketing. More than 120 attendees representing over 50 different companies were on hand for the event, as well as a record-breaking 70 vendors.

- 1: Aaron Windsor, Rick Windsor, Jay Roberts, Mark Windsor, Kathy Windsor and Michelle Jackson. 2: BriteLite's Ray Oribello and CM Jewelry's Chad Lemery. 3: TRIB Group President Ernie Lewallen addresses attendees. 4: Ken Mashburn, Chris Raffo (Home Express) and Chris Bolin (Bolin Rental Purchase). 5: Buddy's Home Furnishing's Joe Gazzo and Scott Hancock. 6: Sherry Workman with CybertronPC. 7: Jack Shelburne with TwinStar/ClassicFlame.

## Texas Association of Rental Agencies

William McCrae, president of Buzz's Lease Purchase and Sales, became the new president of the Texas Association of Rental Agencies during the association's 26th annual Convention and Southwest Buying Show, October 10 and 11 in Addison, Texas. Nearly 30 companies exhibited at this year's show and APRO's general counsel, Ed Winn III, updated the group on a wide range of legal and legislative issues of importance to the rent-to-own industry.

- 1: Newly elected TARA President William McCrae, APRO's Cindy Ferguson, TARA Executive Director Scott Pospisil and APRO Executive Director Bill Keese. 2: Don Wilson and Curt Bannigan of Whirlpool visit with TARA members. 3: SED International's Lee Linskie and Mike Neighbours with Lynn Clark, past executive director of TARA. 4: TRIB Group's Executive Director Dennis Shields and TRIB Group's newly elected secretary/treasurer Lyle Digby (Aaron's Sales & Lease).



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For expanded coverage and additional photographs of rent-to-own events, visit [www.rtohq.org](http://www.rtohq.org).

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## Bestway Rent-To-Own's Managers Meeting

The nation's largest independent RTO company, Bestway Rent-To-Own, held its 2009 meeting September 21-24 in Destin, Florida, where close to 100 managers from the company's 76 stores enjoyed a week of training, networking, sun and surf. The event included an "Afterburner" mission, a team-building exercise designed to demonstrate the "zero tolerance for error" approach used by U.S. military fighter pilots. Bestway's "Knowledge Bowl" featured a "Jeopardy"-style competition.

1: Bestway's district 3, which covers eight stores in Mississippi, won the \$5,000 first prize in the "Knowledge Bowl." 2: "Knowledge Bowl" participants. 3: Bestway's 2009 award-winning managers, including C.D. Bell (seated), who was "crowned" Profit King. 4: Bestway CEO David Kraemer leads a team during the "Afterburner" mission. 5. Steve Kruse, Marvin Macklin and Kraemer. 6. A U.S. Air Force fighter pilot directs the "Afterburner" mission. 7. Bestway district 2 managers at the Welcome Reception.



## Midwest RTO Training Expo

The sixth annual Midwest RTO Training Expo, initiated by the Ohio Rental Dealers Association, was held September 29 and 30 in Columbus, Ohio. Nearly 160 rent-to-own dealers from nine states participated in what has become the largest regional rent-to-own training show in the country. More than 50 vendors participated, demonstrating the latest innovations in rent-to-own products and services.

Ohio State Representative Seth Morgan spoke to attendees.



1: UHR Rents' Ernie Lewallen, Roy Pollitt, Ken Hughes, Tammy Hays, Josh Coleman, Frank Tupman, Dave McCann, Scott Siebert, Eric Singer, Kevin Gallagher and Dwain Hodge. 2. Ohio state Representative Seth Morgan and ORDA President Scott Kinnear opening the festivities. 3: Mark Griffith, Brooke Smith and Lee Fink (Countryside Rent-2-Own) at a product demonstration by Bob Bradlin of SilkoRadio. 4: Countryside Rent-2-Own's Annette McCall, Kate West and Ben Davis. 5: Doug Higgins, Kinnear and Larry Cozart.



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### Georgia Rental Dealers Association

The Georgia Rental Dealers Association held its meeting in Atlanta on October 7. The group honored Aaron's Charlie Loudermilk with a Lifetime Achievement Award, presented by GRDA President Dan Kniesley (top, at right). PTS Tax Services' John Blair and Loudermilk (inset). Loudermilk, Rent-A-Center's Dwight Dumler and APRO's Bill Keese (above).



### Illinois Rental Dealers Association

The Illinois Rental Dealers Association met October 21 in Springfield to discuss issues ranging from legislative and legal concerns to sales tax audits. Elections were held for new officers to the board. Pictured are Henry Baird (secretary), Steve Braning (immediate past president), Kevin Milliron (president), Casey Pristou, Jill Young Shurtz (president and CEO of the Boys and Girls Club of Central Illinois), Larry Carrico (treasurer) and David Keen (vice president). In July, IRDA committed \$21,000 for capital improvements to a Springfield Boys and Girls Club that was forced to shut down due to state budget cuts.



### Florida Rental Dealers Association

Z-Best Rentals' Mike Van Heusen (right) was awarded the Florida Rental Dealers Association's Employee of the Year by Jan Arnett (left) on September 22 at the conclusion of FRDA's business meeting attended by more than 100 dealers.

### Rent One's "Day on the Diamond"

Rent One managers braved drizzling rain October 14 to honor vendors from more than 30 companies at the annual "Day on the Diamond" Vendor Appreciation event at Rent One Park in Marion, Illinois. The company also used the occasion to contribute \$100,000 to the Ronald McDonald House of St. Louis to build a new facility. Rent One presented the first \$10,000 with several southern Illinois leaders: Ronald McDonald House of St. Louis Executive Director Dan Harbaugh, Sharron Carrico, Ronald McDonald, Brandon Bullard (Jefferson County Chamber of Commerce), Marion Commissioner Lannie Gribble, Larry Carrico, George Trammell (Marion Chamber of Commerce) and Liz Lively (Herrin Chamber of Commerce).





## WE ELEVATE TECHNOLOGY.

Showplace Inc. placed priority on offering online shop-and-pay for customers. Partnering with High Touch, Showplace implemented an online transaction system that automatically integrates with its POS system.

Obtaining accurate store-level operational information for all 14 locations is non-negotiable for Showplace and the Enterprise module of High Touch's POS system delivered. High Touch's VPN and online security solutions coupled with the Linux Home Office Super Server provide quick, reliable connectivity while protecting all customer and company data from intruders.

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2010 Dave Egan  
Legislative Conference  
February 23-25  
L'Enfant Plaza Hotel  
and Capitol Hill  
Washington, D.C.  
[www.rtohq.org](http://www.rtohq.org)**



# Legislation Happens

For the past 17 years, APRO members have traveled to Washington, D.C., once a year for the rent-to-own industry's Dave Egan Legislative Conference. Now, as the association commemorates 30 years as the voice of rent-to-own, the 18th annual Legislative Conference is set to bring that voice to the nation's capital February 23-25. Rent-to-own dealers, employees and vendors will unite on Capitol Hill to tell the rent-to-own story to members of Congress and their staffs. We encourage you to be a part of this lawmaking process, because—with or without you—legislation happens. ★ Representative William Lacy Clay has garnered a record number of co-sponsors for his rent-to-own bill in the House, but our job is nowhere near completion. Rental dealers and vendors need to educate more members of Congress about *all* of the issues affecting our industry. Congressional action to further regulate financial institutions could have an unwarranted and detrimental effect on the rent-to-own industry. It is vital that everyone in our industry help correct misconceptions legislators have about our business. The Congressional meetings held during APRO's Legislative Conference play a major role in protecting the industry.



**T**he *Consumer Rental Purchase Agreement Act of 2009*, sponsored by Congressman Clay in the U.S. House of Representatives (H.R. 1744) and Senator Mary Landrieu in the U.S. Senate (S. 738), is a regulatory bill that would require consumer pricing disclosures, advertising disclosures and reinstatement rights while defining the rent-to-own transaction as a lease. It mirrors 47 state rent-to-own laws and offers the proper balance between consumer protections and small business competition.

S. 738 and H.R. 1744 have been referred to the Senate Banking Committee and the House Financial Services Committee's Subcommittee on Financial Institutions and Consumer Credit. Thanks to APRO's grassroots advocacy, Clay's bill has the most co-sponsors in rent-to-own's legislative history. With 109 co-sponsors, one-fourth of the U.S. House of Representatives recognize that passage of the *Consumer Rental Purchase Agreement Act* would continue rent-to-own's contribution to the American economy and to consumers. Landrieu's Senate bill has 15 co-sponsors and needs APRO members' grassroots help to nurture its momentum.

The majority of the co-sponsorships and legislative support are generated as a direct result of APRO's Legis-

lative Conference. The face-to-face meetings in Congressional offices have been the key to generating support and movement of industry-supported federal legislation. Conference attendance also has helped prevent detrimental legislation that would jeopardize rent-to-own's existence.

**W**hile most rental dealers would acknowledge the importance of grassroots efforts to champion the rent-to-own cause, some might consider themselves ill-equipped to represent the industry in face-to-face meetings with members of Congress and their staff—but it's not as daunting as it might seem. "I felt so very uncomfortable when I attended my first Legislative Conference," says APRO board member Cynthia Baber-Strunk, co-chair of the association's government relations committee. "Believe it or not, I am shy. The thought of going to Washington, D.C., to talk with congressmen and senators did not appeal to me at all. It gave me that sick feeling, like I used to get at the thought of having to go to the department store and sit on Santa's lap. And, honestly, I had no faith that our visits would have any real impact.

"Have I ever changed my attitude!" Baber-Strunk declares. "I've discovered that when a congressman, senator or staffer gives us the opportunity to tell him or her about the rent-to-own business, that person comes away from the meeting with a more positive view of the industry. Give us an 'open mind' and soon we will have a proponent for rent-to-own. All of us in the RTO industry are important to our representatives. I still have the shyness issue, but I can promise that it gets easier and you will feel better for having visited with your lawmakers."

**A**s part of the Legislative Conference, a special networking reception and dinner will be held February 24 at Washington's National Museum of Women in the Arts, located in a 1908 landmark just blocks from the White House. Conference attendees and invited VIPs will have the opportunity to discuss their Capitol Hill meetings of the day and develop strategies for the following day's activities.

There is no conference fee; however, attendees are responsible for their own hotel accommodations and airfare. Call the APRO 2010 Legislative Conference headquarters hotel, the L'Enfant Plaza, at 202/484-1000 and ask for the APRO room rate of \$249 per night. The hotel reservation deadline is January 15. To register for the conference, visit [www.rtohq.org](http://www.rtohq.org); or contact Jeannie Hutchison at 800/204-2776, ext. 108, [jhutchison@rtohq.org](mailto:jhutchison@rtohq.org). ✽

## Conference agenda

### TUESDAY, FEBRUARY 23

- 1:30-2:30 p.m. **APRO Board of Directors meeting (Quorum room)**
- 2-3 p.m. **Registration (Foyer A and B)**
- 3-5:30 p.m. **General Briefing Session (Ballroom A and B)**
- 5:30-7 p.m. **Welcome Reception (Solarium)**

### WEDNESDAY, FEBRUARY 24

- 9 a.m.-5 p.m. **Meetings on Capitol Hill**
- 6:35-6:45 p.m. **Buses depart for reception from front of L'Enfant Plaza Hotel**
- 7-9:30 p.m. **Networking Reception and Dinner, National Museum of Women in the Arts**

### THURSDAY, FEBRUARY 25

- 9 a.m.-4 p.m. **Meetings on Capitol Hill**

# Consumer Rental Purchase Agreement Act co-sponsors\*

## House Bill 1744

H.R. 1744 is sponsored by Representative William Lacy Clay (D-Missouri).

Robert Aderholt (R-Alabama, district 4)  
Todd Akin (R-Missouri, district 2)  
Rodney Alexander (R-Louisiana, district 5)  
Robert Andrews (D-New Jersey, district 1)  
Michael Arcuri (D-New York, district 24)  
Joe Baca (D-California, district 43)  
Michele Bachman (R-Minnesota, district 6)  
J. Gresham Barrett  
(R-South Carolina, district 3)  
Marion Berry (D-Arkansas, district 1)  
Sanford Bishop (D-Georgia, district 2)  
Marsha Blackburn (R-Tennessee, district 7)  
Roy Blunt (R-Missouri, district 7)  
Jo Bonner (R-Alabama, district 1)  
John Boozman (R-Arkansas, district 3)  
Dan Boren (D-Oklahoma, district 2)  
Charles Boustany (R-Louisiana, district 7)  
Robert Brady (D-Pennsylvania, district 1)  
Bobby Bright (D-Alabama, district 2)  
Corrine Brown (D-Florida, district 3)  
G.K. Butterfield  
(D-North Carolina, district 1)  
Shelley Moore Capito  
(R-West Virginia, district 2)  
John Russell Carnahan  
(D-Missouri, district 3)  
Kathy Castor (D-Florida, district 11)  
Emanuel Cleaver (D-Missouri, district 5)  
Howard Coble  
(R-North Carolina, district 6)  
Michael Conaway (R-Texas, district 11)  
Jerry Costello (D-Illinois, district 12)  
Henry Cuellar (D-Texas, district 28)  
Danny Davis (D-Illinois, district 7)  
Nathan Deal (R-Georgia, district 9)  
Lincoln Diaz-Balart (R-Florida, district 21)  
Mario Diaz-Blart (R-Florida, district 25)  
Norm Dicks (D-Washington, district 6)  
John Duncan (R-Tennessee, district 2)  
Jo Ann Emerson (R-Missouri, district 8)  
Bob Etheridge  
(D-North Carolina, district 2)  
John Fleming (R-Louisiana, district 4)  
Randy Forbes (R-Virginia, district 4)  
Virginia Foxx (R-North Carolina, district 5)  
Phil Gingrey (R-Georgia, district 11)

Bob Goodlatte (R-Virginia, district 6)  
Kay Granger (R-Texas, district 12)  
Sam Graves (R-Missouri, district 6)  
Al Green (D-Texas, district 9)  
Ralph Hall (R-Texas, district 4)  
Phil Hare (D-Illinois, district 17)  
Alcee L. Hastings (D-Florida, district 23)  
Jeb Hensarling (R-Texas, district 5)  
Stephanie Sandlin Herseeth  
(D-South Dakota)  
Baron Hill (D-Indiana, district 9)  
Ruben Hinojosa (D-Texas, district 15)  
Tim Holden (D-Pennsylvania, district 17)  
Lynn Jenkins (R-Kansas, district 2)  
Eddie Bernice Johnson  
(D-Texas, district 30)  
Henry C. Johnson (D-Georgia, district 4)  
Sam Johnson (R-Texas, district 3)  
Tim Johnson (R-Illinois, district 15)  
Walter B. Jones Jr.  
(R-North Carolina, district 3)  
Jim Jordan (R-Ohio, district 4)  
Paul Kanjorski  
(D-Pennsylvania, district 11)  
Steve King (R-Iowa, district 5)  
Mark Kirk (R-Illinois, district 10)  
Steve LaTourette (R-Ohio, district 14)  
Christopher Lee (R-New York, district 26)  
John Linder (R-Georgia, district 7)  
Blaine Luetkemeyer (R-Missouri, district 6)  
Donald Manzullo (R-Illinois, district 16)  
Kenny Marchant (R-Texas, district 24)  
Michael McCaul (R-Texas, district 10)  
Patrick McHenry  
(R-North Carolina, district 10)  
Mike McIntyre  
(D-North Carolina, district 7)  
Cathy McMorris Rodgers  
(R-Washington, district 5)  
Gregory W. Meeks (D-New York, district 6)  
Dennis Moore (D-Kansas, district 3)  
James Moran (D-Virginia, district 8)  
Jerry Moran (R-Kansas, district 1)  
Sue Myrick (R-North Carolina, district 9)  
Randy Neugebauer (R-Texas, district 19)  
Solomon Ortiz (D-Texas, district 27)  
Ed Pastor (D-Arizona, district 4)  
Todd Russell Platts  
(R-Pennsylvania, district 19)  
Tom Price (R-Georgia, district 6)  
Adam Putnam (R-Florida, district 12)

Sylvester Reyes (D-Texas, district 16)  
Mike Rogers (R-Alabama, district 3)  
Mike Ross (D-Arkansas, district 4)  
Aaron Schock (R-Illinois, district 18)  
David Scott (D-Georgia, district 13)  
Pete Sessions (R-Texas, district 32)  
Brad Sherman (D-California, district 27)  
John Shimkus (R-Illinois, district 19)  
Bill Shuster (D-Pennsylvania, district 9)  
Ike Skelton (D-Missouri, district 4)  
Adrian Smith (R-Nebraska, district 3)  
Lamar Smith (R-Texas, district 21)  
Zach Space (D-Ohio, district 18)  
Gene Taylor (D-Mississippi, district 4)  
Lee Terry (R-Nebraska, district 2)  
Mac Thornberry (R-Texas, district 13)  
Todd Tiahrt (R-Kansas, district 4)  
Michael Turner (R-Ohio, district 3)  
Fred Upton (R-Michigan, district 6)  
Zach Wamp (R-Tennessee, district 3)  
Diane Watson (D-California, district 33)  
Lynn Westmoreland  
(R-Georgia, district 03)  
Robert Wexler (D-Florida, district 19)  
Ed Whitfield (R-Kentucky, district 1)  
Robert Wittman (R-Virginia, district 1)  
Frank Wolf (R-Florida, district 10)

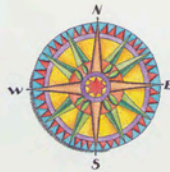
## Senate Bill 738

S. 738 is sponsored by Senator Mary Landrieu (D-Louisiana).

Christopher S. Bond (R-Missouri)  
Sam Brownback (R-Kansas)  
Jim Bunning (R-Kentucky)  
Richard Burr (R-North Carolina)  
Saxby Chambliss (R-Georgia)  
Thad Cochran (R-Mississippi)  
James Inhofe (R-Oklahoma)  
Johnny Isakson (R-Georgia)  
Mike Johanns (R-Nebraska)  
Tim Johnson (D-South Dakota)  
Blanche Lambert Lincoln (D-Arkansas)  
Ben Nelson (D-Nebraska)  
Pat Roberts (R-Kansas)  
John Thune (R-South Dakota)  
David Vitter (R-Louisiana)

\* As of December 2, 2009





## Uniting the states of rent-to-own

**I**t's been almost a quarter of a century since the first state-level rental-dealer associations began to form. One here, one there, they originally began to pop up as legislative leverage—some proactively, as industry leaders sought to pass state laws to protect rent-to-own companies; others defensively, as RTO fought off efforts to impede business at the state level. “The first few organized on their own,” remembers Bill Keese, APRO’s executive director. “Then APRO became involved in helping rental dealers organize their states and over the years, we’ve helped many of them get up and running. Some say we might have created our biggest competition by doing it, but organizing at the state level was necessary to safeguard the industry overall.”

The strategy has proven successful—to date, 47 states have established positive laws regarding rent-to-own. Yet politically alert and effective state associations remain an essential facet of the industry, since every year, more than two dozen bills are introduced in state legislatures around the nation that could affect rent-to-own, typically in a negative way.

Still, today’s state associations are about much more than lobbying government leaders. “The state associations have evolved,” Keese says. “First, they were primarily for legislative protection. Then, they grew into educational resources. Many of them hold annual meetings with programs about industry issues or seminars with hot-topic speakers for owners and employees alike.

“Now, state associations are evolving into community service ambassadors,” Keese says. “Over the years, many individual rental dealers have done lots of good things for their communities

simply because it’s the right thing to do. When they organize *statewide* to give back to their customers and communities, it helps the industry’s image and it helps everybody in the state—not just association members, but *everyone* connected with RTO. We all want the image of the rent-to-own industry to be top-notch across the country.”

APRO’s state association coordinating committee works to improve communications among existing state associations and help launch new ones. APRO’s professional staff offers a menu of administrative services for state associations. “We offer full bookkeeping services as well as comprehensive meeting-planning services to all state associations,” Keese says. “Currently, about a dozen of the groups engage APRO to help them manage their administrative duties.”

As the key role played by the industry’s state associations has evolved, so too has their relationship with APRO. Rather than competitors for membership, these two arms of the industry work hand-in-hand toward shared goals. “The majority of our memberships is shared,” Keese says. “Most members understand the fundamental need for participation at both levels. State associations provide some things members can’t get through APRO and vice versa—yet, there’s wonderful cooperation between the organizations. For example, we provide legislative monitoring services for all 50 states, so whenever a potentially impactful bill is introduced in any legislature, we alert the state association about it and work together to resolve it. To have this enduring collaborative effort among rental dealers in legislation, education and community service is not just supportive of, but essential to, our continued success as an industry.”

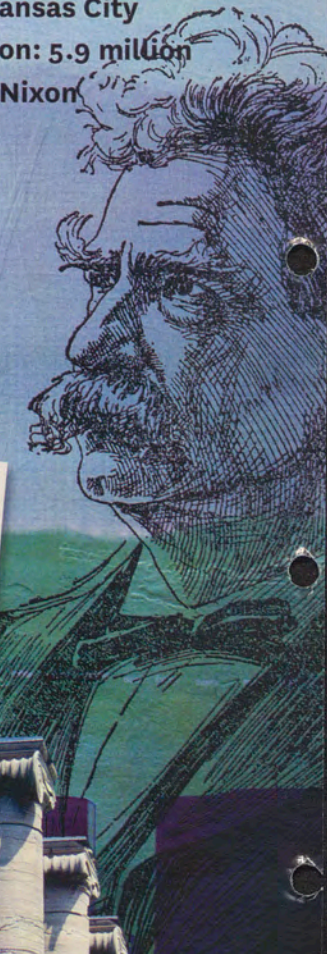
**PROFILES by KRISTEN CARD**

# Show the Me State

Admitted to the Union: 1821  
State capital: Jefferson City  
Largest city: Kansas City  
State population: 5.9 million  
Governor: Jay Nixon



Missouri rent-to-own stores: 302  
RTO employees: 1,812  
Annual RTO wages: \$63,420,000  
Annual RTO payroll taxes: \$9,700,000  
Annual RTO revenues: \$222,200,000  
State association president: Tiger John Cleek Jr.  
State Association of the Year: 1994, 1998, 2005 and 2007  
[www.missourirentaldealers.org](http://www.missourirentaldealers.org)





## Missouri: State of Well-Being

**The Missouri  
Rental Dealers  
Association  
shows us  
state association  
success in action**

**T**hey call Missouri the Show-Me State and the Missouri Rental Dealers Association (MRDA) sure can—and does—show you, me and the rest of the rent-to-own industry an extraordinary example of consistent, progressive state association excellence.

“We are an extremely active state,” declares John Cleek Jr. of Cleek’s Inc./Aaron’s and MRDA’s president since 2007. “We’ve had a lot of great leaders on our board of directors and our member companies really understand the value we provide. We’ve got a pretty good thing going.”

Cleek’s dad, Tiger John Cleek, co-founded MRDA 22 years ago with the organization’s first president, John Thompson, to try to get a state bill passed supporting the rent-to-own industry. The bill passed within six months; MRDA managed to sustain active status by developing exceptional, economical events for its growing membership. Today, in addition to its February annual meeting, MRDA hosts the Heartland of America Regional Trade Show every June.

“This year was our fifth annual regional trade show,” Cleek Jr. notes. “Our exhibit hall was a total sellout—we had more than 250 attendees representing almost 75 companies from seven different states. [Every year] we hold a preview reception, bass-fishing and golf tournaments, dinner and awards banquet, and this year we added six in-depth vendor training seminars. Despite a down economy, our vendors sold more than \$1 million worth of products for the second consecutive year.”

Additionally, MRDA puts on a “traveling road show” each fall, a three-day event offering a day-long training session to store-

level personnel in three Missouri cities. This year’s road show was presented to 123 associates in Springfield, Columbia and St. Louis.

Cleek Jr. credits the success and popularity of all three of MRDA’s events to two key elements: (1) strong leadership with great ideas—three active Missourians have served as presidents of the Association of Progressive Rental Organizations, including current APRO president Tiger Cleek; and (2) Ken Steiner, who has worked for MRDA as a professional event planner for almost 15 years. “Ken’s the guy who makes sure that everything goes smoothly and that we look good,” Cleek Jr. says.

MRDA looks equally good in the legislative arena, in both Washington, D.C., and Jefferson City, Missouri. Up on Capitol Hill, MRDA members helped secure the lead House sponsor of the rent-to-own federal bill, U.S. Representative William Lacy Clay (D–St. Louis), as well as all nine of Missouri’s Congressional representatives as co-sponsors, while U.S. Senator Kit Bond (R–Missouri) co-sponsors the Senate version. At the state capital, the association’s effectiveness is reinforced by lobbyist Jim Durham of John Britton and Associates and MRDA’s political action committee fund. Over the past few years, the combination has helped create a safe harbor for Missouri rent-to-own businesses.

Meanwhile, MRDA is helping create better educational environments for Missouri youth, recently adopting Computers for Kidz as its annual service project.

“You see the kids’ eyes light up and you realize you’re making a real, positive difference for them,” Cleek Jr. says, “in their education, their ability to learn and, hopefully, their futures.”

CONTINUED ON PAGE 52



# Welcome to THE SUNSHINE STATE



Admitted to the Union: 1845  
State capital: Tallahassee  
Largest city: Jacksonville  
State population: 18.3 million  
Governor: Charlie Crist

Florida rent-to-own stores: 564  
RTO employees: 3,384  
Annual RTO wages: \$118,500,000  
Annual RTO payroll taxes: \$18,200,000  
Annual RTO revenues: \$415,000,000  
State association president: Chris Kale  
State Association of the Year: 1993, 2001 and 2006  
[www.frda-rto.com](http://www.frda-rto.com)





## Florida: State of Calm

**With most battles settled (for now), the Florida Rental Dealers Association's future looks sunny and bright**

**T**he Florida Rental Dealers Association (FRDA) represents the Sunshine State, but not all of the industry's days have been sunny ones there, not by a mile. Some of the nation's biggest, baddest rent-to-own battles have been waged—and eventually won—in Florida.

FRDA originated more than 22 years ago to fight a lawsuit seeking to put rent-to-own in Florida out of business. Within a year, the association eradicated the suit and gained approval of favorable rent-to-own state legislation. Under the leadership of Champion TV's Margot Tillotson, FRDA flourished, winning the Association of Progressive Rental Organization's State Association of the Year Award by 1993 (and again in 2003 and 2006). But when Champion TV disappeared due to mergers, the association fell dormant, too.

The folks at Tampa-based Buddy's Home Furnishings decided to bring FRDA back. But no sooner had the association re-emerged—in 1998 with Terry Beville as president—than it faced unfavorable state legislation. With a reactivated board of directors and a newly hired lobbyist, FRDA held its first state legislative conference in Tallahassee. The state conference, the first of its kind nationwide, was a supreme success. By 2001, not only had the proposed legislation been thwarted, but previously passed language preventing rental dealers from filing criminal charges against people who steal their property also was abolished.

Nine years later, it seems the worst of Florida's rent-to-own wars may be yesterday's news—in large part because the FRDA is still going strong. With 23 member companies representing 450 stores throughout

Florida, FRDA has a membership that spans the rent-to-own industry, from monoliths to mom-and-pops.

"This is an extremely diverse state," notes FRDA executive director Sharon Tomaszewski of Rent King. "That's also what makes us successful—we have a lot of different perspectives, but as rental dealers doing business in Florida, we face a lot of the same situations. We are competitors, but we openly share information that can help everybody."

FRDA's annual Legislative Conference continues every spring, with about 15 industry representatives traveling to Tallahassee for a day of information briefings and lawmaker visits. The association supports its legislative activity year-round through continuous fundraising for its political action committee.

FRDA also is well-represented at APRO's Dave Egan Legislative Conference, held annually in Washington, D.C. Tomaszewski sees the state and federal legislative conferences as being equally important and worthwhile opportunities for FRDA members.

"It's silly not to take advantage of the value offered through these legislative trips," Tomaszewski says. "You learn about your country, your state, how they really work and how it relates to your industry. That kind of involvement is key to staying in business."

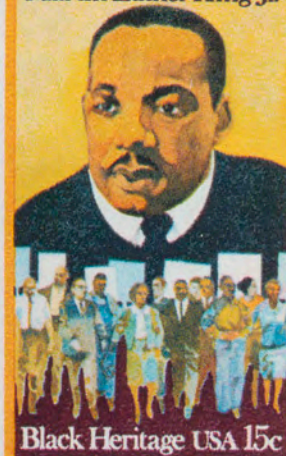
Aside from its yearly events—which also include a well-attended annual meeting and vendor mingle each fall in Tampa—FRDA has been focused intensely on one massive project: developing a statewide rent-to-own skip/stolen database. Beville's brainchild, the database lets Florida rental dealers

CONTINUED ON PAGE 52

Greetings from

# THE PEACH STATE

Martin Luther King Jr.



Admitted to the Union: 1788

State capital: Atlanta

Largest city: Atlanta

State population: 9.7 million

Governor: Sonny Perdue



Georgia rent-to-own stores: 410

RTO employees: 2,460

Annual RTO wages: \$86,100,000

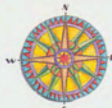
Annual RTO payroll taxes: \$13,200,000

Annual RTO revenues: \$301,700,000

State association president: Dan Kniesly

2009 State Association Emerging Excellence award





## Georgia: State of Growth

**The Georgia Rental Dealers Association is coming out of its shell and emerging as an example of excellence**

**I**n the mid-1980s, state rental dealer association start-ups were all the rage. Many states' rent-to-own leaders, concerned about potentially damaging legislation, rallied and lobbied in order to secure state laws to protect their businesses. Following legislative successes, some state organizations endured. Many did not.

Georgia was among the first states to approve pro-RTO legislation and also one of the associations that then fell dormant soon after. About seven years ago, some rental dealers from south Georgia attempted to reboot the state association, but it powered down again. Then, a little over a year ago, the Georgia Legislature began considering measures to regulate rent-to-own activity on the Internet and the state's rental dealers decided to try, try again.

"The legislative activity was what spurred us to restart our association, because we had to get together and see what was happening with that," says Dan Kniesly of Easy Rental, the new president of the Georgia Rental Dealers Association (GRDA). "It wasn't necessarily an immediate need, but we needed to be diligent and prepared for anything that might come up. With the help of lobbyist Sam Choate, Beth Gibbs with Aaron's and Dwight Dumler from Rent-A-Center, we spoke with state lawmakers and managed to stop that legislation."

With support from the Association of Progressive Rental Organizations and the TRIB Group, about 20 of Georgia's rent-to-own leaders held an organizational meeting in October 2008. Officers were elected and Kniesly was voted in as vice president; a few months later, the elected president stepped down and Kniesly took over. Recently, he

was re-elected GRDA president during the group's inaugural annual meeting.

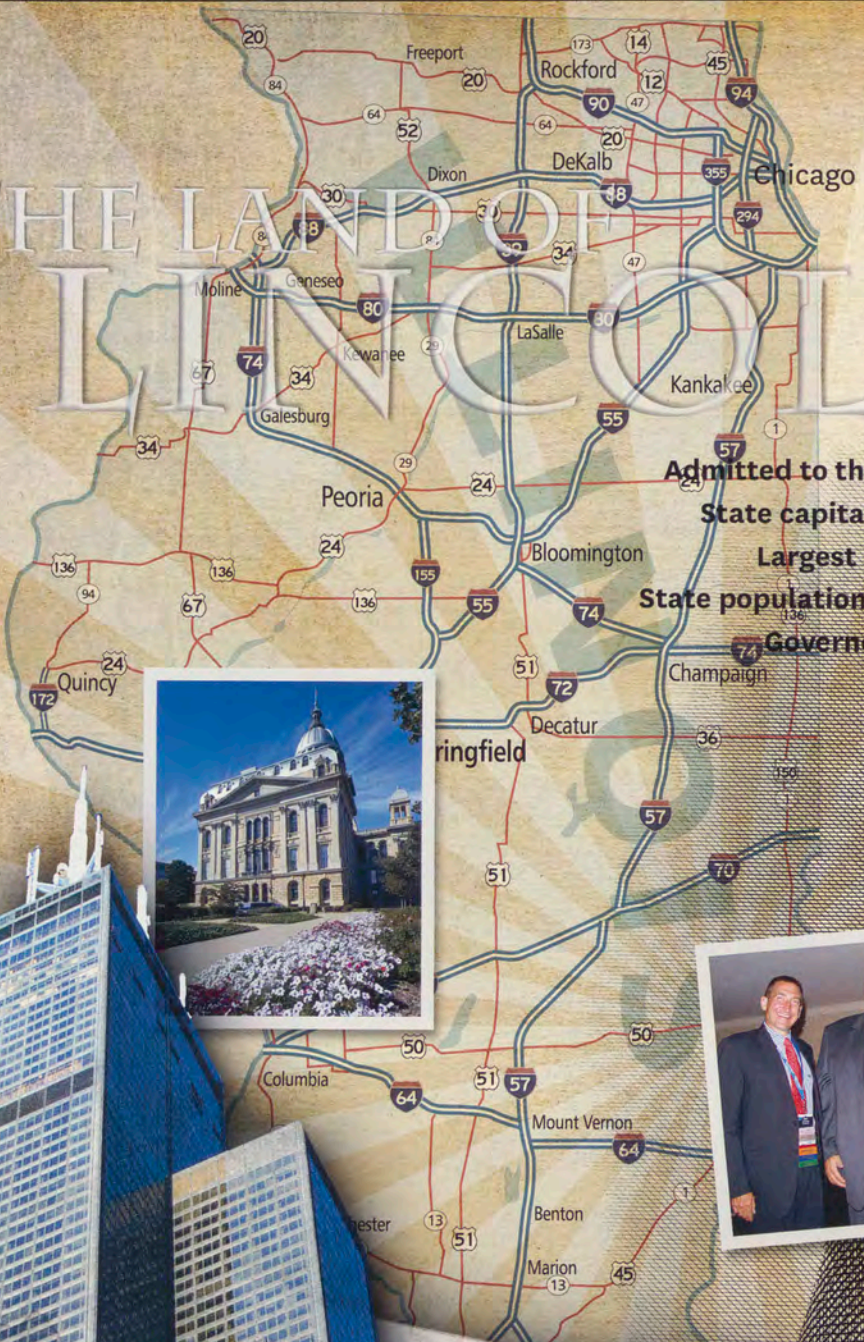
In addition to elections, the GRDA's first annual meeting featured major rent-to-own players Choate, APRO Executive Director Bill Keese and Aaron's Chairman Charlie Loudermilk as speakers. The group also presented its first lifetime achievement award to Atlanta-based Loudermilk, a larger-than-life presence and industry icon. Kniesly thinks GRDA's connections with, and support from, lifetimers such as Loudermilk and Choate are one of its key strengths.

"Our relationship with Sam Choate, who actually wrote most of the state rent-to-own laws nationwide, is a definite benefit," Kniesly notes. "Not only does Sam lobby nationally, but also he specializes in Georgia state politics. Having him on our side will help protect us against unfavorable legislation. And of course, having Aaron's headquartered here, as well as some other large companies who want to be involved in the organization, will help preserve Georgia as an RTO-friendly state."

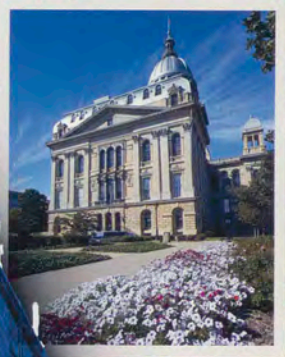
The GRDA board will meet again sometime early in 2010 to get down to the nitty-gritty of association details and plans—structure, meetings, community service projects. Kniesly, rent-to-own veteran of almost 35 years, has belonged to the neighboring Florida Rental Dealers Association for years and wants GRDA to follow the Sunshine State's super-successful lead. Judging from member interest and involvement just within the group's first year, Kniesly hopes that GRDA's growth into a strong, self-reliant organization may come even faster than it did to FRDA.

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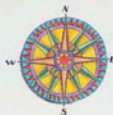
# THE LAND OF LINCOLN



**Admitted to the Union: 1818**  
**State capital: Springfield**  
**Largest city: Chicago**  
**State population: 12.9 million**  
**Governor: Pat Quinn**



**Illinois rent-to-own stores: 258**  
**RTO employees: 1,548**  
**Annual RTO wages: \$54,200,000**  
**Annual RTO payroll taxes: \$8,300,000**  
**Annual RTO revenues: \$190,000,000**  
**State association president: Kevin Milliron**  
**State Association of the Year: 1998 and 2009**  
**[www.illinoisrentaldealers.org](http://www.illinoisrentaldealers.org)**



## Illinois: State of Knowing

**The Illinois  
Rental Dealers  
Association,  
APRO's 2009 State  
Association of the  
Year, is going  
strong and  
making sure  
folks know it**

**J**ust for a moment, put Chicago and all of its glitzy flapper-era musicals, Oprah media mania and deep-dish pizzas aside. Blow off the Windy City and think of the rest of Illinois. The Land of Lincoln. The Prairie State. Solid. Sensible. And so Midwestern. If Chicago is the state's Saturday night, then the rest of Illinois—from Belleville to Waukegan—is the working week, and Sunday morning, t'boot.

Illinois is sure of its no-nonsense, moving-forward self—and so are its rental dealers. The Illinois Rental Dealers Association (IRDA) is well-established, well-supported and extremely active. The rent-to-own industry in Illinois knows what it's about and wants to make sure others know it, too.

"The biggest thing we're working on is getting our message out there," says IRDA's newly elected president, Kevin Milliron of Aaron's Sales & Lease Ownership. "It's important that we serve as a voice against some of the misinformation that's out there and let people know—the public, our politicians—who we are, what we do, what we believe in and stand for and how we help people every day."

Established three decades ago, IRDA really has come into its own over the past dozen years or so. Its biggest strength probably lies in the political arena, where many members' sweat equity over many years has yielded impressive legislative muscle. IRDA was one of the first state associations to create its own political action committee fund; 25 percent of membership dues go directly into the group's PAC fund to support influential lawmakers. And the organization is consistently well-represented in Washington, D.C., at APRO's annual Dave Egan Leg-

islative Conference. As a result, Illinois has secured eight Congressional co-sponsors on the industry's current federal bill.

"We're well-organized and we've made quite an impact on Capitol Hill," Milliron says. "At the state level, leaders from both parties are familiar with us, we've got a terrific lobbyist and no immediate issues to address. But that can change in the blink of an eye, so we're trying to be proactive and educate people about exactly what we do—not what their preconceived notions of what we do may be."

IRDA's altruistic activities are among its positive stories to tell. In 2008, member companies donated computers to an innovative job-training program for ex-offenders in the Chicagoland area. The hands-on computer-repair curriculum has helped facilitate gainful employment for the rehabilitated as they work to succeed in society. In 2009, IRDA contributed \$21,000 to the Boys & Girls Clubs of Springfield to provide the after-school and summer youth-care program with some crucial facility maintenance.

"These organizations constantly are in need of funding, even more so in this economy," Milliron says. "So we helped them repaint their gym, put in new locker rooms and bathrooms, update their baseball field and put in dugouts, among other things. We definitely want to continue supporting Illinois' young people and plan to give to a youth organization in a different part of the state each year."

The association's political weight, combined with members' dedication to serving the community above and beyond their

CONTINUED ON PAGE 54

# The Keystone State



**Admitted to the Union: 1787**  
**State capital: Harrisburg**  
**Largest city: Philadelphia**  
**State population: 12.4 million**  
**Governor: Edward G. Rendell**



**Pennsylvania rent-to-own stores: 280**  
**RTO employees: 1,680**  
**Annual RTO wages: \$58,800,000**  
**Annual RTO payroll taxes: \$9,000,000**  
**Annual RTO revenues: \$206,000,000**  
**State association president: Sandi Frye**  
**Most-Improved State Association of the Year: 2009**  
**www.rtopa.org**





## Pennsylvania: State of Motion

**The Pennsylvania Association of Rental Dealers is back in action and ready for more**

**I**t has not been too long since the rent-to-own industry was fighting for its life in Pennsylvania. In the mid-1990s, state lawmakers decided to define the rent-to-own transaction as a credit sale rather than as a lease, virtually wiping out the industry in the Keystone State. Fortunately, in 1997, an open-minded attorney general backed a regulatory bill that redefined the RTO transaction, sought a better balance between consumer protection and small-business competition and opened the door for today's thriving industry in Pennsylvania.

There was a happy ending to that story—but unfortunately, also the virtual end of the state's rental dealer association. Once the industry secured favorable state legislation, membership and activity at the state level fell off.

A decade later: "We were at an APRO show in Orlando in 2007," says Sandi Frye of Premier Rental-Purchase, "and a few of us saw a notice posted saying the Pennsylvania association was going to meet, so we went. The meeting was the [state association] president saying his company had been sold, he was no longer a rental dealer and couldn't continue to be president, so either someone else had to do it or the association wouldn't continue to exist. So with support from my husband and [colleague] Rich Bagoley, I stepped up."

Today, almost three years later, Frye is president of the Pennsylvania Association of Rental Dealers (PARAD), ramping up the organization and rallying rental dealers. Since Frye stepped into PARAD leadership, the association's meetings have garnered admirable attendance, the group has developed and launched its Web site and members contrib-

uted more than \$12,000 to the Special Olympics of Pennsylvania.

At PARAD's recent annual meeting, Frye was re-elected—and reinvigorated by the election of five extremely active members to the group's board.

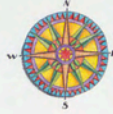
"One of the biggest challenges to date has been just gaining more interest and more involvement from our members," Frye confesses. "It's easy for rental dealers to get caught up in their day-to-day operations and stresses—we all have them. Everybody's got a reason why he or she is too busy to play a bigger role in the organization. But if we don't stop and take care of this, then we're not going to have any business to keep us busy."

Frye is particularly intent on increasing participation at APRO's Dave Egan Legislative Conference, held annually in Washington, D.C. Frye, her husband and another couple were the only Pennsylvanians to go two years ago; for Frye, the political learning curve was a little steeper than expected.

"The first year, we went door-to-door to visit different Pennsylvania delegates and quickly discovered why they say 'all politics is local'—if you're not their constituent, then forget about it," Frye says. "Since then, the members we've gotten to go have received their representatives' support. With the presence of one constituent walking into an office, we've gotten six reps to sign on to the federal rent-to-own bill; but without your presence there, you get nothing."

To urge more association members to travel to Washington, D.C., PARAD offers to pay for the hotel rooms of its members who attend the Legislative Conference—the first

CONTINUED ON PAGE 54



# State rental dealer associations

## **Alabama-Mississippi Rental Dealers Association**

Lee Duvall, president  
985/641-5902  
leeduvall@buddyrrents.com

## **Arkansas Rental Dealers Association**

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scott.houchin@fandelivers.com  
www.arkansasrentaldealers.org

## **California Association of Progressive Rental Organizations**

Paul Davis, president  
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## **Colorado Rental Dealers Association**

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## **Delaware-New Jersey Rental Dealers Association**

Joe Romano, president  
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R0047@racrd.com

## **Florida Rental Dealers Association**

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Fax 813/241-0560  
www.frda-rto.com

## **Georgia Rental Dealers Association**

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kloppent@aol.com

## **Hawaii Rental Dealers Association**

Anthony T. Austin, president  
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## **Illinois Rental Dealers Association**

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www.illinoisrentaldealers.org

## **Rental-Purchase Dealers Association of Indiana**

Dennis Adams, president  
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dennis@americanrentals.com  
www.rpda.org

## **Association of Iowa Rental Dealers**

Brian Luksetich, president  
515/244-2222  
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## **Kansas Rental Dealers Association**

Jess Fisher, president  
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arkcity.kscoxmail.com

## **Kentucky Rental Dealers Association**

Mike Martin, president  
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## **Louisiana Rental Dealers Association**

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## **Maine Rental Dealers Association**

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## **Maryland Rental Dealers Association**

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## **Michigan State Rental Dealers Association**

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## **Minnesota Rental Dealers Association**

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## **New Hampshire Rental Dealers Association**

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## **North Carolina Rental Dealers Association**

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## **North Dakota Rental Dealers Association**

Marty Auble, president  
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## **Northeast Rental Dealers Association (representing Connecticut, Massachusetts and Rhode Island)**

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## **Northwest Rental Dealers Association (representing Idaho, Montana, Oregon and Washington)**

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## **Virginia Rental Dealers Association**

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## **West Virginia Rental Dealers Association**

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## **Wisconsin Rental Dealers Association**

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# Crapshoot *in the* Courthouse

**T**

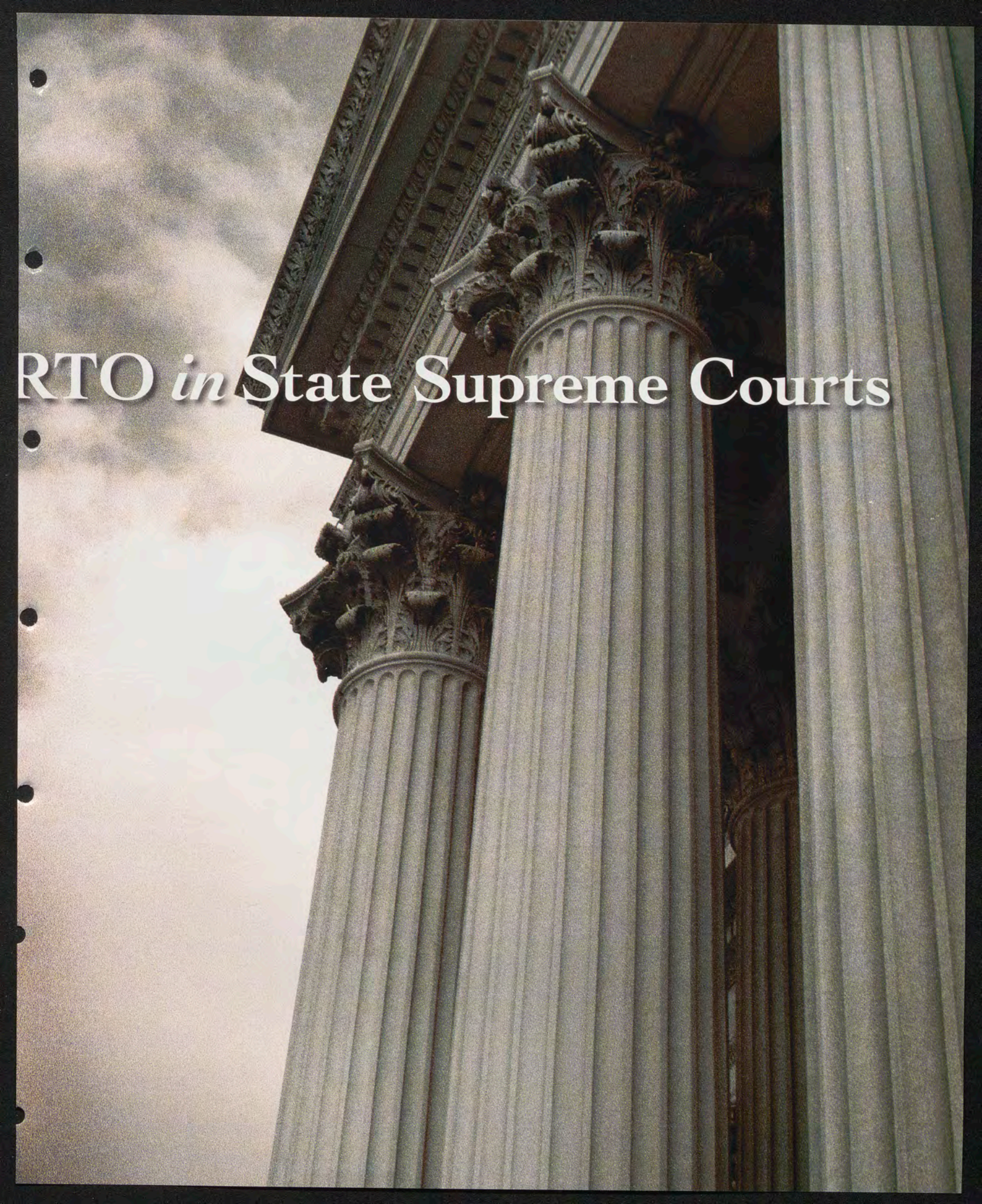
he judiciary, the third branch of government, is supposed to be the dispassionate one. Justice is supposed to be blind, unbiased, impartial—but in our hearts, we know better. Recently, we witnessed the nomination process for newly appointed Supreme Court Justice Sonia Sotomayor and debated the role of empathy and the effect of bias and prejudice in our judges. We appoint most federal judges for life to relieve them of political pressure in making their decisions. Most state court judges, however, run for office and must get elected like other politicians, so the political pressure is there.

Knowing this, still we hope for judicial decisions that are fundamentally fair in the eyes of most people so that the system does not break down. We seek judicial decisions that are consistent so that we can plan our behavior into the future with some certainty. But over the years, rent-to-own issues have been treated neither fairly nor consistently by judges—whether in small claims, bankruptcy or appellate courts. There is no better evidence of this than the decisions of state supreme courts when the primary rent-to-own issue—lease vs. sale—has been presented to them. The message from these cases is clear: the courthouse can be a dangerous place for RTO dealers.

The lease-vs.-sale issue has been reviewed in five different state supreme courts over the years with mixed results. The state courts, for the most part, are analyzing rent-to-own transactions under their state RTO and credit sale statutes. The rent-to-own issue has been posed to the U.S. Supreme Court three times, but in each case, that body has declined to hear the matter, allowing the lower court decisions to stand. The industry's record in state supreme courts is mixed: three wins and two losses.

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BY ED WINN III



RTO *in* State Supreme Courts

## Massachusetts §

**T**he most recent rent-to-own decision, a win, came just a few months ago from the Massachusetts Supreme Judicial Court in *Silva v. Rent-A-Center Inc.* (September 10, 2009). Plaintiffs had challenged as inapplicable the 23-year-old state *Consumer Lease Act* (CLA) under which rent-to-own dealers had been operating without complaint since its enactment. The plaintiffs' claim was that the CLA only applied to rental agreements with a maximum term of four months or less and that, since the CLA does not apply to RTO transactions, the state *Retail Installation Sales Act* (RISA) should apply in order to protect consumers from the predations of the industry. (The challenge was brought by the same team of plaintiffs' lawyers that had sued the industry in New Jersey and won.)

The Massachusetts Supreme Judicial Court had little trouble in combating these arguments. The court examined the rent-to-own transactions in question in detail and concluded that, "[a]mong other things, no calculable finance charge is involved." Noting that the Massachusetts definition of "credit sale" does include certain leases, the court opined "[i]n this case, the absence of any obligation on the part of Costa [one of the plaintiffs] to pay a sum substantially equivalent to the value of the leased computer is decisive... The RTO transaction cannot qualify as a credit sale."

The court also rejected the argument that a rent-to-own transaction can turn into a credit sale when the consumer has renewed a number of times and paid enough money to justify such a recharacterization. "...[A]pplication of a regulatory framework does not depend on the economics of hindsight. We look, instead, to the nature of the contract at the time it was formed, focusing on the parties' contractual rights and obligations at that point."

Finally, the court noted that it could not rule with certainty on the applicability of the CLA to the rent-to-own transactions in question, since there were no facts in the record before the court indicating whether the rentals were "primarily for a personal, family or household purpose," as opposed to a business or commercial purpose.

The court acknowledged contrary rulings from other states—Minnesota, Wisconsin and New Jersey—but determined that the state statutes upon which those decisions

were based were materially different from the Massachusetts statutory scheme. While the decision was unanimous, one judge wrote a separate opinion urging the state legislature to consider price controls for rent-to-own transactions, noting that a significant percentage (38 percent) of consumers end up owning the property, paying what this judge deemed to be "extremely high interest rates."


## Maine §

**M**aine's was the first state supreme court to analyze rent-to-own transactions back in 1983, before there were any state rent-to-own statutes anywhere. The Maine court was reviewing an administrative decision from the superintendent of consumer credit protection and a lower court ruling, both of which had held that RTO transactions were credit sales and therefore controlled by the state's *Consumer Credit Code* (UCCC). The legal attacks were against a true "mom-and-pop" retailer. Al and Barbara Hawkes owned and operated Hawkes Television in Westbrook, Maine, one of only two stores offering rent-to-own agreements in the state. The case arose just as the industry was getting organized for the first time and the Hawkes found themselves engulfed in a legal vortex for more than two years. Early in the litigation, the superintendent issued an injunction against the Hawkes and sent out a letter to all of the Hawkes' rental customers cautioning them against paying more on their rent-to-own accounts than the retail price plus legal interest and recommending that all customers get attorneys to pursue claims against the Hawkes. The superintendent froze the Hawkes' bank accounts as part of the injunction for nearly two years. The Maine Supreme Court, when it finally got the case, dissolved the injunction as part of its ruling, but not before the costs of defense and the

decline in rental revenues—due to the adverse publicity the case generated and the superintendent's letter—drove the Hawkes out of business.

The lower court ruling had made much of the difference between the words "contract" and "agreement," and the language in the UCCC that the statute is to be "liberally construed and applied to promote its underlying purposes and policies." The Maine Supreme Court focused

**WHILE THE DECISION WAS UNANIMOUS, ONE JUDGE WROTE A SEPARATE OPINION URGING THE STATE LEGISLATURE TO CONSIDER PRICE CONTROLS FOR RENT-TO-OWN TRANSACTIONS. NOTING THAT A SIGNIFICANT PERCENTAGE OF CONSUMERS END UP OWNING THE PROPERTY, PAYING WHAT THIS JUDGE DEEMED TO BE "EXTREMELY HIGH INTEREST RATES."**



on the definitions of credit in the UCCC and concluded that the Hawkes were extending none.

“Without doing violence to the statutory language, we cannot hold that the Hawkes’ rental lessees are debtors of Hawkes in the sense of the Code [UCCC] or that Hawkes [have] extended them credit... [T]he Code definition of ‘Consumer Credit Sale’ cannot possibly bear the meaning the superintendent has assigned to it... [I]f the Hawkes’ agreements cannot come within the scope of the definitional language by any rational interpretation, the fact that the code must be given a liberal construction does not avail... The mandate for liberal construction does not give the superintendent or the courts the authority to enlarge the coverage of the statute.”

### Arkansas §

**T**he next time the rent-to-own issue made it to a state supreme court was in 1989 in Arkansas. The case, *Crumley v. Berry*, was another win for the RTO industry and received relatively little attention in the press. The Crumley court looked at two different tests for making the lease-vs.-sale distinction—a three-prong test and a five-prong test. In each, the lessee’s obligation or lack of obligation to make payments equal to the value of the goods being leased loomed large. The Arkansas Supreme Court determined that it was the threshold question to answer when considering rent-to-own transactions. With-

out an obligation to pay the purchase price for the goods, a transaction cannot be a sale. The court cited several legal commentators in support of its opinion as it could find no previous Arkansas cases precisely on point.

A dissenting judge opined that the RTO transactions were clearly credit sales because ownership transfers to the lessee/purchaser at the end of the transaction and should be governed by the state usury statute.

### Minnesota §

**I**n 1994, the Minnesota Supreme Court addressed rent-to-own with *Miller v. ColorTyme Inc.* The industry lost this case in such devastating fashion that there has been no RTO industry in that state since the decision was handed down. The plaintiff’s lawyers were even able to tag a music merchant for \$2.1 million before he could cancel his musical instrument rental program.

In 1981, the Minnesota legislature had amended the *Consumer Credit Sales Act* (CCSA) definition of “sale of goods” to include rent-to-own transactions. The industry added balloon-purchase options at the end of the maximum rental period in response. In 1990, the legislature enacted the *Rental Purchase Agreement Act* (RPAA), a comprehensive rent-to-own statute not unlike those enacted in other states at roughly the same time. Minnesota dealers thought that the rent-to-own statute, recognizing RTO

transactions as leases and regulating them as such, offered them protection and they took out the balloon-purchase options. A dealer was sued shortly thereafter. The industry lost in the trial court, but that decision was reversed in the court of appeals. When the case reached the Minnesota Supreme Court, that court reversed the court of appeals and ruled that rent-to-own transactions were both credit sales under the CCSA and RTO transactions under the RPAA. The court also ruled that rent-to-own transactions are subject to the Minnesota usury statute with an interest limit of 6 percent per year. The court held that, by law, the rental company was in violation of that statute, because the rent-to-own services were not worth much, if anything.

Instead of taking the definitions of words as given in the statute, the Minnesota Supreme Court had to tap dance around that language. “[T]he word ‘credit’ can have different meanings in different statutes and we do not believe it is appropriate to apply a narrow definition of credit in this context. The manifest purpose of the [CCSA] is consumer protection. As a remedial statute, it is entitled to a liberal construction to promote, not frustrate, its objectives.” (This case has been analyzed in some detail in the magazine previously. See *Progressive Rentals* magazine, August–September 1994, p. 26, and October–November 1995, p.18.)

## New Jersey §

**T**hen came *Perez v. Rent-A-Center*. The Minnesota Supreme Court ruling was a surprise and a disappointment, because the rent-to-own industry had worked hard and succeeded in getting comprehensive rent-to-own legislation enacted there. Such was not the case in New Jersey where, in the absence of a rent-to-own statute, there had been an unending stream of litigation brought against RTO companies beginning in 1994. The tilt of cases before *Perez*, which finally reached the New Jersey Supreme Court in 2006, was decidedly against the rent-to-own industry. The question was always whether rent-to-own transactions were disguised credit sales under the state’s *Retail Installment Sales Act* (RISA). RTO dealers had paid out tens of millions of dollars to settle lawsuits—and then came *Perez*. The industry won in the trial court. The plaintiff’s claims were dismissed. The industry won when the New Jersey Court of Appeals affirmed the lower court’s dismissal of *Perez*’s claims. However, when the case was appealed to the state supreme court, the industry lost and lost big.

The New Jersey Supreme Court examined *Perez*’s rent-to-own agreements—she was in default on five of them—and admitted that “it would be fair to say... *Perez*’s rent-to-own contracts are not a perfect fit with the words

of the statute...” But the court went on to proclaim that its mission in such circumstances was “to interpret the statute reasonably to serve its apparent legislative purpose... As such, the court is satisfied that the language of RISA was intended to cover agreements like...*Perez*’s.” Concluding that the purpose of RISA was consumer protection, the court held that rent-to-own transactions are either “conditional sales” or “similar instruments,” ignoring the specific statutory language defining certain leases as sales. The court did not care which language applied to rent-to-own transactions as long as they were covered by RISA. This court cited the *Miller* opinion from Minnesota as authority for its conclusion.

The New Jersey Supreme Court went on to hold that the state criminal usury statute, heretofore only applicable to loans of money, applied to rent-to-own transactions. In addition, the court held that the *Consumer Fraud Act* applies to rent-to-own, which statute provides for treble damages under certain circumstances.

**A**ll of these cases hinge on the supreme courts’ interpretations of their state’s statutes. There are two opposing precepts involved in statutory interpretation. There is abundant legal authority for hewing to either one. The first is the “plain-meaning rule.” Courts can interpret statutes by examining the plain meaning of the words the legislature used when enacting a given law. Alternatively, courts can interpret statute by going beyond the plain meaning and instead divine the “legislative intent” underlying the words in the statute. Whether a court uses the plain-meaning rule or looks for the legislative intent depends upon the political makeup of the court. It is, indeed, the case that “everything is political”—and that includes state supreme court decisions. The Maine, Massachusetts and Arkansas courts looked at the plain meaning of their retail installment statutes to determine that rent-to-own transactions were leases and not sales. The Minnesota and New Jersey courts opted to find the legislative intent underlying the words to conclude that rent-to-own transactions are really sales.

Same transactions. Same statutes, more or less. Opposite outcomes. We have asked for fairness and certainty from our court system. We have gotten neither. Despite the recent and notable win in Massachusetts, being in court remains a risky proposition for rent-to-own. ✧

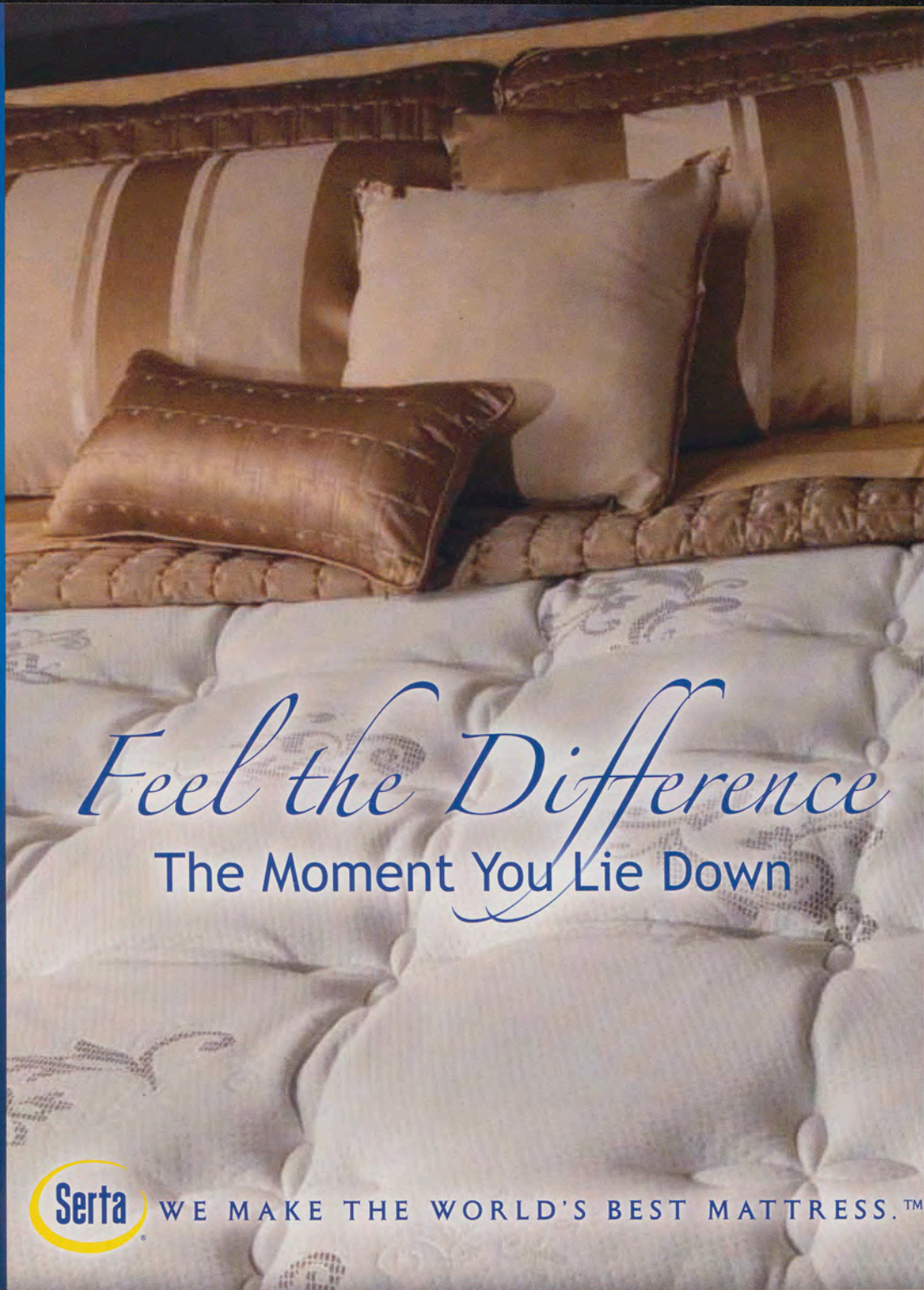
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*Ed Winn III is APRO’s general counsel and has been involved with the association since its inception in 1980. His e-mail address is [edwinn@mwvmlaw.com](mailto:edwinn@mwvmlaw.com).*



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# ECONOMIC FORECAST 2010: READY FOR A REBOUND?

BY PHILLIP M. PERRY

Fair, with gradually clearing skies. That's the forecast for the 2010 economy from one business observer. And after the stormiest year in anyone's memory, who can deny that a dose of even partial sunshine sounds pretty good? Maybe 2009 was tough, but as a business survivor, you can congratulate yourself on your hardiness and take steps to capitalize on a rebound. "The weak have given up and the biggest have been humbled," says Bob Phibbs, a retail consultant based in Coxsackie, New York ([www.retaildoc.com](http://www.retaildoc.com)). "It's a new game for everyone."

## ECONOMY EXITS RECESSION

The best news is that some key economic data now signal a broad move to positive territory. "The recession has ended and we are looking at a modest recovery in 2010," says Sophia Koropecykj, managing director of industry economics at Moody's Economy.com, a research firm based in West Chester, Pennsylvania.

Economic health depends largely on trends in the Gross Domestic Product (GDP), the yearly total of all goods and services produced in the United States. GDP for 2010 is expected to rise at a modest 2.0 percent, according to Economy.com. That figure represents a rebound from the 2.5 percent decline expected when figures for 2009 are finally tallied. To put these numbers in context, the annual GDP increase for an economy in average growth mode is 2.5 percent.

While the GDP number for 2009 was pretty miserable, Koropecykj notes that the economy actually enjoyed 3.0 percent growth in the last six months of the year. "The rebound has been entirely due to the federal stimulus money," she says, citing a number of programs such as aid to state and local governments, first-time homeowner tax credits, "cash for clunkers," a decrease in payroll tax deductions and the extension of unemployment benefits. "All these programs have kept a floor under the economy and spurred some consumer spending."

Indeed, the federal programs have been so important that Koropecykj says there is a real risk of a return of recessionary trends if the programs are allowed to expire. "That possibility could be forestalled by extensions of a number of these programs—and we believe that will very likely occur."

Federal stimulus money should support a strengthening economy in the first half of 2010. As for the second half, Koropecykj expects further economic strengthening from a rebound in the private sector.

## SHOPPERS HOLD BACK

Retailers are rightly concerned with low consumer confidence levels. "Most measures of consumer confidence are still very low," says Scott Hoyt, senior director of consumer economics at Economy.com. No secret why: stubbornly high unemployment and a moribund housing market are key de-motivators.

Unemployment, now hovering around 10 percent, is expected to increase. "We expect unemployment to peak at 10.3 percent by the middle of 2010 and will end next year no lower than about 10 percent," Koropecykj says. "Peak-to-trough employment will decline by about 8.5 million, by mid-to late 2010. We do not expect a recovery in employment un-

til 2013. Because of this, the industries most dependent on consumer spending, such as retailers, will be the ones that recover the latest."

Although layoffs are moderating significantly, it will take awhile for consumers to get back on board. "At least through the first half of the year, consumers will be asking 'Where will the money come from to spend?'" Hoyt says. "People are still paying down their debt and there are no capital gains to realize. Interest rates are low and dividends are not increasing."

While that's enough to put a significant drag on things, there is rosier news in the housing area. "Housing prices

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are expected to keep falling for another few quarters, but the market in terms of construction and sales is close to bottoming out," Koropecykj says. "Sales have inched up in large measure because of improved affordability and the sales of foreclosed homes at deep discounts."

## BUSINESS REMAINS CAUTIOUS

Burned by the rapid expansion and subsequent crash of the past few years, retailers remain cautious of the future and careful about taking on risk. "I think everyone feels they are battling back, but the war is still on," says Walter Simson, principal of Vantor LLC, a New York-based management consultancy ([www.vantorllc.com](http://www.vantorllc.com)).

For retailers large and small, credit remains a key problem. "People are breathing sighs of relief that banking seems to be stabilized, but not enough credit is yet being given to small- and medium-sized enterprises," Simson says. Those businesses were often dependent on smaller finance firms that have been closed or merged with other companies, disrupting established credit channels. And there is a new focus on quality in loan portfolios. "Some things that banks used to let slide are now large areas of concern," Simson says. "A lot of this stems from regulatory pressures."

Even credit card financing is problematic. "Many small businesses fund their operations on their credit cards and that can pose problems as fees are increasing," says Marilyn J. Holt, a Seattle-based management consultant. "Even a small increase can have serious impact on your bottom

line. So you either have to raise your prices or accept smaller profit margins.”

In many cases, credit card companies are lowering credit limits and beefing up bills with surprise charges. “If you use credit cards in your business, watch your bills for new fees and look for changes in payment due dates,” Holt says. “Card companies can slip them back and that can spark big increases in interest rates.”

#### LOOKING AHEAD

As we go into the first few months of 2010, watch for trends in consumer and business confidence. Both measures will be key factors in the pace of rebound.

“Consumers are still quite skittish,” Koropecky says. “The real risk to the rebound is from the labor market. A lot of people have been unemployed a long time and that creates a big weight on the economy. Also, the longer people are out of work, the tougher it is to get reabsorbed into the market. Their skills deteriorate and employers are hesitant to hire people who have been without work for a long time.

“For their part, businesses are no longer cutting back on equipment and software purchases, but they are not expanding either,” she adds. “They have already begun to reduce the rate at which they lay off workers, but they will not start hiring people until they see the economy has already embarked on a recovery. That should start to be apparent sometime in 2010.”

#### POSITION FOR PROFIT

So how can you position yourself for the rebound? Keep an eagle eye on your stockpile of merchandise, for starters. “Watch your inventory levels as you always should,” says Jim Dion, president of Dionco Inc., a Chicago-based retail consulting firm. “Be cautious with your levels, but don’t create a self-fulfilling prophecy by buying too little. Retailers went into the Christmas season lean and that was smart. But then the question becomes, how will they treat the spring of 2010? That will be the real question.”

Second, take a fresh look at your market and introduce new programs that excite the customer. “More than ever, the tightening up of consumers and businesses have caused everyone to look at value,” says Shep Hyken, a St. Louis-based management consultant. “What we need to do more than anything is break out of the commodity trap. Be a partner to your

customers and be more concerned with their success than making a quick dollar in a transaction.”

Take steps to become more visible, Hyken adds. That can mean providing content customers don’t have to buy. “Keep asking yourself, ‘What can I give away to get noticed?’ That may be a newsletter with helpful tips or a Web-based seminar with audio.”

In the next two or three months we will be getting a more solid feel for how 2010 will shape up. “I think we’ll know by no later than March the trajectory of the recovery,” Dion says. And his forecast? “I think people will be surprised by how fast the recovery comes in 2010.” Why? “Three words: ‘Pent-up demand.’” ✱

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

#### RENT-TO-OWN AND THE 2010 ECONOMY

“I think the rent-to-own industry has held up very well, particularly compared to high-end retailers,” says Reed Allton, executive vice president at Dallas-based Texas Capital Bank, one of rent-to-own’s primary money lenders. Allton keeps a close eye on the financial aspects of the industry. “The founders of the bank have a lot of knowledge about the rent-to-own business and we’ve been actively lending to RTO since the bank started 10 years ago,” Allton says. “We probably have close to 50 different rental dealers that we work with.

“This is a good time for the industry,” Allton continues. “Credit card issuers are reducing limits on their services and finance companies and banks that purchase retail installment contracts are much less active now. That creates opportunity for rent-to-own.”

As for the economy as a whole, Allton says, “Well, this is just a guess, but I think the economy is going to continue to be very soft. Technically, we may be out of a recession in 2010, but I think it’s going to be a slow recovery. Until the home-building business improves, real estate values start to firm up and unemployment comes down, conditions will remain soft.”

Allton acknowledges that, good economy or bad, “it’s very difficult to find start-up financing for rent-to-own. Most banks shy away from the business entirely. A few businesses have found success getting SBA loans. The best way [to start up or expand a rent-to-own business] is to have your own cash equity, but that takes \$250,000–\$500,000 cash, which most people don’t have.” For those eager to start up or expand a rent-to-own business, Allton recommends considering franchise opportunities and/or finding a lender who knows the industry. “When a dealer outgrows his local bank and is looking for a bigger line of credit,” Allton says, “hopefully, we’re able to step in and fill that need.”

While betting on 2010’s economic recovery is a bit of a gamble, Allton feels that rent-to-own will continue to carve out a piece of the market. “I’m a big fan of the rent-to-own transaction,” Allton concludes. “Unlike a subprime mortgage, rent-to-own is very easy to understand. It’s flexible and easy to manage. It fits the lifestyle of many consumers—and rent-to-own never resulted in a foreclosure or a bankruptcy.” —NF





VENDOR SPOTLIGHT

# Ron Wanek

ASHLEY FURNITURE, ARCADIA WISCONSIN

**Ron Wanek's  
Midwestern  
roots and work  
ethic, combined  
with abundant  
artistic talent,  
have helped  
assure that  
Ashley is seated  
at the top of  
the furniture  
industry**

**By Tiffany  
Hamburger**

**T**o observe that Ron Wanek is a successful businessman is to state the obvious. He's the former CEO and current chairman of the board for privately held Ashley Furniture Industries Inc., a company he has led to become the number-one furniture retailer in the U.S. He's on the 2008 *Forbes* 400 list and is exceptionally devoted to his business. But for Wanek, business and success are inseparable from his background and philosophy. He's a businessman with a multi-faceted life. Successful? Yes. But typical? Definitely not.

For all the ways in which he transcends the norm, however, Wanek has no interest in complicating what should be straightforward and simple. Raised on a dairy farm in Minnesota, he learned early on that hard work and paying close attention get results. "One thing that agriculture teaches you about is timing," he says. "If you don't know when to do the work—planting, taking care, harvesting—you will be severely punished by not getting a yield. And business isn't any different in that regard."

Wanek attributes this experience to giving him the ability to work harder than most others were willing to do. He's never forgotten the importance of that lesson in his business. In fact, he figures that the most important factor to his business' success is encouraging the right attitude, both in management and in his employees. "You hire for attitude and train for skill," he says, adding that the right attitude, as he sees it, is "wanting to produce a quality product, caring about the customer and being willing to change."

While Wanek says he always desired to own his own business, he took the apprenticeship process very seriously and was com-

mitted to learning the ropes before leaping. Prior to entering the furniture business, he manufactured electronics cabinets. "I was fortunate to work for some good mentors," he says. "They taught me all aspects of the business—design, administrative, engineering, production."

This total immersion served him well, he says, because when the opportunity to get into the furniture-manufacturing business arose, he was well prepared, especially in those early days. "We started out with just a few employees, so if you didn't know everything you needed to know, you wouldn't be successful."

Although the Ashley Furniture name has been in existence since 1945, the Ashley that people know today came about through a merger, when the company Wanek helped found in 1970, Arcadia Furniture, merged with Ashley in 1976. Those early years were not easy ones, Wanek says, but through that early struggle, the seeds of the company's innovation—and success—were planted.

"In 1970, everything was made in the U.S., with a lot of good suppliers in the industry. In order to get the business, you had to be somewhat less expensive or you had to have a unique design," Wanek explains. "I would call on a lot of accounts, one of them being Nebraska Furniture Mart. My friend [there] said, 'You gotta do something different. There's no reason for me to buy from you. You're maybe a little bit cheaper, but I'm not going to change. I'm buying from somebody now that's doing the job for me.' So therein came the innovation," Wanek says. "You had to come up with unique designs that gave the dealer a reason to buy your furniture—and we've operated on that philosophy since 1970."

**“I’m not sure what caused the dinosaurs’ extinction, but you have to change constantly or you’ll become obsolete.”**

Ashley is well known in the industry for its innovations, in both furniture design and its manufacturing and distribution approach. What isn’t as well known is how involved Wanek was in the design process. “In 1970, you did everything. We were just a very small company, with 35 employees at that time. So you did it all. You had to come up with designs and make sure that they were manufacturable.”

**B**ut designing furniture isn’t where Wanek’s aesthetic inclinations end. He is responsible for funding and largely designing Memorial Park, a 54-acre military monument park in the city of Ashley’s headquarters, Arcadia, Wisconsin. When a particular monument needed human figures, Wanek himself sculpted the heads of the clay models for the statue.

Given this lifelong interest in design, Wanek will admit, a bit reluctantly, to being artistically inclined. “I think you *have* to be artistic if you’re going to be in the furniture business,” he says. “You have to recognize proportions and detail.”

His passion in developing Memorial Park goes far beyond simply a desire to design. Wanek has a deep, abiding admiration for the military, which he traces back to his childhood. “When I grew up, almost everybody was a veteran,” he says. “Most of my teachers were veterans of World War II and I developed a respect for the military.” His intent for the park, he says, is to educate people and remind them of the sacrifices made by the men and women who have served through the years.

Wanek is proud that his work on the park demonstrates a larger dedication to community, both in Arcadia and beyond. The park monuments recognize people from the Arcadia area who have served in war or conflict and Wanek and Ashley have made huge commitments, in both time and money, to charitable giving. “It’s something we want to do to help people and help our communities grow and prosper,” he says.

**W**anek considers the rent-to-own community to be a valuable one to him and his business. “Rent-to-own has been important to us for many,



many years,” Wanek says. “We developed a model that serviced the rent-to-own industry...and developed a transportation system and infrastructure that could support it. We’ve always appreciated the [rent-to-own] business and really liked the people.”

It’s clear from the way he discusses Ashley that Wanek is proud of what he’s built and loves talking shop. It’s easy to forget that he is no longer CEO, a title which he relinquished to his son, Todd Wanek, in 2002. But even that act was done out of a love for his business. As he explains, “I looked at a lot of companies, including in the furniture industry, and sometimes fathers don’t know when to step down and let the son take over.” Wanek says he knew it was time when “I was willing to scale back growth and he wasn’t,” he says. “So I thought, ‘Well, that sounds good to me, let him go.’”

Wanek’s willingness to hand over the reins embodies his capacity for honest self-appraisal, but also it demonstrates his understanding of the need for change. “You have to change,” he says. “I’m not sure what caused the dinosaurs’ extinction, but you have to change constantly or you’ll become obsolete.” Given the continued success of his company, Ashley Furniture is not likely to become obsolete any time soon. \*

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

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## How to market rent-to-own bedding

**Y**our premium mattress customer most likely is a woman; studies show that they tend to be the decision makers in most American households when it comes to the rental or purchase of bedding and bedroom items. Seventy percent of women bedding customers are looking to replace their existing bedding and will replace the bed only, not the total bedroom suite. Customers keep bedroom furniture for 10 to 20 years. Many are using hand-me-downs from mom.



Chances are, your customer has seen your bedding at the department store, but can't make a cash purchase or open a store charge account. One day, she walks into your showroom to make a payment on her dining set and there it is—the name-brand premium bedding that

she has always wanted, and now she can get it from you. What catches her eye when she walks in? So many rent-to-own stores are keeping their bedding a secret, probably not intentionally. If she sees a bedroom suite and a bed made up just as it would be in her bedroom, that might be considered good housekeeping, but it does nothing to promote your product. Would you ever think of covering the big-screen televisions on display with a sheet, leaving the customer guessing?

Establishing a sleep center is a successful approach to rent or sell bedding. Dedicate a section of your store to stand-alone mattresses. If you are short on space, use twin beds instead of queen-size. Put your entire mattress line-up in the specified sleep center totally uncovered. Place a brass headboard at the head and, between each bed, place an iron-and-glass end-table with a small bedroom lamp. Stores with sleep centers have seen a marked increase in mattress rentals.

If you don't have room for a sleep center, you can display your mattress set with a bedroom suite using the bed-fall display. To create the bed fall,


drrape your comforter or bedspread over the head of your bed, covering 25 percent of the mattress. On top of the comforter, place pillow shams. You now have the impression of a made up bed but can still display the mattress.

When renting bedding, ask your customer a few key questions to help her make the right choice: "Why are you looking for a new mattress?," "Is the mattress for you alone or you and your partner?" and "How old is your current mattress?" After you have determined your customer's needs, direct her to the appropriate mattress. She must lie down on the mattress to get the feel and experience the comfort. Give her ample space—back up so as to avoid threatening or intimidating her.

There are a number of rental-and-sale aids provided by a premium mattress company that can help close the deal with your customer—for example, bed-end price-and-spec cards for each model in your line-up, which includes a color rendering of the inside layers of the mattress, specifications regarding coil count, types of foam, warranty information and rates. Also available are point-of-purchase items such as: hanging banners for your store ceiling, window and mirror clings, foot protectors for the foot of each bed, a demo unit showing the inner-springs of the mattress, a demo unit showing the layers of foam, customer give-aways, signs for the store windows and even giant-size blow-ups for your store's parking lot.

Tie in with national promotions. An international mattress company will spend millions of dollars establishing its brand in the marketplace. You can piggy-back on such efforts, taking advantage of a name that everyone knows. Time your flyers to coincide with national advertising. Participate in give-aways and redemption offers. Take advantage of the brand—use it in all of your promotions, on your Web site and in advertising. Remember: mattress companies spend the money to make their brand a household word. \*

*Jamee Thompson is the managing director for Jim Thompson & Associates, which provides Serta mattresses for the rent-to-own industry. For more information, call 866/290-7433.*



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**Cybertron PC \* ^ +**  
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Fax 800/552-1431  
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[www.vancebaldwin.com](http://www.vancebaldwin.com)

**High Touch Inc. \* ^ +**  
Contact: John Rogers  
110 S. Main St., Ste. 600  
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316/832-1611  
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[johnr@hightouchinc.com](mailto:johnr@hightouchinc.com)  
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### Ideal Software Systems Inc. \* ^

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[www.idealss.com](http://www.idealss.com)

### New Age Electronics \* ^ +

Contact: Mike Bertolani  
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[www.newageelectronics.com](http://www.newageelectronics.com)

### PlanITROI Inc. \*

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Fax 974/664-0500  
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[www.planitroi.com](http://www.planitroi.com)

### SED International \* ^ +

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[www.sedonline.com](http://www.sedonline.com)

### Silko Radio/Mecca Electronics \* ^ +

Contact: Oren Gold  
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### Woot Inc. \* ^

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[www.woot.com](http://www.woot.com)

### Computer software

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### PCRental Agent \*

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Fax 407/386-6366  
[Ron.Koller@DesignerWare.com](mailto:Ron.Koller@DesignerWare.com)  
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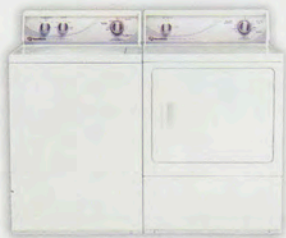
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[sales@rentinfo.com](mailto:sales@rentinfo.com)  
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Contact: Ron Ganus  
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Missouri FROM PAGE 23

With as much as MRDA offers—its event trifecta, legislative might, educational opportunities, community connections—the organization still has challenges of its own, though they're admittedly manageable.

"We've got 29 member companies representing 190 stores and we're grateful for every one," Cleek Jr. says. "But there isn't any real reason why every company in the rent-to-own business in Missouri isn't an MRDA member. Each year, we add a few more, but there are many one- or two-store operators out there we're still trying to reach."



Still, for APRO's four-time State Association of the Year and a 2009 State Association Continuing Excellence Award win-

**"There isn't any reason why every company in the rent-to-own business in Missouri isn't an MRDA member. Each year, we add a few more, but there are many one- or two-store operators out there we're still trying to reach."**

ner, the strengths overshadow the challenges to an almost absurd extent. MRDA is clearly kickin' it and sees no reason it can't keep on doing just that.

"If it ain't broke, then don't fix it, right?" Cleek Jr. queries. "We're extremely proud of our state association, grateful for our past and present leadership and appreciative of APRO and its continuing support. There are always things we can improve on, but honestly, we just want to keep this ball rolling." \*

Florida FROM PAGE 25

upload their written-off items, so that customers who have histories of defaulting and disappearing are red-flagged. Completed last May, the new database is custom-tailored to meet rent-to-own needs.

"There were some other databases out there, but they weren't updated and they weren't specific, so they weren't helpful," Tomaszewski explains. "They didn't differentiate, for example, between someone taking a chair and someone taking off with a 50-inch plasma TV. Our new database provides much more detail and more current information."

With the database done and no clear conflicts in sight, Tomaszewski says FRDA will concentrate on membership maintenance—considering a statewide community service project, updating the association Web site and increasing the member count. While the tasks at hand might seem mundane, the passion FRDA leaders have for rent-to-own remains intact and the association's greatest strength.

"We've got several [RTO] veterans serving on our board and they still love this business," Tomaszewski says. "They really want to make our industry known for how great it is, the services we provide, the people we help, how great our customers are. That passion—to be as good as we are, to work to get even better—it's inspirational and it makes a big difference." \*



Georgia FROM PAGE 27

"When Florida was first organizing, there were about seven people in a room in Orlando and we launched the association," Kniesly recalls. "Here, we had excellent participation from the get-go from the rent-to-own stores in Georgia. We had more than 60 people at our an-

**"APRO is built from the state association blocks. If too many states have associations weakened by unfavorable legislation or member disinterest and several of those blocks begin to crumble, the whole building will collapse."**

nual meeting and our membership already represents almost 90 percent of stores statewide."

As GRDA develops, APRO's support and encouragement are proving to be invaluable. The national group provides the state association with book-keeping and comprehensive meeting-planning services, as well as general organizational and troubleshooting assistance. APRO also presented GRDA with its 2009 State Association Emerging Excellence Award—a positive sign of the APRO leadership's faith in the third time being the charm for GRDA.

"APRO is built from the state association blocks," Kniesly says. "If too many states have associations weakened by unfavorable legislation or member disinterest and several of those blocks begin to crumble, then the whole building will collapse. So you must make sure all the blocks are solid and strong to help support the building, the industry. That's what we're doing here in Georgia—making sure our block is sound." \*

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Illinois FROM PAGE 29

businesses were likely key reasons behind APRO naming IRDA the 2009 State Association of the Year. The state association shares a close working relationship with its national counterpart, yet IRDA leaders want to ensure all Illinois rental dealers know that they're

**"We're focusing on educating people about the good we do as rental dealers through our companies and our concerted efforts to give back to some of the communities we call home."**

around and that it's essential to be active with both APRO and IRDA.

"Believe it or not, we're still spreading the word about the existence of a state association here in Illinois," Milliron says. "We all need to be part of APRO and we must also be engaged and active at a local, grassroots level. As rental dealers, we're out in our communities all day, every day, so we represent a sort of first line of defense against unfavorable industry movement—but only if we're connected with each other at both the state and the national levels."

"Life isn't about finding yourself—it's about creating yourself," the saying goes. IRDA has created itself. Now, it's communicating that strong, generous, effective self to the world.

"We're focusing on educating people about the good we do as rental dealers through our companies," Milliron says, "and our concerted efforts to give back to some of the communities we call home." ✧

Kristen Card is a freelance writer living in Austin, Texas.



Pennsylvania FROM PAGE 31

state association to do so. Frye believes it's well worth the cost to foster the benefits of a good bill.

"Many rental dealers don't realize the impact that federal legislation can have on them and their livelihoods," Frye attests. "If this bill passes, if that one fails, it can change your business and your life, until everything you know and have is laying on the line."

Frye's passion for engaging her fellow rental dealers in a better 'big picture' for the industry helped earn PARD the 2009 Most-Improved State Association Award from APRO. Flattered by the honor, Frye already has her eye on next steps for the group.

"We want way more members at the Legislative Conference and we're going to dedicate \$5,000 a year to the Computers for Kidz program," Frye says. "Above all, we're getting our members more active in our group and in APRO. We must have the association, the legislation, the positive image just to have the opportunity to be operators. So we all need to pay our dues—both literally and figuratively." ✧

For more information on state rental dealer associations, see page 32; or contact Jeannie Hutchison, APRO's state association coordinator, at 800/204-2776, ext. 108, [jhutchison@rtohq.org](mailto:jhutchison@rtohq.org). Also, visit the "State RTO Associations" section of [www.rtohq.org](http://www.rtohq.org).



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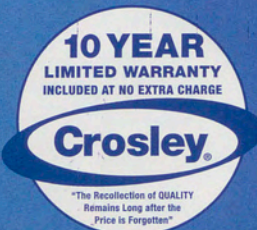
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## You've got some explaining to do

If you Google “rent to own”—and who in the business has never done that?—you get 50 million hits; on bing.com, you get 80 million hits. Some might say, “We’ve come a long way, baby!” Most of these Web sites, by the way, have nothing to do with the television,

appliance and/or furniture rental business. In the aftermath of the mortgage meltdown in this country, the housing industry has commandeered the moniker. Most of the Internet sites feature sellers hawking rent-to-own houses, since mortgage credit seems to be a little dicey these days. Even though real estate rent-to-own and TV or appliance rent-to-own are very different transactions, at their core they have similarities that the name suggests. Both transactions are hybrids with rental aspects and purchase aspects. Actually, with RTO housing, it is not really a matter of “rent it long enough and you own it.” It is more a matter of “rent it for a year or two

and make payments on time so that you can then qualify for a mortgage from the bank.”

Even so, the name is getting popularized and that means a customer walking into the store under a rent-to-own banner is likely to have some idea of what business is being conducted in that store, because he has some familiarity with the term, which has not always been the case. Dealers once both loved and hated being the only RTO store in town. They loved not having any competition, but they hated having to teach the town about rent-to-own all on their own.

It does not mean that this customer will understand the nuances of rent-to-own, but it is a good start and the prevalence of the term on the Internet, on telephone poles around town and in

the classifieds can only help normalize reactions to RTO and blunt negative connotations that linger from the old days.

The most recent Beemer survey of actual rent-to-own customers [APRO’s 2009 *Rent-to-Own Customer Satisfaction Survey*] offers a most staggering statistic: one third of those surveyed did not know that they could cancel the deal at any time with no further obligation. If that many real, on-the-books customers do not understand the most fundamental aspect of the transaction—the value of being able to change one’s mind and walk away without penalty, a value unique to rent-to-own in the marketplace—what are our employees telling these customers about the deal? The mind boggles.

Just because people are seeing and hearing about rent-to-own these days does not mean that they understand how it works. If they are in a rent-to-own house, they will not instinctively understand how television and appliance rental works, for example. But think how useful the commonplace use of the term can be for the business. The conversation is already started because, chances are, when you tell someone that you are in the rent-to-own business, the hearer—be it a would-be customer on the phone or on the floor or your seat mate on the plane—will not be encountering the term for the first time.

Today, more than at any other time in the industry’s history, you have the chance to explain what it is that you do and the features and benefits of rent-to-own. You have the opportunity to enlighten. You have the opportunity to educate. You have the opportunity to close the deal. Don’t blow it. ✧

*Ed Winn III is APRO’s general counsel and has been involved with the association since its inception in 1980. His e-mail address is edwinn@mwvmlaw.com.*



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