

RTOHQ

The Magazine



APRO's 2009 Buddy Award Winners

you have won!





YOUR **RTO** DISTRIBUTOR

electronics

Panasonic *VIERA*

42" VIERA® TC-P42X1 Plasma TV

Produces crisp, focused images for sports, dramatic action and all other fast-moving scenes and provides a better way to share digital photos with friends and family.

TCP42X1



Kodak

EasyShare M1063 10.3MP
Point & Shoot Digital Camera
M1063PURPLE



lenovo

IdeaCenter 20" All-in-One
Desktop PC
ID30121JU



acer

Aspire® 5738Z Notebook PC
AS5738Z4372VHP



PLAYSTATION 3

PLAYSTATION® 3
Video Gaming Console
98015



800.340.1007 | www.dandh.com/apro

email inquiries to rto@dandh.com

Harrisburg, PA • Atlanta, GA • Chicago, IL • Fresno, CA • Ontario, Canada



www.dandh.com/TheQuestion

What's in a name?

The Association of Progressive Rental Organizations is not just the only national trade association for the rent-to-own industry. It is not simply a 29-year-old non-profit organization with a board of directors who are directly responsible to the membership. Nor is APRO just an office building in Austin, Texas, with a staff of professionals who, collectively, have contributed 158 years of experience serving rental dealers from coast to coast.

APRO is not only about protecting the rent-to-own industry from unwarranted characterizations by the IRS, nor is it solely about promoting the industry in local, state and national media. It is not just the entity Wall Street investors and analysts call to get the latest information about the rent-to-own industry, nor is it only about promoting all the great community-oriented charitable works that rental dealers perform around the country.

APRO is not just the only organizational umbrella that represents mom-and-pop rental dealers, publicly traded companies and everything in between, including independents and franchisees. And it's not only that when a national trade association speaks, people listen.

APRO is *all* of this and more. It is the heart and soul of the rental industry because it is made up of all those who contribute to and care about the broader view of the industry and how we all fit into the overall business universe. It is the social glue that binds all rental dealers. No other industry works so well together, shares so much information internally and is so open about its business practices to the outside world. Rent-to-own dealers who have risen to leadership positions in APRO have worked tirelessly to make this industry better, some even at the cost of their own demise.

But while the industry has formed a bond and APRO is the glue, I must broadcast a word of warning to all of you in rent-to-own. The global environment of fracture and suspicion, which seems to be tugging and pulling on the basic strands of our civilization, can seep into our industry. Over the past 30 years, rent-to-own has triumphed over fragmentation and rental dealers have benefited from unity—but there are forces out there promoting provincialism, divisiveness and those forces are turning their backs selfishly on the greater good.

This issue of RTOHQ: *The Magazine* features some special leaders in rent-to-own who have dedicated themselves to the industry—and all have long endorsed a creed of strength through unity. These are some of the role models for all of us. We demonstrated our gratitude to them with recognition at APRO's recent Convention and Buying Show in Las Vegas. Enjoy the issue and support APRO.



Bill Keese

APRO's executive director
bkeese@rtohq.org

RTOHQ

The Magazine



Departments

- 1 : **Welcome** by Bill Keese
- 5 : **RTOMatters**
- 6 : **What's in Store?**
Q&A with David Keen of Rent One
- 14 : **Click! Photographs**
from rent-to-own events
- 48 : **Vendor Tipsheet:**
Credit Card Security
Procedures
by David Shelleny
- 50 : **Who's Who in**
Rent-to-Own Jewelry
- 52 : **For Your Consideration**
by Ed Winn III

September-October 2009

16 : **And the Buddy Goes to...**

by Ed Winn and Neil Ferguson

At APRO's 2009 Rent-to-Own Convention and Buying Show held last month in Las Vegas, the association honored some of the industry's finest during its annual awards banquet. We've profiled this year's Buddy winners of the Lifetime Achievement Award, President's Award of Excellence, Rental Dealer of the Year, Heritage Award and Vendor of the Year.

28 : **The Consumer Financial Protection Agency: Does the Rent-to-Own Industry Have a Dog in This Fight?**

by Ed Winn III

While health-care reform is all the buzz in Washington these days, additional sweeping legislation is in the batter's box, including the proposed creation of a new federal agency with far-reaching powers to regulate financial products and services. APRO's general counsel ponders the possible effects of this bill on our industry.

34 : **Training the Big Chief Way**

by Bud Holladay

Sharpen your number 2 pencil. One of the industry's founders offers a back-to-basics approach to training—an ongoing necessity in any rent-to-own business. All you need is the right knowledge, something to write on and tools that you already have.

38 : **Loving Las Vegas**

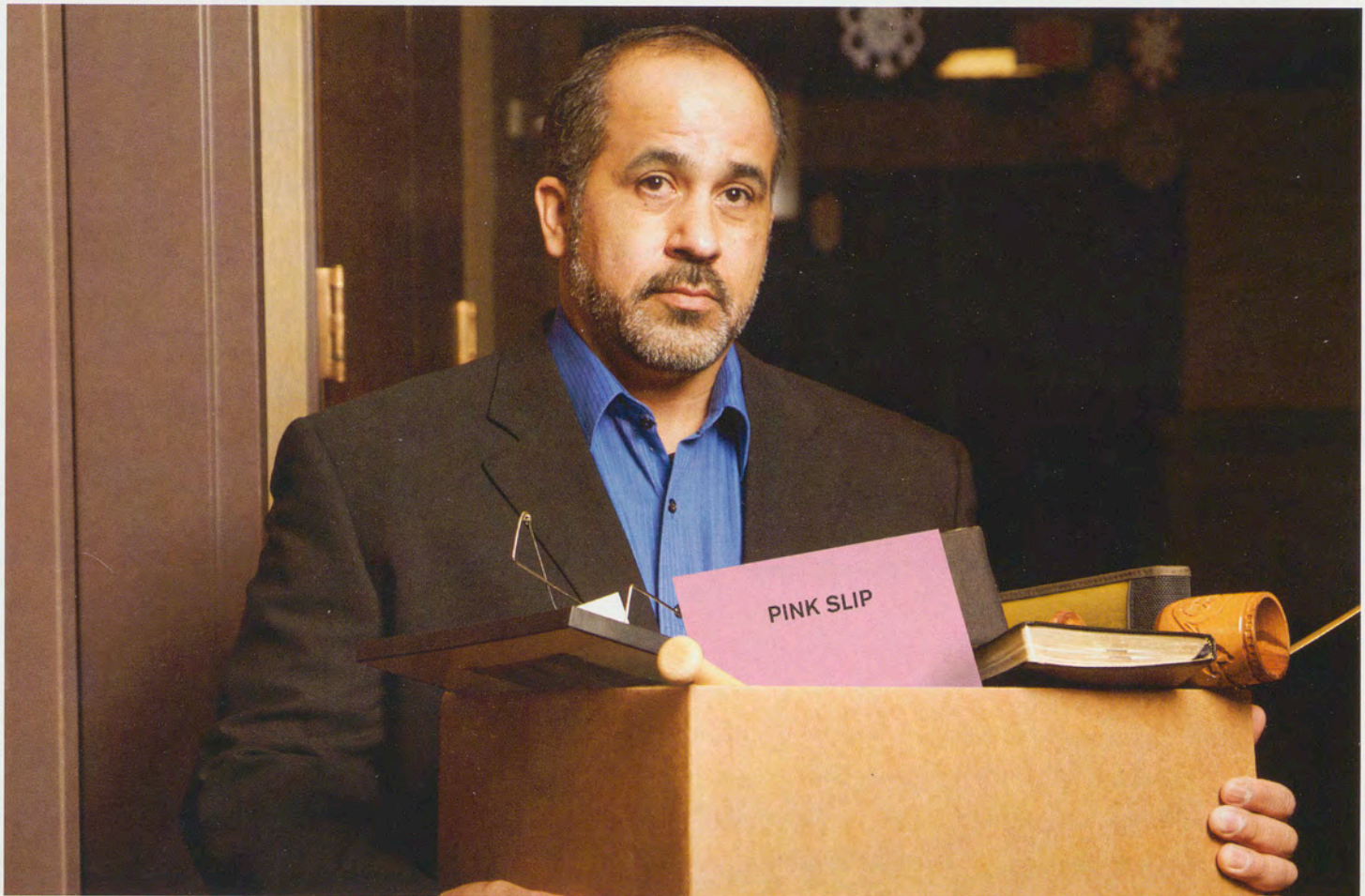
by Shelley Martinek

Rental dealers leaving the glitz and glitter of Las Vegas after APRO's 2009 Convention and Buying Show went back to their businesses with lots of new ideas, great deals from vendors, a better understanding of the industry's legislative goals, accolades from their peers and a renewed sense of purpose about rent-to-own.

Cover illustration by Larry Goode

UNEMPLOYMENT

doesn't have to cost you good customers.



In today's economy, peace of mind is hard to come by. The unemployment rate is at an all time high, and millions are out of work. Companies are downsizing and closing and when this happens, customers typically cannot keep their rental merchandise.

Our Involuntary Unemployment Program helps your stores retain customers by paying a part of the member's rental for a period of time if the member loses their job through a covered occurrence. This benefit can get them through a difficult time and help you keep a good customer.

A program through Benefit Marketing Solutions also offers a variety of benefits and services that can help your customers in many other ways. Service and replacement protection can protect them against unexpected circumstances. Other benefits offer a wide variety of savings to customers on groceries, automotive services and much more.

Don't lose your customers in the event they lose their job. Win their loyalty instead.



APRO Associate Member since 2003

For more information, call toll free 888.322.6705 or visit benefitmarketingsolutions.com



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.

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

RTOHQ

The Magazine

Volume 2, Number 2

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

Editor/Art Director
Neil Ferguson

Executive Editor
Ed Winn III

Director of Marketing (Advertising)
Cindy Ferguson, CEM

Executive Director
Bill Keese

Contributors
Tulisha Carson, Murlin Evans,
Cindy Ferguson, Laurie Hill,
Bud Holladay, Jeannie Hutchison, Bill Keese,
Shelley Martinek, Richard May, Kim Scheberle,
David Shelleny and Ed Winn III

Director of Circulation
Laurie Hill

Editorial and Advertising Offices
1504 Robin Hood Trail
Austin, Texas 78703
512.794.0095; fax 512.794.0097
nferguson@rtohq.org
www.rtohq.org

APRO 2009–10 Officers and Directors

PRESIDENT

Tiger John Cleek

FIRST VICE PRESIDENT

Robert O. Briley

SECOND VICE PRESIDENT

Chris Bolin

SECRETARY

Bill Kelly

TREASURER

Cynthia Baber-Strunk

DIRECTORS

Dennis Adams, Sidney Burton, Larry Carrico,
John Darden, Shawn DiLeo, Dwight Dumler,
Dave Edwards, Bill French, Michael E. Gerwe Jr.,
Scott Kinnear, William McCrae,
Richard Rose and Jamie Slatton

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.

Copyright © 2009 by APRO.

All rights reserved. Cover and contents may
not be reproduced in whole or in part without
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.



RTO Matters

APRO names RTO Employee of the Year, Customers of the Year and scholarship winner

David Keen, employee development manager for Rent One, a 42-store business based in Mt. Vernon, Illinois, has been named APRO's 2009 Rent-to-Own Employee of the Year. He was honored formally on August 31 at APRO's Convention and Buying Show in Las Vegas. Keen served four terms on the Mt. Vernon City Council and two years as the town's mayor, but he's most proud of the work he's accomplished behind the scenes in his community.

Six years ago, Keen helped start the Jefferson County Operation Iraqi Freedom Committee (JCOIF), and continues to serve as its co-chair. JCOIF raises funds for holiday gift cards to distribute to Jefferson County troops currently serving in Iraq or Afghanistan. This year's effort—the sixth for JCOIF—was a record-breaker, earning close to \$40,000 that will provide 53 troops each with a \$750 military exchange gift card



redeemable at any military exchange site, even online.

"When David tells you something, he means it," Joyce Poorman, co-chair of the JCOIF, says. "He's dedicated to helping others. I see David shine in everything he does. He puts others before himself and I, along with a lot of people, know that we can always depend on David."

Keen also helped establish the Senior Saints, a "hall of fame" for seniors who have distinguished themselves through community service and patriotism. Each year, the Senior Saints program honors 12 Jefferson County residents 65 or older.

Top: APRO's 2009 RTO Customers of the Year, Robert and Sherron Wilder, center, with Rent-A-Center store 594 assistant manager James Bezjian, left, and at right, store 594 manager Mike Robinson and district 430 manager Jason Hutchison. Above: 2009 RTO Employee of the Year David Keen addresses attendees at the General Session during APRO's Convention and Buying Show in Las Vegas.

"Whatever David gets involved in, he goes into it all the way and gets everyone else involved with the same enthusiasm," Jerry McCracken, co-chair of the Senior Saints program, says. "Dave is definitely a team builder. His skill is to get people to come forth

and put out all the effort they do. He's a motivator and doesn't mind being behind the scenes."

With 23 years of service in the U.S. Army, Keen knows how to get things done and has contributed significantly to help organize Illinois' rent-to-own

federal legislative efforts. He was a key player in organizing a recent \$21,000 donation by the Illinois Rental Dealers Association to the area's Boys and Girls Club.

Perhaps his greatest contribution is to an 11-year-old boy to whom he serves as a "big brother" through the Big Brothers Big Sisters program. For the past several years, Keen has volunteered as a mentor for that organization.

"He continually compliments, congratulates, educates and reminds the leaders of Rent One to encourage positive habits," Rent One owner Larry Carrico says. "I have worked in this industry for almost 30 years and have never seen a more positive attitude."

For more on David Keen, read the "Employee Q&A" column at right.

APRO's 2009 rent-to-own Customers of the Year, Sherron and Robert Wilder, are in the business of helping others. The couple's charity work in Benton Harbor, Michigan, was recognized on August 31 at APRO's Convention and Buying Show.

From their Safe Haven for Children program to their current outreach mission for the homeless, the Wilders' impact on Benton Harbor and those who have fallen on hard times continues to resonate. For the past 17 years, the Wilders have been on a public service mission to help the men, women and children suffering under the weight of homelessness, abuse and despair—and that mission

Employee Q&A: What's in store?

Typically, we ask a rent-to-own employee to give us a taste of the in-the-store, on-the-floor experience. In this issue, however, we talk with an employee at the corporate level—David Keen, Rent One's employee development manager and APRO's 2009 RTO Employee of the Year. For more on Keen's accomplishments, see page 5; and watch APRO's video about him at www.rtohq.org/video-2009_APRO_Employee.html.

Congratulations on being selected as APRO's 2009 RTO Employee of the Year. How does it feel to win this award?

I was surprised when I was notified that I was one of the four finalist and extremely honored to have been selected for this prestigious award.

You are Rent One's employee development manager. Tell us a bit about what that job entails.

I help coordinate hiring and hiring procedures, manage the Rent One Academy [offering a variety of training tools], mystery-shopper training, safety procedures training, motivation, health and wellness—the list goes on. I'm involved with anything to do with training and motivating at Rent One. I'm a 2003 graduate of the U.S. Army's Sergeants Major Academy at Fort Bliss, Texas, and part of my military background is in training.

When Rent One was smaller, each month Larry Carrico [Rent One's CEO] would invite new team members to come to the corporate office so that he could thank them for joining the team and introduce them to the corporate staff. Because our company is larger now, we use a training platform developed by Imagery Marketing Group called Company Cake, which provides an opportunity to deliver orientation/policies-and-procedures to new hires. Afterward, new team members must pass a test to ensure that they

understand Rent One's policies and procedures. Throughout their term of employment, Rent One Academy provides additional training modules: mystery-shopper, phone-sales skills, dryer venting installation, bed bug prevention, interviewing techniques and so on.

Tell us about the Rent One culture?

After having a successful career in both the military and city government, it's an honor to work for the positive culture at Rent One. Anybody who knows Larry knows that he moves at lightning speed—you definitely have to keep your shoes on to stay up with him. He strives for perfection and demands the same from his team. His mission is to create the best rent-to-own company in the United States, where co-workers are valued for their skills and are given the opportunity to develop those skills. Essentially, Rent One's mission is this: training, personal growth, customer service, personal accountability and company growth.

What advice do you have for someone just starting out as an RTO employee?

Learn as much as you can about the industry. Not coming from a rent-to-own background myself, I am amazed at the friendship and connection that team members make with their customers. A continued positive environment means future sales.

What makes a rent-to-own employee unique, when compared to, say, a retail employee?

In a retail environment, generally you see the customer once, upon the selling of the product. In the rent-to-own industry, you see the customer weekly, bi-monthly or monthly. In order to be successful, you have to develop a bond with your customers and they need to be convinced that you are going to provide them with the best possible service—or they can, and will, take their business to one of your competitors.

Any tips for motivating and training employees?

In order for any organization to be successful, motivation has to come from the top. As I have told Larry, Trent Agin [Rent One president], Murray Beck and Mark Williams [Rent One vice presidents], I would have been happy to serve with any of them in the military. All four are motivated and have a sincere desire to help team members succeed. Rent One has developed a culture of praising and rewarding successful team members.

Walmart founder Sam Walton said the following and I think it applies to our company's positive, motivating culture: "Appreciate everything your associates do for the business. Nothing else can quite substitute for a few well-chosen, well-timed, sincere words of praise. They're absolutely free and worth a fortune."

Tell us about Rent One's "Wellness" program, which you coordinate.

A healthy team member is more likely to be a motivated salesperson. Several of our team members said that by around 3 p.m. each day they were drained. Rent One paid for all of the senior management to attend three health-and-wellness seminars, which

included various screenings along with seminars on healthy eating, how to quit smoking, how to lose weight, diabetes awareness, breast cancer awareness, etc. Since then, we've encouraged employees to understand the value of healthy living and eating habits; several of our team members have lost a lot of weight—some more than 100 pounds. The company provides membership for our corporate staff to join the YMCA and members of the corporate staff are in a "Biggest Loser" contest.

You organized the Illinois delegation for APRO's 2009 Dave Egan Rent-to-Own Legislative Conference and have worked to recruit eight co-sponsors in that state over the past year. How did you become interested in politics and legislative issues?

I've always been interested in legislative and political issues. Throughout my 29 years as a Mt. Vernon resident, I have served as mayor, city councilman and as a member of the Chamber of Commerce, where currently I am the vice president for the small-business council. I have made lots of contacts—locally and at the state and federal levels—that have given me the opportunity to educate and inform our government leaders on the importance of H.R. 1744 and S. 738 [*The Consumer Rental-Purchase Agreement Act of 2009*]. I truly don't believe that a majority of our government leaders understand the rent-to-own industry and the importance we play in ensuring that all individuals—no matter what their financial status is—can come into one of our stores and realize the American Dream of having nice products.



David Keen
Rent One, Mt. Vernon, Illinois

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

It'll be two years in November. Larry and I have known each other since he first came to Mt. Vernon

in 1985. We both have served on various Mt. Vernon committees and organizations

throughout the years.

What do you like best about your job?

I like motivating our team members, encouraging them to give it their best and reminding them that, if they don't succeed the first time, that they should keep on trying. The success of any organization relies on building a team that has a positive culture, one where team members wake up in the morning and say, "I can't wait to go into work today!"

Tell us a bit about the Jefferson County Operation Iraqi Freedom Committee.

Coming from a military background, I understand the importance of remembering those warriors who are serving in harm's way. I helped form a committee that solicits funds from our community. Last year, we raised more than \$40,000. From that fund, 53 gift cards in the amount of \$750 each were sent to warriors from the Jefferson County area who are serving in Iraq or Afghanistan

What is your motto in life?

Provide each individual with the tools necessary to be successful in his or her life's endeavors. In addition, recognize and say thanks and positively reward success.

—Neil Ferguson

coincides with the couple's longtime patronage with Rent-A-Center.

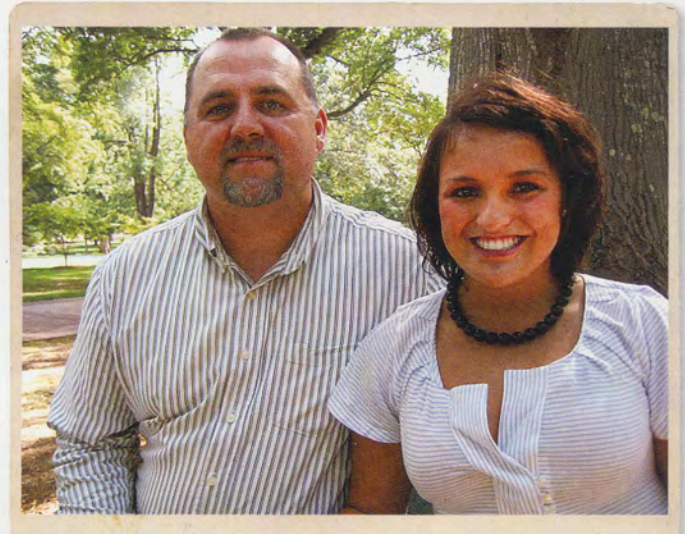
"When we opened our Safe Haven for Children in the State Theatre, we needed everything—a stove, refrigerator, furniture," Sherron says. "Where were we going to go for things like that? That's when our relationship with Rent-A-Center began."

The Wilders also called on rent-to-own to furnish their Prevention Summer Camp and the Forgotten Men Outreach Ministries program, which includes a homeless shelter and day camp and houses up to eight at a time. The Wilders live downstairs from the housing quarters. Sherron feeds up to 35 men and women per month through the ministry and she cooks all the meals. The occupants can stay in the ministry for up to one year, during which time the Wilders help educate them on how to find permanent housing.

Sherron already knows what she will buy with the \$1,000 RTO Customer of the Year prize: a new water heater for the shelter, something the home has been without since the couple moved in.

Jim Bezjian, assistant manager of the Benton Harbor Rent-A-Center, has worked with the Wilders for more than a year and pledged to contribute his \$500 award for nominating the 2009 RTO Customer of the Year to the Wilders' ministry.

Robin Walker, a University of Mississippi sophomore in Oxford, has been named APRO's 2009 Education Scholarship recipient. Daughter of Gary "Bo" Walker, director of operations for RTO Rentals of Paris, Tennessee, Robin was selected from a competitive field of more than 100 entries submitted this year.



RTO Rentals' Gary "Bo" Walker with his daughter, APRO's 2009 Education Scholarship recipient Robin Walker

A journalism major, Walker hopes to pursue a career in broadcast journalism or public relations—but her interests are not limited to the classroom nor are her career goals. She is an active volunteer for Habitat for Humanity and her sorority, Phi Mu, for which she serves as the philanthropy chair. Walker also is a campus orientation leader, welcoming incoming freshmen to Ole Miss.

"School is really important," Walker says. "But even more important is what happens after school—the extracurricular activities and what you choose to do with your time. You learn just as much through meeting and helping people as you do in a classroom."

In 1997, Walker was injured in a severe car accident, forcing her to spend three months in the hospital recuperating. This trau-

Romine announces candidacy for Missouri Senate

Gary Romine, APRO past president and owner of Show-Me Rent-To-Own based in Farmington, Missouri, is making a bid for the Missouri Senate. He announced his candidacy on August 31 at the President's Reception held during APRO's 2009 Rent-to-Own Convention and Buying Show in Las Vegas.

Romine said he will run in the 2012 election as a Republican candidate for the Missouri Senate, when current Senator Kevin Engler will step down due to term limits. In 2004, Romine ran for the Missouri House of Representatives against current Missouri House Majority Floor Leader Steven Tilley. Both Engler and Tilley have endorsed Romine's candidacy.

"I made sure my formal announcement was before my fellow APRO members," Romine told those attending the

President's Reception, "because you are the colleagues who supported me in my first campaign and I'm honored you will support me in my Senate bid."



Romine is a board member of the Missouri Rental Dealers Association. He opened his first Show-Me Rent-To-Own in 1988 and currently operates nine stores in Missouri. His passion for politics led to positions as chief of staff for Missouri senators Kevin Engler and Bill Alter. Recently, he served as campaign manager/comptroller for Missouri Senator Michael Gibbons' bid for state attorney general.

For more information regarding the "Citizens for Romine" 2012 campaign, contact Romine at 573/225-8044 or by e-mail at gromine@sbcglobal.net. —Murlin Evans

Online in Real Time!

RSSS MAKES YOU MONEY BY:

- SAVING YOU TIME
- GIVING YOU ACCESS TO VALUABLE INFORMATION IN REAL TIME
- ASSISTING IN CRITICAL DECISION MAKING
- MANAGING INVENTORY AND CUSTOMERS ACROSS THE ENTERPRISE
- PROVIDING POWERFUL REPORTING TOOLS TO INCREASE EFFICIENCY
- LOWERING YOUR COST OF OPENING NEW LOCATIONS
- GENERATING COMBINED MARKETING INFORMATION
- LEVERAGING THE POWER OF THE INTERNET
- KEEPING YOU A STEP AHEAD OF YOUR COMPETITORS



**Software You Can Rely On...
When Every Second Counts**



The Power of Information
A High Touch Company

Call us at **1.800.334.5224** or visit **www.rsss.com**.

APRS Associate Member since 1986

Now Offering:

Managed Network Security:

- Secure Your Network from viruses and spyware
- Control the websites your employees go to.
- Block harmful intrusions to your network.

Web-Based Payments:

- Integrated with RSSS
- Better Collections
- Credit Card Security

2008-09 APRO PAC and Team APRO contributors

APRO would like to recognize the following individuals for their active involvement in promoting the rent-to-own industry's legislative initiatives during the past year (as of August 31, 2009).

APRO PAC

Platinum Plus

(\$5,000 PAC contribution and five \$1,000 campaign contributions)

- Larry and Sharon Carrico
- Dan and Terry Cole
- John Raines and Mitch Raines
- Shannon Strunk and Cynthia Baber-Strunk

Platinum

(\$5,000 PAC contribution)

- David Kraemer
- Team Buddy—Lois Slatton and Jamie Slatton

Gold Plus

(\$2,500 PAC contribution and five \$500 campaign contributions)

- Robert and Lou Briley
- Tiger John Cleek
- Richard Rose and Jeff Loeb

Gold

(\$2,500 PAC contribution)

- David P. David
- Gary Ferriman
- William McCrae and Paul Cowan
- Mike Talley

Silver Plus

(\$1,500 PAC contribution and three \$500 campaign contributions)

- Daniel Fisher
- Michael Tissot

Silver

(\$1,500 PAC contribution)

- A.J. Arthus
- Wayne Chambers, High Touch
- Dave Edwards
- Jess Fisher
- John Spangle
- William Wendell

Bronze Plus

(\$750 PAC contribution and one \$750 campaign contribution)

- Michael Gerwe Jr., RES Marketing

Bronze

(\$750 PAC contribution)

- Chris Bolin
- Sidney Burton
- Chris Caprio
- Richard and Anna Cross
- Richard and Miriam Eichlin
- Gloria Homeier
- Scott Kinnear
- Lyn Leach
- John Martin

Supporter

(\$100-\$500 PAC contribution)

- Tom Burkhart
- Dave Furterer
- Pam Hulse
- David Kaye, Benefit Marketing Solutions
- Mark Keenan
- Charles Kuluva
- Anthony and Colette Longin
- Mark Martin
- Rusty Reddell
- Bill Spangenberg
- Brenda Thomas
- Harold Varvel

Team APRO

Gold

(\$2,500 Team APRO contribution)

- David Kraemer

Silver

(\$1,500 Team APRO contribution)

- Wayne Chambers, High Touch
- Bryan and Jennifer Collins, Bryce Co.
- Ellison Crider, RSSS
- David P. David
- Steve Sherman, Welton USA

Bronze Plus

(\$750 Team APRO contribution and a \$100 campaign contribution)

- Rick Delcamp, Adpro Advertising

Bronze

(\$750 Team APRO contribution)

- Larry Furiani, Coaster Co. of America
- Scott Kinnear

Supporter

(\$100-\$749 Team APRO contribution)

- Sharon Carrico, Marty Smith and Phillip Brown, Imagery Marketing Group
- William A. Kelly
- Dan and Susan Matthews
- Richard Rose and Jeff Loeb

matic experience led to her involvement as a volunteer at Le Bonheur Children's Hospital in Memphis, Tennessee. Walker also is a talented musician and has played the violin since fourth grade. She performs regularly with the Ole Miss Orchestra.

View videos of the 2009 RTO Employee of the Year, Customers of the Year and Education Scholarship recipients at www.rtohq.org/rto-video-main.php.

—Murlin Evans

APRO members elect new faces to the board

During APRO's 2009 Rent-to-Own Convention and Buying Show, members elected eight candidates to serve on the association's board of directors, including four who will be serving for the first time. The newly elected board members are: Dennis Adams, Full-O-Pep Appliances/American Rental, Bloomington, Indiana; Cynthia Baber-Strunk, Baber's Inc., Pascagoula, Mississippi; Shawn DiLeo, Color-Tyme, Lexington, Kentucky; and William McCrae, Buzz's Lease Purchase & Sales, San Antonio, Texas.

Members re-elected to the board are: Chris Bolin, Bolin Rental Purchase, Clarksville, Tennessee; Larry Carrico, Rent One, Mt. Vernon, Illinois; John Darden, Premier Rental-Purchase, Charlottesville, Virginia; and Dave Edwards,

HOT

Products, Pricing & Programs at O'Rourke Sales Company



DELL



JVC



Crosley

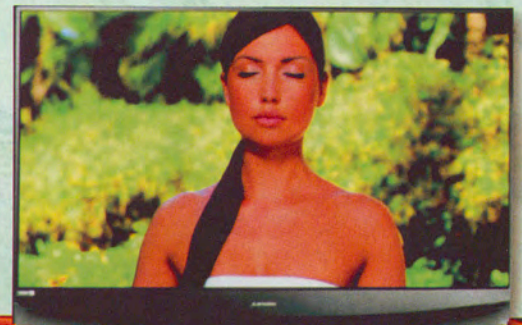


Kenmore



Speed Queen

MITSUBISHI ELECTRIC
DIGITAL TELEVISIONS



O'ROURKE SALES COMPANY
1875 Waters Ridge, Suite #300 • Lewisville, TX 75057
Ph. 800-800-8500 / 972-245-0006



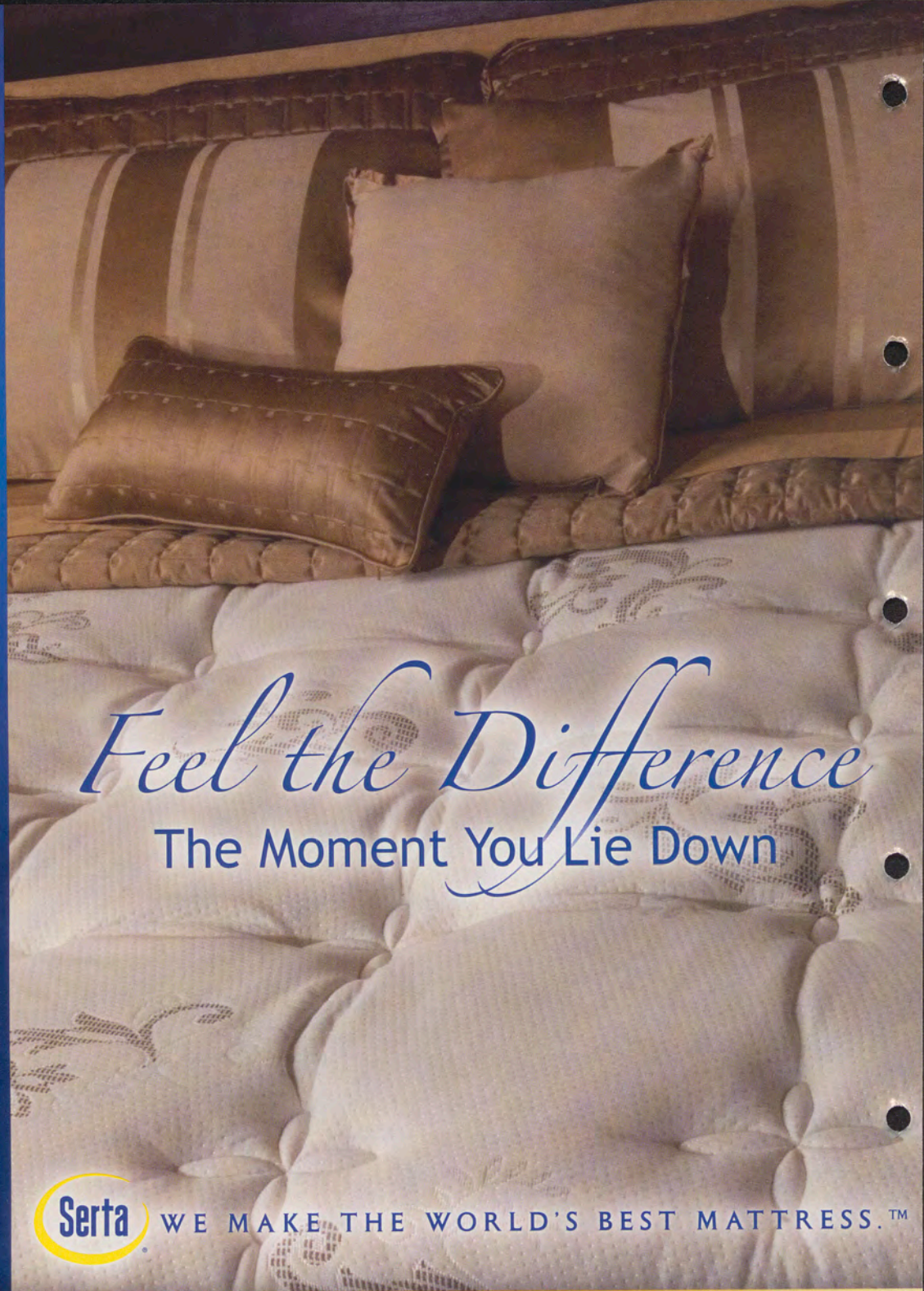
Ask about
Club O!

APFD



Serta Program Highlights

- ✓ Nationally Advertised Mattress Brand to Drive Incremental Traffic
- ✓ In-House Marketing & Design Team
- ✓ Quarterly National Advertising Dealer Kits (Turn-Key Program)
- ✓ Special Marketing Incentives
- ✓ Free In-Store Display Kit for Every Store Location
- ✓ Wide Selection of Promotional & Premium Mattress Products
- ✓ Quarterly Pricing Specials
- ✓ Access to Bed Bug & State Regulation Experts & Resources
- ✓ National RTO Trainers
- ✓ RTO Expert Customer Service Team



Feel the Difference
The Moment You Lie Down

 WE MAKE THE WORLD'S BEST MATTRESS.™

Visit us at www.serta.com or call us today at 1-866-290-7433.

Come see us at the International Home Furnishings Center, Commerce Wing, 5th Floor, Space C503



SPONSOR
APRO
2009
RENT-TO-OWN
CONVENTION and
BUYING SHOW
PARIS and BALLY'S, LAS VEGAS
AUGUST 30 - SEPTEMBER 2

APRO's 2009-10 Executive Committee



Cleek Briley Bolin Kelly Baber-Strunk

Recently elected APRO board members



Adams Baber-Strunk Bolin Carrico Darden



DiLeo Edwards French Gerwe McCrae

SEI/Aaron's, East Hartford, Connecticut.

The following members are retiring from the APRO board this year: David P. David, Full-O-Pep Appliances/American Rental, Bloomington, Indiana (for more on David's service to the board of directors, see page 18); Gloria Homeier, A Full House, Russell, Kansas; David Kraemer, Bestway Rent-To-Own, Dallas, Texas; and John Raines, Raines Investment Group/Aaron's, Ashburn, Georgia.

Members of the APRO board of directors serve staggered two-year terms. Half of the positions become open each year and board elections are held during the Convention and Buying Show. Soon after, the new board elects its executive committee. This year, the board elected the following to APRO's executive committee: President Tiger John Cleek, Cleek's

Inc./Aaron's, Columbia, Missouri; First Vice President Robert Briley, Briley Investments/Aaron's, Abilene, Texas; Second Vice President Chris Bolin, Bolin Rental Purchase, Clarksville, Tennessee; Secretary Bill Kelly, New Avenues, Alpharetta, Georgia; and Treasurer Cynthia Baber-Strunk, Baber's Inc., Pascagoula, Mississippi.

The vice chairman and co-vice chairman of APRO's vendor advisory committee serve on the APRO board of directors as well. At APRO's 2009 Convention and Buying Show, Bill French of O'Rourke Sales Co. was elected vice chairman of the 12-member vendor advisory committee, replacing Ellison Crider of RSSS who has served in that position for the past four years. Michael Gerwe Jr. of RES Accessories was re-elected as the committee's co-vice chairman.

—Murlin Evans

RTOCalendar

October 13-14

Kansas Rental Dealers Association annual meeting, Prairie Band Casino, Topeka, Kansas. For more information, contact Gloria Homeier, 785/537-2840, afullhouse@twinvalley.net.

October 14-15

Rent One Vendor Appreciation/Fun Days, Rent One Park, Marion, Illinois. For more information, contact David Keen, 618/242-8448, ext. 229, dkeen@shoprentone.com.

October 15

New York State Rental Dealers Association meeting, Turning Stone Casino, Verona, New York. For more information, contact Dave Edwards, 860/895-1640, dave.edwards@aaronrents.com; or visit www.nyrentaldealers.org.

October 17-22

High Point Furniture Market Fall 2009, High Point, North Carolina. For more information, call 336/869-1000 or visit www.highpointmarket.com.

October 21

Illinois Rental Dealers Association annual meeting, Crown Plaza, Springfield, Illinois. For more information, contact Steve Braning, 314/447-1610, steve@nationalrto.com.

October 27-29

Missouri Rental Dealers Association fall educational seminars in Springfield, Columbia and St. Louis. Topics: "Computer and Electronics Training" by ArchBrook Laguna and "Appliances Installation and Delivery" by Whirlpool. For more information, contact Ken Steiner, 573/442-2963, steineraa@aol.com; or visit www.missourirentaldealers.org.

November

TRIB Group committee/vendor meetings:

- November 3-6: Specialty Committee/Vendor
- November 9-13: Furniture Committee/Vendor
- November 16-17: Electronics Committee/Vendor
- November 23-24: Appliance Committee/Vendor

For more information, contact Dennis Shields, 770/451-4302, dennis@tribgroup.com; or visit www.tribgroup.com.



American Rental gathers for training, golf, fun and fireworks

Full-O-Pep/American Rental held its 19th annual gathering July 17 and 18 in Nashville, Indiana. More than 400 employees from the company's 57 stores attended the Product Experience Show, as well as a golf tournament and picnic.



1. Grace David, Brianna Scales, Katie Bowman and Lindsey VanDeventer
2. David P. David tends to his secret pork-and-beans recipe.
3. Dennis Adams with his daughter, Maddie, and her friend Cassie Leffel
4. Picnic festivities included an elaborate bungee set-up.
5. Mike Wood (left) with LG Electronics demonstrates new technology at the Product Experience Show.
6. Golfers Robert Burchett, David P. David, John Grantz and Greg Batt

KLQ Foundation's Golf Outing and Auction

More than 150 golfers participated in the Dan Quinn and James Webber Memorial Golf Outing and Auction in Lacey, Washington, on August 21. The auction raised \$21,000 for the KLQ Education Foundation, which awards scholarships to deserving students. The foundation, created by Quality Rentals' Kevin and Angie Quinn, has awarded 35 scholarships and raised more than \$320,000.



1. Ollie Upchurch, Rita Haney, Kelly McClellan, Jeremy Johnson, Jeff Colletto, Dave Toth, Michael Blaugrund, Cindy Ferguson, Mike Little, Ben Crowder, Susan Matthews and Denis Rosen
2. Auction attendees
3. Golfers Sharon Carrico, Courtney Conder, Angie Quinn, Cindy Ferguson and Trish Huff
4. Kevin Quinn, Bill French, Kelly McClellan and Marty Smith

Reporting and photographs by Murlin Evans

For expanded coverage and additional photographs of rent-to-own events, visit www.rtohq.org.

***We've got
you covered...***

**15 large distribution
centers for quick shipping
& fast delivery**

**Largest selection of
computer & laptop brands
in the industry**

**Infinite selection of CE
products from large panels
to small appliances**

**Long term product
management & forecasting
for seasonal planning**

**Customized 24 hour
account access:**

- Product availability
- Product pricing
- Order placement
- Shipment tracking
- Invoice management

Call (866) 856-7117
www.newageelectronics.com



MSI Wind Laptop 18.5" LCD
SKU# MSI-WINDTOPAE19005



Panasonic 50" TV
SKU# PNC-TCP50X1



Kodak Video Camera Z16
SKU# KDK-1152537



Asus EEE PC 1000HE 10" LCD
SKU# ASU-EEPC1000HE160GB

New Age Electronics is a division of SYNEX Corporation. Copyright 2009 SYNEX Corporation. All rights reserved. SYNEX, the SYNEX Logo, New Age Electronics, the New Age Electronics Logo, and all other SYNEX company, product and services names and slogans are trademarks or registered trademarks of SYNEX Corporation. SYNEX and the SYNEX Logo Reg. U.S. Pat. & Tm. Off. Other names and marks are the property of their respective owners.

NEA™
**NEW AGE
ELECTRONICS**
A DIVISION OF SYNEX CORPORATION

APRO Associate Member since 2008

**APRO honors
rent-to-own's
finest for 2009.**

**By Neil Ferguson
and Ed Winn III**

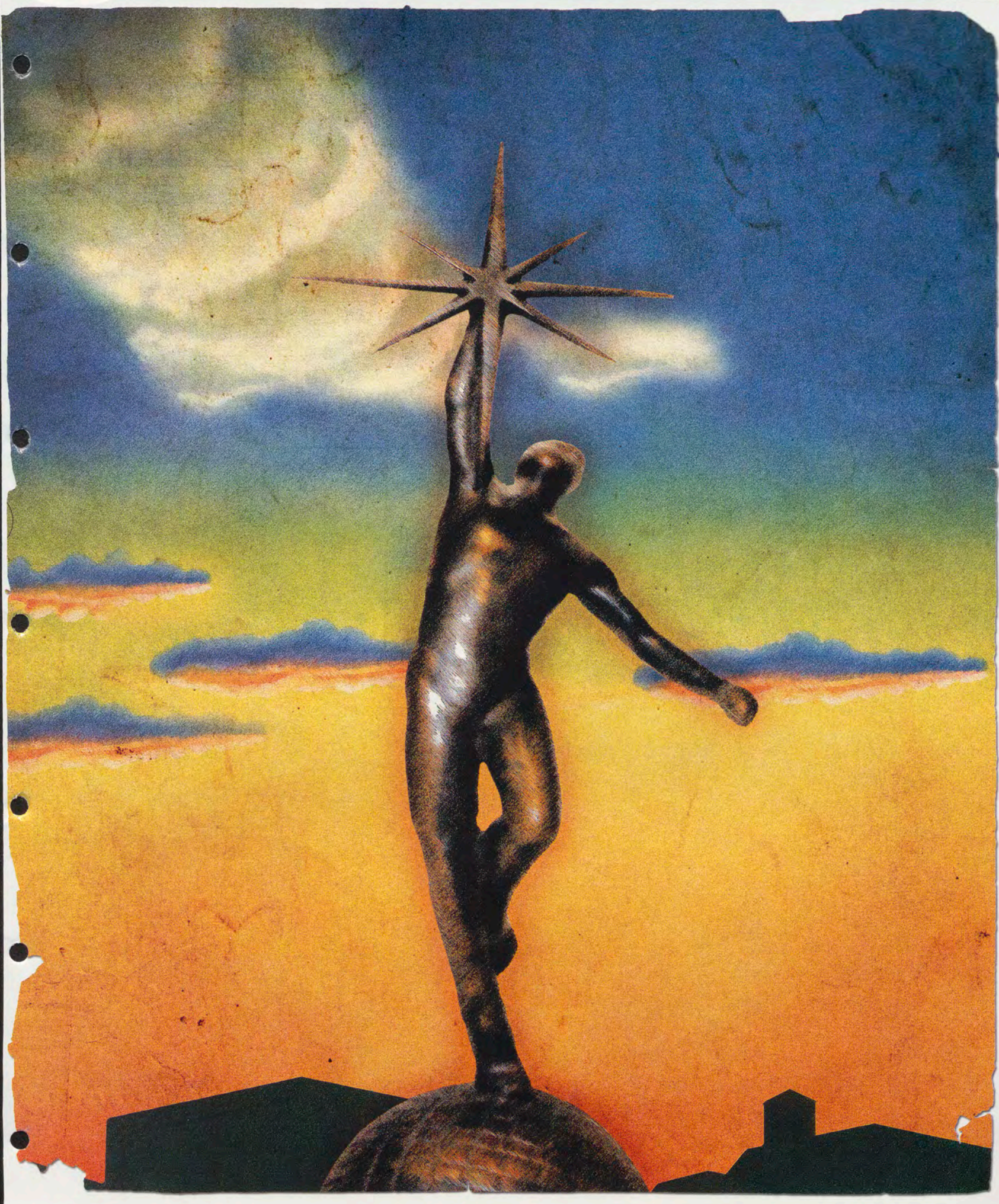
And the Buddy goes to...

Each year, APRO recognizes a few special people in the rent-to-own industry by awarding them a "Buddy." The Buddy is bestowed upon recipients of APRO's Rental Dealer of the Year, Vendor of the Year, President's Award of Excellence and—when circumstances merit—a Lifetime Achievement Award and a Heritage Award. But what is a Buddy and how did this tradition get started?

Recognizing outstanding achievements is nothing new. Most rental dealers have an awards program within their companies. The Buddy, however, is the only industry-wide recognition and is awarded by APRO exclusively. In the early days of the association, recognition plaques were presented to the industry's high-achievers, but in 1997 APRO decided to make the physical embodiment of the award as special as the Oscars are to the film industry. The search was on for an award worthy of representing rent-to-own's Oscar. The art of Wally Shoop, a Minnesota sculptor of Native American heritage, was selected to convey our appreciation for the highest achievements in the rent-to-own industry. His statue, created using the lost-wax casting process, depicts a person reaching to the stars and, appropriately, Shoop titled the piece "Reach."

Coming up with an RTO-specific name for the statue was easy. Bud Holladay was APRO's first president, serving for three terms in the early 1980s. Throughout his career in rent-to-own, Holladay has exemplified the concept of reaching high. He established APRO as the national trade association for rent-to-own and, to this day, continues to coach and cajole professionals in our industry, always encouraging them to reach for the stars. Hence, we now award a work of art—the Buddy—to those who show exceptional dedication to our industry. This bronze, numbered statue embodies the attributes of APRO's first president. For recipients of the Lifetime Achievement Award, the bronze statue is dipped in 24-karat gold.

Congratulations to all of this year's Buddy winners and to all of those who strive to reach for the stars.—Bill Keese







Gary McDougal

APRO'S 2009 LIFETIME ACHIEVEMENT AWARD

Although he retired several years ago, this Tennessean stays true to his state's nickname and volunteers to aid the rent-to-own cause as much as possible.

In APRO's 29 years, the association has honored only 15 men with the Lifetime Achievement Award. All of the recipients have had that rare and treasured drive to excel outside of themselves and give of themselves to causes larger than just making the next buck. This year's recipient, Gary McDougal, fits that criteria to a T.

Among his many talents, McDougal's political savvy is perhaps the one that others in the rent-to-own industry value most about him. Although he sold his five-store Tennessee rent-to-own business, American Rentals, several years ago, he remains an active spokesman for the RTO cause on Capitol Hill and at the Nashville statehouse.

Politics are his true calling. He is one of only three APRO presidents who have served in that capacity for three terms (1999–2002); he was president of the Tennessee Rental Dealers Association for 10 years and chairman of APRO's government affairs committee for three years. Although he's retired, he continues to be a driving force behind rent-to-own's relationship with the Congressional Black Caucus, an essential element in the industry's effort to win support in Washington, D.C. He might have left the industry, but the industry just can't leave him and Mary, his wife of 28 years, alone.

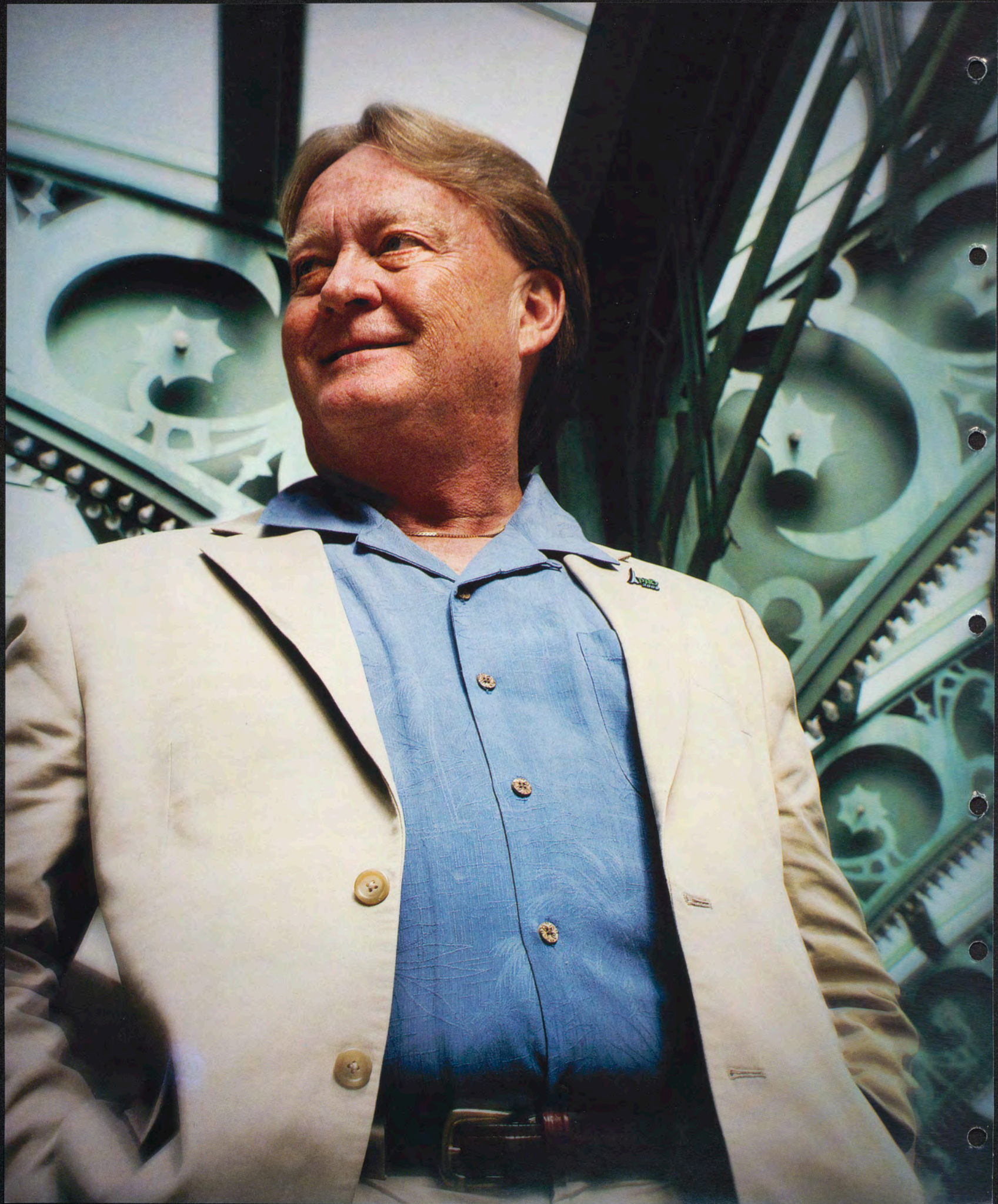
Over the past decade, APRO and the rent-to-own industry have donated more than \$300,000 to the Congressional Black Caucus Foundation, an education scholarship fund. McDougal spearheaded that effort from the beginning and nurtures the relationship still. "If Tiger [Cleek, APRO's current president] calls me up and needs something, I'm glad to help out—whatever I

can do," McDougal says. "There are a lot of shoulders I've rubbed over the years, so put me to work. The way I figure it, you've got to take care of your friends. We look forward to having the industry benefit from whatever help Mary and I can provide."

He worked for 20 years at Sears Roebuck. In addition, the McDougals' husband-and-wife business ventures have included restaurants (named M's, for Mary), a catering service, video rental stores, rental properties, a vending machine company ("Our kids went around filling the machines," McDougal says) and finally, in 1985, rent-to-own stores. Mary's been at the helm every step of the way. "We're tied together," McDougal says. "She's my best boss. If it hadn't been for Mary and all her business ventures, I wouldn't have been able to get off the ground."

In addition to helping the RTO industry and enjoying his "retirement," the McDougals stay busy in Chattanooga. "Everybody ought to be involved in civic activities," McDougal stresses. He serves on the boards of the Soldiers and Sailors Memorial Auditorium and the Tivoli Theatre and is active in the Chattanooga Chamber of Commerce. Mary and he have traveled to every continent and, while they enjoyed the Greek Isles and Italy very much, McDougal declares that "good ol' America is the prettiest place."

When he was still in business, McDougal's company motto at American Rentals was, "Satisfaction guaranteed or your money back." But, as Tiger Cleek declared when presenting McDougal with the Lifetime Achievement Award, "Well, the association certainly is satisfied, Gary. It doesn't want its money back." ✱





David P. David

APRO PRESIDENT'S AWARD OF EXCELLENCE

After two decades of giving to APRO and the rent-to-own industry, it's David's turn to receive.

Twenty years ago, the Soviet Union was pulling out of Afghanistan, the elder Bush was president, a gallon of gasoline cost \$1.12 and the iPod wasn't even a notion. In 1989, David P. David became a member of the APRO board of directors—and he continued to serve in that capacity until this year, making him the longest-serving board member in the association's history.

The typical 20th-anniversary gift is china; but instead, this year David received something better to commemorate his many years of service to the association: the APRO President's Award of Excellence. Each year, the award is bestowed at the exclusive choosing of the APRO president and, as the man who holds that title currently, Tiger John Cleek, says, "I got to pick one member who impresses me as making more of a contribution to the industry than anyone else. It's not always an easy decision, because a lot of people give more than they get in rent-to-own. Actually, though, picking this year's recipient *was* pretty easy."

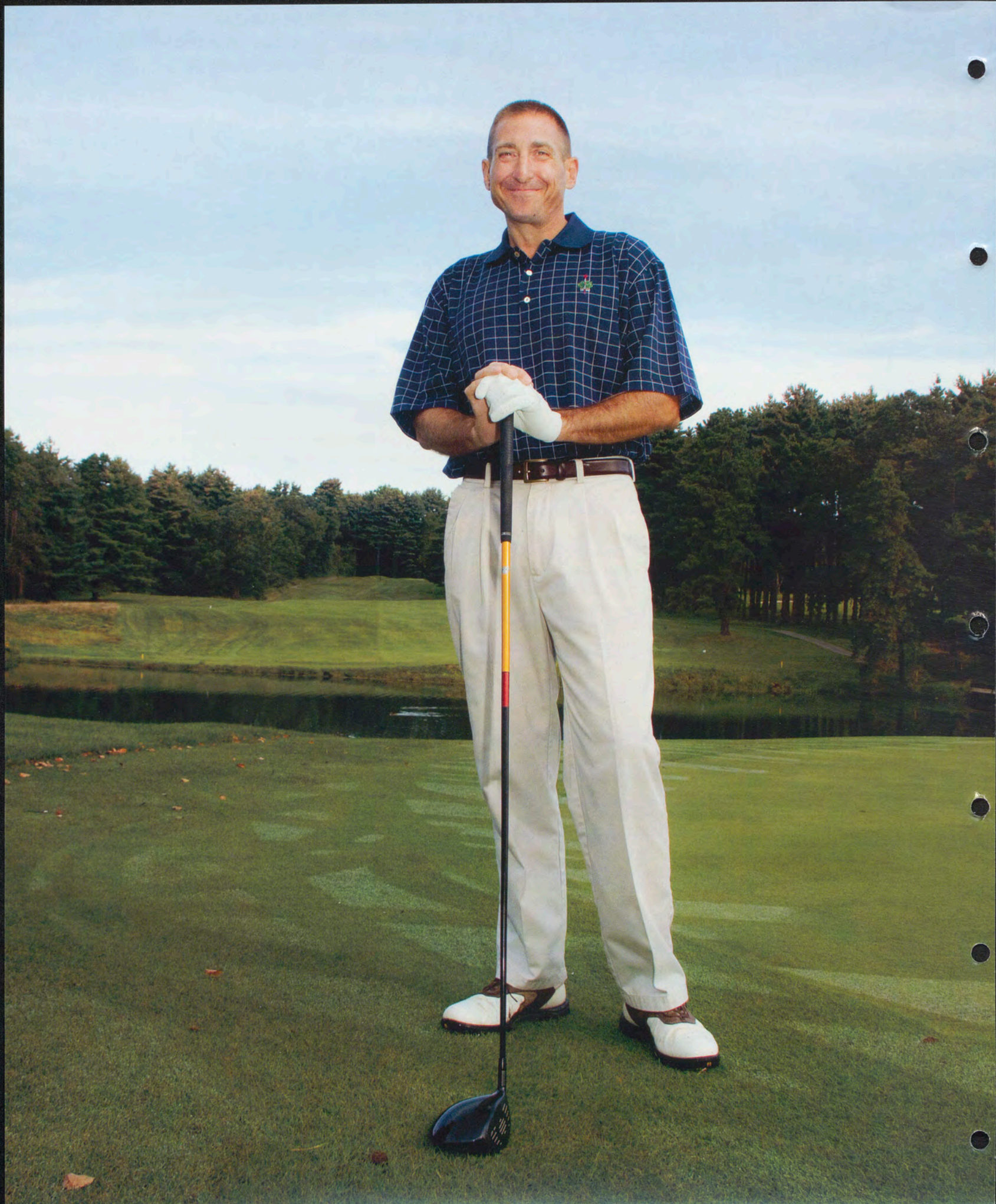
David decided this year not to run for re-election in order to "make room for some new blood," he says. But while on the board, he served six years on the APRO executive committee. In addition, he was president of the Rental Purchase Dealers Association of Indiana for 11 of that group's 21-year existence. For the man with two first names, serving the rent-to-own industry is a no-brainer. "I think some are waiting for APRO to give them something," David says. "They're thinking 'What's it going to do for me?' If they'd try to be a giver rather than a taker, then they'd see just how much will come around to them. They'd probably get a lot more than they ever

expected. It amazes me how this industry pulls together to make something happen."

David has been in the rent-to-own business since 1981, running Full-O-Pep/American Rental, a multi-state company based in Bloomington, Indiana. His mother, Jane, and sister, Barbara, work for him and it was quite a surprise to David when they appeared on the scene in Las Vegas on September 1 during APRO's 2009 Awards Banquet—a surprise, that is, until he realized that they had come to see him honored with a Buddy.

"When I was young, my goal was to be a commercial pilot," David recalls. "But those plans kind of went out the window. After three semesters of college, my instructor talked me out of it, telling me that commercial pilots are just glorified bus drivers. I spent several years looking for something I really enjoyed doing, never expecting that it would lead to a wonderful career in rent-to-own. There are so many people whom I've enjoyed being around in this association. The APRO staff has become like family," noting that the association's Executive Director, Bill Keese, started at APRO the same year David joined the board.

Before his aspirations to become a commercial pilot and, ultimately, achievements in the rent-to-own industry, David helped his dad grow Christmas trees—lots of them. "Working with my dad in the Christmas-tree business is one thing I did that was [very] satisfying," David says. "A lot of what I learned [then], I put into how I run my rent-to-own business. What I like is making people happy, giving people enjoyment. When we rent product, it's something for our customers to enjoy. For me, rent-to-own is much more than just a way to make money." ✧



Dave Edwards

APRO'S 2009 RENTAL DEALER OF THE YEAR

These are challenging times to be a rent-to-own dealer in New York, but for Dave Edwards, rising to such a challenge is just par for the course.

Few, if any, in the rent-to-own industry would want to assume the responsibilities of this year's Rental Dealer of the Year. Since 1989, the association has bestowed this honor upon those who have gone above and beyond the call of duty for the sake of rent-to-own and, in 2009, New York's Dave Edwards certainly has earned his Buddy the hard way.

For several years, New York has been a hotbed of anti-rent-to-own press and political activity. There are no fewer than seven bills pending in that state's legislature, each of which is aimed at crippling the industry there. Add to that a constant barrage of negative press heaped upon rent-to-own and a U.S. senator advocating the end of RTO altogether and you've got a state of tension, to be sure. Amidst all this, as the New York State Rental Dealers Association's president, Edwards has sought to put out fires, communicate with opponents willing to listen and enhance the image of rent-to-own, all with a calm demeanor, tireless dedication and thoughtful strategies.

When Edwards attended his first state rental dealer association meeting in New England 11 years ago, little did he know that the purpose of that meeting was to dismantle the group due to its lack of activity. That region's state association activity lay dormant for almost a decade until three years ago, when Edwards picked up the gauntlet and re-energized the New York State Rental Dealers Association—and he's been reinvigorating rent-to-own in that part of the country ever since.

Edwards, who serves on the APRO board of directors, works for SEI/Aaron's, which employs 600 and operates 72 stores. Along with mentors Charles Smithgall III and Char-

lie Loudermilk, Edwards is intent on raising the bar for rent-to-own and, in so doing, shaping an industry that's impervious to criticism and one that would give no legislator reason to dismantle the business. He's a strong advocate of the Computers for Kidz program, which encourages rental dealers to donate computers to their local schools. He's also developed rent-to-own's involvement in the Special Olympics in New York.

As you no doubt glean from the photograph on the facing page, Edwards keeps his tension tamed in part by spending some time on the course—or courses, we should say. He's played more than half of the top 100 golf courses in the world, hitting the greens in Ireland, Australia, New Zealand and Canada, as well as those all over the United States. He also savors his free time with wife, Samantha, and their 8-year-old daughter, Ashley Elizabeth.

Edwards is humbled by this recent recognition. "I look at this not as an individual award, but an award for SEI/Aaron's," Edwards says. "Without the men and women I work with there, I wouldn't be able to devote the amount of time that I'm able to devote to the issues in New York and to APRO. It's an honor to represent this industry; it has been ridiculously good to me."

"I see rent-to-own continuing to expand and the standards continuing to be raised," Edwards continues. "Many businesses that haven't nurtured higher standards are no longer a part of the industry and the strong have survived. By 'strong,' I mean good people with ethical business practices, those who treat their customers well. They are the people who will continue to flourish." ✧



TRIB GROUP

TRIB



Larry and Brenda Tinney

APRO'S 2009 HERITAGE AWARD

Team Tinney is recognized for its under-the-radar, longtime support of the rent-to-own industry.

Within a week of accepting APRO's 2009 Heritage Award in Las Vegas, Larry and Brenda Tinney left their home state of North Carolina again, this time to attend their 45th high school reunion in Athens, Texas, an event they organized. Larry and Brenda were high school sweethearts—she the head cheerleader and he the class president and quarterback of the football team. September was a month to celebrate their years together, both in business and in life.

The Heritage Award is bestowed to some of the unsung heroes of the industry—those who go about running their own businesses as shining examples of how rent-to-own ought to be and, at the same time, are ever-ready to nurture the industry's legislative process by communicating with members of Congress, traveling to Capitol Hill, staying on top of state rent-to-own needs and more—all without shouting, "Hey, look at what I am doing!"

Recognizing the Tinneys marks the first time that the Heritage Award has been given to a couple, but it would be impossible to distinguish one and not the other. Since 1984, Larry has been the only state association president that North Carolina has ever had and he's been at the helm there during some very challenging moments in the state's RTO history.

The Tinneys caught the entrepreneurial bug while Larry was a pre-law undergraduate at The University of Texas in Austin. They lived in an apartment close to the football stadium and on game days would rent parking spaces in the yards surround-

ing their building, netting up to \$300 a game. On one overcast game day, Larry overheard a bystander say, "Man, I wish I had an umbrella." It just so happened that Larry had one in hand and, seizing an opportunity, told the man, "Well heck, I'll rent you this one." A deal was struck, a product was rented and Brenda and Larry got wet watching the Longhorns—but it marked the beginning of their rental dealer careers.

Larry practiced law in Dallas during the 1970s, but in 1980, the Tinneys were lured by Brenda's brother, Jim Graham, to run a ColorTyme franchise in North Carolina. In 1984, they launched Royal Crown Leasing/Rent America in Fayetteville, now 15 stores strong. In the early 1980s, the state's rent-to-own businesses were some of the first plagued by legislative threats and, by abating disaster for the industry there, Larry gained a reputation for political prowess. Over one entire summer of particularly contentious legislative debate concerning rent-to-own, Larry made the 70-mile trek daily to and from the state capital in order to stay on top of the matter. He credits North Carolina State Senator Tony Rand with giving him key advice: "You're going to have to make [legislative] friends—and lots of 'em," Rand told Larry. "They are not going to help you if you've never supported them. If you're dealing with consumer issues, you're foolish if you don't stay actively involved in the political process."

The Tinneys have worked diligently in Raleigh and Washington, D.C., on behalf of the industry. Larry's experience as a lawyer has helped him understand the way things work in the halls of Congress and Brenda, ever at his side, is every bit as knowledgeable about rent-to-own and every bit as tenacious in her advocacy for the business. ✧



From the 1964 Athens High School yearbook





John Blair

APRO'S 2009 VENDOR OF THE YEAR

This year's Vendor of the Year has served the industry for a quarter of a century, but it's his heroic service to the country that made him the man he is.

APRO has always understood the importance of vendors to the industry's success and, from its beginning, has welcomed vendors as members of the association. APRO members treat customers like they want their vendors to treat them—with patience, honesty, friendliness and good deals. Since the early days of rent-to-own, John Blair has been just such a vendor, making it long overdue to honor him as APRO's Vendor of the Year.

"I wish *all* of the vendors who have been serving this industry for more than 10 years could have stood up with me and received this award," Blair says. "I was truly surprised by the honor. As a vendor, my goal has always been to be professional and courteous—nothing less. Rental dealers put their trust in me to provide an honest service and I've strived to nurture those business relationships and friendships."

Blair has been involved with rent-to-own for decades. He worked for 11 years with Broyhill Furniture Rentals before becoming the first executive director of TRIB Group and serving in that capacity for 15 years. Blair was vice president of marketing and sales for M&B Jewelry (later CM Jewelry) for nine years and currently is special accounts representative for PTS Tax Service. He has served on APRO's vendor advisory committee since 2000.

He's worn a lot of hats in and around rent-to-own and understands the industry as well as anyone. But Blair has worn another hat—or helmet, rather—as well, and, as honorable as his service to the rent-to-own industry has been, it is his service in the U.S. Marine Corps that truly sets him apart.

Blair was a member of the Third Battalion, Fourth Marines, India Co. during the Viet-

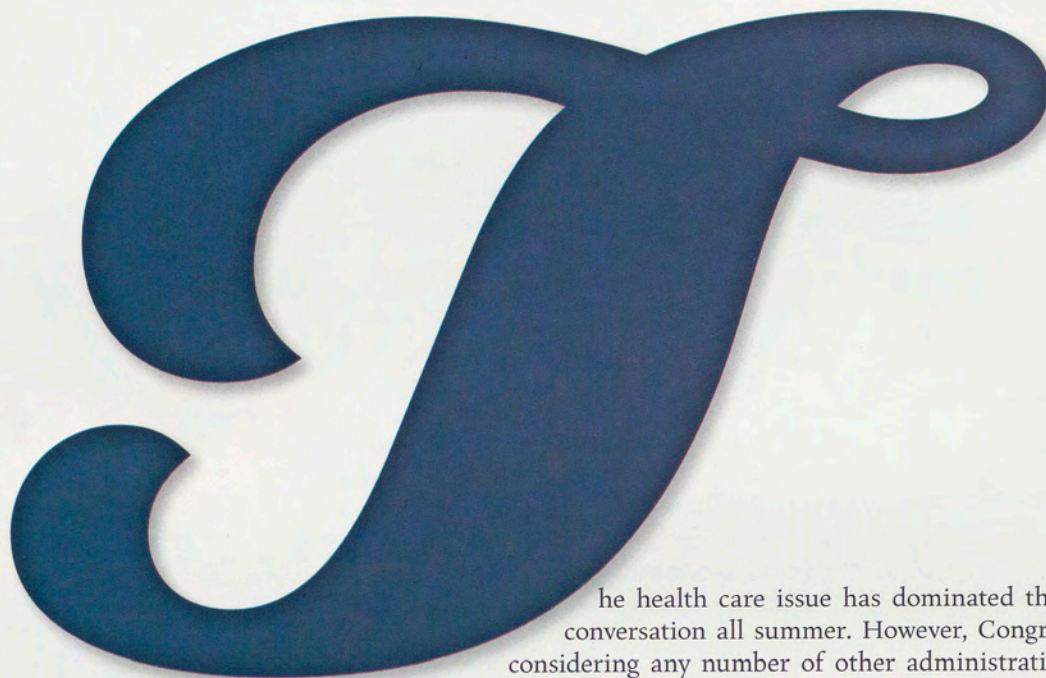


APRO and Blair give thanks to Staff Sgt. Gabriel Canady—pictured here with Blair at a Marine Corps base in Marietta, Georgia—for permitting this photo session in a restricted area.

nam War. In 2006, APRO Executive Director Bill Keese was honored to be a spectator at that company's reunion in Austin, Texas. One of Blair's Marine buddies told Keese, "I would follow John through hell—and I did. He got us out of that mess alive!" Others at the reunion agreed that Blair is the real deal, a true hero. In an unpopular war—one in which many sought to avoid service—Blair reported for duty.

In January 1968 during the war's dramatic Tet Offensive, Blair's platoon came under heavy fire from a large North Vietnamese force. Blair, serving as squad leader, and his men were pinned down, but he didn't hesitate to maneuver his squad forward and launch an assault on the enemy. He was awarded the Silver Star for his leadership and for disregarding his own safety that day.

Blair, of course, will never forget his life-changing experiences in Vietnam. For the past 26 years, he and his wife, Diane—along with their children, David, Michael, April and (son-in-law) Matt—have hosted the U.S. Marine Corps Reserve Toys for Tots program in Marietta, Georgia. Blair's whole life has been about service—both in the RTO industry and beyond. ✧

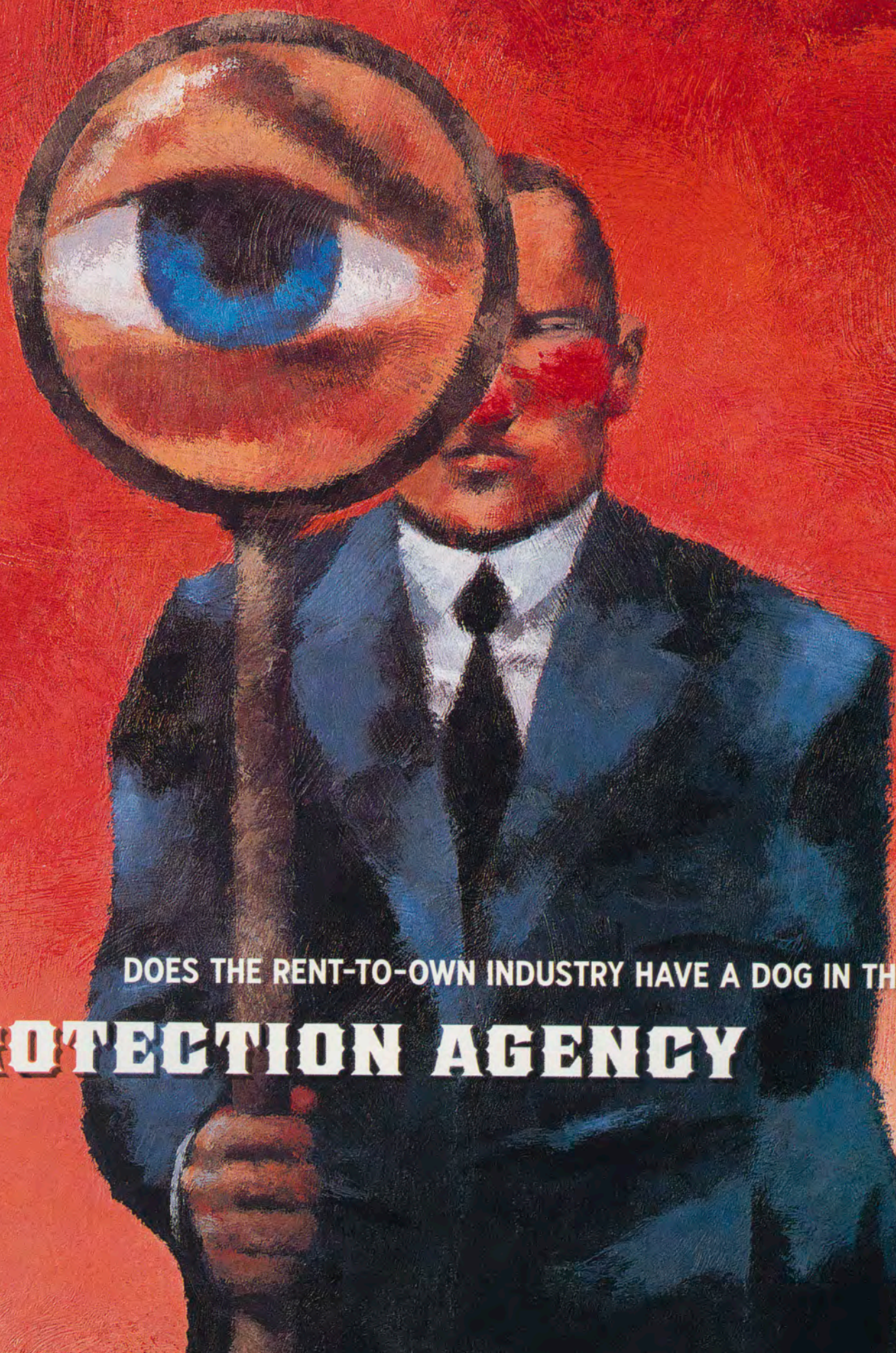


he health care issue has dominated the political conversation all summer. However, Congress is also considering any number of other administration proposals, one of which could change the face of rent-to-own forever. In July, Representative Barney Frank (D-Massachusetts), along with original co-sponsor Representative Maxine Waters (D-California), introduced H.R. 3126, *The Consumer Financial Protection Agency Act of 2009* (www.house.gov/apps/list/press/financialsvcs_dem/press_070809.shtml; the administration's original draft proposal can be found at www.ustreas.gov/initiatives/regulatoryreform). This bill is being pushed by the Obama administration and is the brainchild of Elizabeth Warren, a Harvard Law School professor and chair of the Congressional Oversight Panel for the Troubled Assets Relief Program. It's more than 200 pages long and space does not permit a detailed analysis of every provision, so we'll focus on the impetus for the bill and its implications for the rent-to-own industry.

THE CONSUMER FINANCIAL



BY ED WINN III



DOES THE RENT-TO-OWN INDUSTRY HAVE A DOG IN THIS FIGHT?

PROTECTION AGENCY

HEW
DER
SON

The Consumer Financial Protection Agency Act of 2009 proposes creation of a new federal agency with sweeping powers to regulate the financial products and services that are offered to consumers and those who offer them. The authority of this new agency would be far-reaching and controls on its powers few.

The philosophy underlying the new proposal is not just that the country needs more consumer protection, it is that consumer protection involving financial products is fundamentally the wrong kind. There is no dearth of consumer protection laws relating to financial products, after all. Already, the Federal Reserve Board, Office of the Comptroller of the Currency, Office of Thrift Supervision, Federal Deposit Insurance Corp., National Credit Union Administration, Justice Department, attorneys general in every state, Uniform Credit Code commissioners in 11 states and state banking commissions all have consumer protection directives and powers to regulate different aspects of consumer financial services. This new bill proposes to transfer consumer protection authority from 19 separate federal statutes to a new Consumer Financial Protection Agency (CFPA).

The consumer-advocate argument is that financial services are regulated today as contracts, using primarily contract law principles to protect consumers, when those products and services *should* be regulated like consumer products that are dangerous—lawn mowers, automobiles and the like. That is, the government should not merely ensure that consumers have the opportunity to understand the terms of the deal in a financial transaction by requiring appropriate disclosures, the government should be in the business of dictating what those terms are. This is because financial products, first of all, are every bit as dangerous as lawn mowers or cars, and the government—through the Consumer Product Safety Commission and other federal agencies—wants to dictate how those dangerous products are made. Consumers may not lose fingers or die in wrecks from bad financial deals, but they do lose money, houses, solvency and self-respect due to their lack of information and their “cognitive limitations.” This thinking derives from behavioral economic theory, which maintains that consumers, rather than being rational actors in the marketplace, are really uninformed and irrational. The only solution to the damage such behaviors cause, both for the individual and for the society, is for the government to protect consumers from themselves.

Consumer financial services have become so complicated that most consumers cannot understand

their terms, no matter how much disclosure is mandated, any more than they can understand how gears on lawn mowers or limited train differentials in cars work. The government has been unwilling to let the marketplace drive out makers of faulty lawn mowers, because it would take too long and the damage would be too great. Likewise, the government should not wait on the marketplace to drive out makers of faulty—unfair—financial products for the same reasons.

By way of example, consumer advocates point to consumer credit card use and consumers’ regular underestimation of their future debt (optimism bias). This market irrationality allows credit card companies to offer low teaser rates to get consumers to take the card knowing that the debt will likely increase when the interest rates are higher. The same argument can be applied to rent-to-own transactions and consumers’ underestimation of their ability to continue making rental payments in the future. The result, according to these advocates, is that consumers pay more than they should for home mortgages and credit card charges, allowing the merchants of these products to make “unfair profits,” because of consumer irrationality. This behavior—consumer error—leads to market distortion and to the misallocation of resources. Consumer irrationality inflates demand for products with underestimated risks. Inflated demand skews pricing upward and unbalances the efficiencies of supply and demand. The argument is that such practices are bad for consumers themselves and for the economy overall. (This theory is fleshed out in a law review article: Bar-Gill and Warren, “Making Credit Safer,” 157 U. Penn. L. Rev. 101, published in 2009 and available at <http://ssrn.com/abstract=1137981>.)

Perhaps the crucial question for rental dealers is whether this new agency would have jurisdiction over rent-to-own transactions, which, while they lie along the edges of the consumer financial world, are not generally viewed as credit transactions. The definitions in the bill provide the answer to this question. The CFPA will have the power to regulate all “consumer financial products or services,” and all “alternate consumer financial products or services.” That is, any financial product or service to be used by a consumer primarily for personal, family or household purposes, and anything that the marketplace develops in the future “that is of the same type or class as a standard financial product or service, but that contains different or additional terms, fees or features.” The agency will define and draft all standard financial products-and-services contracts.

The bill's drafters understood that creative business minds usually can stay a step or two ahead of the bureaucrats who write regulations—thus, the agency's power to regulate "alternate" financial products and services. Even if they do not exist today, the agency can regulate financial products, however they may be structured, when and

of whom will be "the head of the agency responsible for chartering and regulating national banks."

Historically, the industry has been successful with the Federal Reserve Board and Federal Trade Commission in explaining how the rent-to-own transaction works and its intrinsic value to consumers. There is no

IT IS CLEAR THAT RENT-TO-OWN WAS NOT TOP OF MIND WHEN THE BILL WAS DRAFTED. NOWHERE IN THE BILL IS RENT-TO-OWN EVEN MENTIONED. THE BILL TAKES MORTGAGES AND CREDIT CARDS HEAD-ON AND LETS THE PURVEYORS OF THOSE PRODUCTS KNOW THAT THE TIMES ARE ABOUT TO CHANGE. WHEN THE TIME COMES, THE AGENCY WILL DOUBTLESS TURN ITS REGULATORY GUNS ON RTO AND DICTATE HOW THE BUSINESS IS TO BE CONDUCTED, IF AT ALL.

if merchants invent and start using them.

The CFPA will have power over "any person who engages in a financial activity." From a rental dealer's perspective, financial activity includes collection of a debt, the leasing of personal property when the initial term is at least 90 days (an out, perhaps?) and "any other activity the agency defines by rule as a financial activity" (alas, no).

Moreover, the definition of credit in the bill is an expansive one and includes "the right granted by a person to a consumer...to purchase property or services and defer payment for such purpose." It may well be that the agency determines that rent-to-own transactions involve the extension of credit, as that term is defined, pulling the transactions fully within the ambit of the agency's authority.

It is clear that rent-to-own was not top of mind when the bill was drafted. Nowhere in the bill is rent-to-own even mentioned. The bill takes mortgages and credit cards head-on and lets the purveyors of those products know that the times are about to change. When the time comes, the agency will doubtless turn its regulatory guns on RTO and dictate how the business is to be conducted, if at all.

The good news is that if this bill becomes law, rent-to-own transactions will, at long last, get regulated at the federal level. Instead of having to explain the transaction and persuade 268 members of Congress of the value of rent-to-own to its customers, the industry will need to convince only three of the five agency board members, four of whom are appointed by the president with the consent of the Senate and the fifth

reason to suppose that the industry cannot be equally successful with this new agency—unless, of course, it is not, in which case the agency has the power to cause rent-to-own to cease to exist either as it exists currently or in any alternate permutation.

One of the agency's most interesting powers is the one that allows it to create "standard financial products and services," which would be a written document drafted by the agency that is "transparent to consumers in its terms and features, poses lower risks to consumers and facilitates comparisons with the benefits and costs of alternative consumer financial products and services." The CFPA, then, will draft standard mortgage and credit card contracts for those industries to use. The agency has vast additional powers to study markets, require companies to keep records and send in reports and publicize what the agency learns about companies and markets, with scant deference to privacy issues. The bill's purpose is to protect consumers, not businesses.

There are only two limits on the CFPA's power to regulate consumer financial products and services: 1) it cannot limit usury rates unless specifically authorized to do so by the Congress; and 2) it cannot limit compensation paid to those who offer consumer financial products and services.

It is not clear whether the agency could fix prices for rent-to-own products and there is nothing specific in the statute that says it cannot. More problematic for the industry is the agency's authority simply to declare rent-to-own transactions to be "unfair" and out-

law them altogether. The agency, when making rules, is charged with evaluating any potential reduction of consumer access to financial products, but that is not to say that the agency need approve consumer ac-

to understand the value of RTO, we also know by now that not *all* minds show such understanding. Supreme Court justices in two states have refused to see any difference at all between rent-to-own transactions and

THE CFPA WOULD HAVE THE POWER SIMPLY TO RUN THE RENT-TO-OWN INDUSTRY OUT OF TOWN, OR IT COULD, INSTEAD, IMPOSE RESTRICTIONS ON THE TRANSACTION TO SUCH AN EXTENT AS TO DRIVE THE PROFIT OUT OF THE BUSINESS SO THAT IT WITHERS AWAY. IT WOULD BE CONSISTENT WITH THE THINKING UNDERLYING THE BILL FOR THE AGENCY TO FASHION RULES TO ENSURE THAT PROFITS IN RENT-TO-OWN COMPANIES ARE NO GREATER THAN RETAIL PROFITS FOR THE SAME KINDS OF GOODS AND SERVICES BEING OFFERED.

cess to big-screen televisions or after-market chrome wheels, as those clearly are not financial products.

If the agency decides that the rent-to-own option should not exist for consumers, it can almost certainly outlaw the transaction as “unfair.” Alternatively, the agency could draft a standard rent-to-own agreement that the industry would have to use with APR disclosures, disclosures of the prices for the various services offered in an RTO agreement—delivery, terminability, service and the like. Individual companies would have an obligation to fill in the blanks fairly and accurately.

The agency could draft substantive requirements into rent-to-own agreements. It could dictate reinstatement rights, early-purchase-option formulas, limits on all fees and charges, what LDWs must cover, the timing for repairs, rules concerning loaners and any other provisions that the agency thinks advance consumers’ interests.

The CFPA would have the power simply to run the rent-to-own industry out of town, or it could, instead, impose restrictions on the transaction to such an extent as to drive the profit out of the business so that it withers away. It would be consistent with the thinking underlying the bill for the agency to fashion rules to ensure that profits in rent-to-own companies are no greater than retail profits for the same kinds of goods and services being offered.

Of course, the agency does not get to make its decision in a vacuum. The industry will be invited to tell its side of the story and explain the value to consumers inherent in rent-to-own transactions. But if we have learned that reasonable minds can be schooled

credit sales, notwithstanding the best efforts of the industry to explain those differences.

Now, the future viability of rent-to-own may come down to the industry’s ability to persuade a brand new consumer protection agency of the worth of RTO in the marketplace. It will be a political decision more than an economic one and, in the current bill, there is no limit by party affiliation on the make-up of the agency as there is in most federal agencies. In the Federal Trade Commission, for example, no more than three of the five board members can be from one political party.

The bill’s progress through the Congress is currently on hold. Not surprisingly, the financial community has come out forcefully against the bill, arguing that, what with 19 federal consumer protection laws and 12 federal agencies that already are charged with protecting consumers in the financial arena, there is no need for a new, stand-alone agency to replicate those efforts. Twenty-three trade associations representing banks, credit card companies, retailers, CPAs, real estate concerns and others came out against the bill as soon as it was introduced. If the president ever gets unmired from the health care mess and starts getting his agenda enacted by this Congress, then dealers can expect to see a new CFPA created this year or next. If that comes to pass, rent-to-own dealers will really get to live through Charles Dickens’ famous “best of times; worst of times.” *

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



step up
value



Donco specializes in juvenile furniture, from child to teen, from bedroom sets to great selling staircase bunks.

- Centralized Warehousing
- Deep Inventory Levels
- Ships Same Day
- Small or Large Shipments

DONCO
TRADING COMPANY

6801 Snowden Road
Fort Worth, TX 76140

(800) 934-3881

APRO Associate Member since 2009

SALES

*CRITICAL RESULT AREAS	*KEY TASKS/ FUNCTIONS	*AVAILABLE TOOLS
2% MONTHLY ACCOUNT GROWTH	Contact close	Order Form
	Scheduling	Rental contracts
	Staging	Daily list
	Delivery	Product manuals
	Installation	Message board
	Service Response	Delivery reports
	Mgr. Follow-up	

100 DELIVERIES PER MONTH	Product Knowledge	Adv. samples
	Deal Awareness	Product manuals
	Role definition	Display checklist
	Phone Protocol	Daily list
	Order completion	Order form
	Staging	





Training

The Big Chief Way

BY BUD HOLLADAY

All it takes is the right knowledge, something to write on and tools that you already have

For nearly a century, America's children trudged off to school each day carrying little more than a dog-eared Big Chief tablet and a No. 2 pencil. Once there, they actually learned things like spelling and writing and math, and what made our country the most admired engine of freedom and enterprise on earth. There were no laptops, no mixed media. Just kids with pencils and paper and a teacher with a clear mission. And they lifted us to the moon. Along the way they created computers and the Internet (with a little help from Al Gore), wiped out disease and liberated millions of people from hunger and oppression. Your aim may be less ambitious, to be sure, but change "kids" to "employees," "teacher" to "trainer" and gaining that 2 percent in new customers every month begins the same way—and leads to the same degree of success. The basic tenet: keep all learning simple, keep it focused and base it on real-life materials and examples infused with a healthy dose of common values. And always check the homework.

Remember that the only use for training is to improve business results. (If you can think of another, please write it in pencil on the back of a \$50 bill and mail it to me; I promise to give you all the credit for your discovery.) It doesn't have to be complex, expensive or formal. The right start to developing an effective training solution is identifying exactly what you want. That may seem easy, but so does the national anthem until you start to sing it. Repeat: the key is *simplicity*. If you need a monthly increase in new accounts of 2 percent or more, say that—don't embroider with fancy corporate-speak such as, "Improve sales and customer satisfaction so as to grow the company in a way that provides maximum ongoing benefit to owners, stakeholders and blah, blah, blah..." Explain what you want in terms that even new hires can understand and that foster accurate measurement later. If bad account charge-offs are to be 1 percent or less of the accounts you began the month with, say *just that* instead of relying on weasel words such as "maintain acceptable charge-offs." After you have defined the improvements expected and determined how they will be measured, you are ready to go on to the fun of actually making all this happen.

First, find your Big Chief tablet and a No. 2 pencil. Or—because they stopped manufacturing Big Chief tablets years ago—grab the nearest yellow legal pad and a pen. Headline one page "Sales," another "Account Service" and a third "Admin." Make four columns on each page. In the first, list each of the result areas critical to future success. To the right of each, in the second column, enter the key functions or tasks that—when properly accomplished—ensure the right outcome. The third column is reserved for the tools and resources required to deliver the proper training in that area. Leave the fourth column blank; we'll get to that later.

You now have a training menu. On the left is what you want, in the middle are the daily tasks or functions involved in giving that to you and on the right are the tools your people will need. If you don't know the operations side well enough to fill your Big Chief tablet, someone else should be in charge of training. This is true

whether you are the director of training or regional manager of things that need managing. When content misses the mark and audiences grow restless, the perceived value of all future training in your company plummets to somewhere just below zero. The chart below is an example of what one Big Chief Training Program might include:

CRITICAL RESULT AREAS	KEY TASKS FUNCTIONS	AVAILABLE TOOLS	
2 Percent Monthly Account Growth	Contract Close Scheduling/Staging Delivery/Installation Service Response Manager Follow-Up	Order Form Rental Contracts Daily List Product Manuals Message Board Delivery Reports	
100 Deliveries Per Month	Product Knowledge Deal Awareness Role Definition Phone Protocol Order Completion Staging	Advertising Samples Product Manuals Display Checklist Daily List Order Form	

Focus on the needs, teach the tasks and provide the tools. Notice that the first "Result Area" lists 2 percent monthly account growth as a desired result. But nowhere in column two does the word "Sales" appear. This is why it's important that the people designing your training have an insightful and deep understanding of the things that drive our business. Such a person will know that growth is the result of consistent merchandising—often to a customer base that has few alternatives and strong immediate need (Wow! Now *there's* a tough sell!)—followed by flawless execution of agreement closes and deliveries, plus unbroken follow-up by a local manager. When employees are trained and coached to keep well-groomed merchandise on rent by maintaining a base of confident, satisfied and on-time payers, even a small number of deliveries can produce decent growth—and require less inventory investment. When those things are *not* in place, few managers can "out-deliver" the store's returns and payouts. Just one person armed with knowledge and determination can generate enough deliveries to satisfy growth needs if everything else is in place. Getting a completed order is a task. Tasks can be accomplished singularly and at will. But growth is a process that requires concerted and concentrated effort by a team of trained professionals working with adequate resources and leadership, shaping and guiding myriad moving

and interlocking parts with but one end in mind. Does that sound anything like your operation?

All the research suggests that adult learners learn best when the subject matter has strong relevance to their daily work and their perceived place in the organization. So everything on your chart should be found in your store. Training with the everyday tools that people will work with later ensures the higher comfort level that leads to more rapid grasp and better outcomes. Rapid transfer of information from teacher to learner is critical in that the time allocated to training is usually limited. The faster your people can grasp the meaning of each document, form and screen, the quicker they can apply their new competencies. How better to understand the proper use of store marketing aids quickly than by using the actual pieces in training?

Trainers love to write. Big, complex blocks of copy dressed up with footnotes, charts and quartile samplings all in a nice mixed-media presentation strum the strings of a trainer's heart. Then the learners go back to work and all is forgotten. Nothing they touch, read, see or handle looks much like the things they dealt with in the training sessions. The games they played there seem to have no relevance to the questions customers are asking or to the situations they face. Well, let's just write some more training to fix that. And so on.

Training has become a huge industry—but what has it done for your business lately? Owners and executives often become frustrated and simply give up trying to find training that is both effective and affordable. Meanwhile other companies spend huge amounts on the New Big Thing that will take their currently great organization to *Greaterness* (look it up). There is one thing that training seldom is: reliable. Rare is the boss who devotes precious payroll time to regularly scheduled training activities. That is because usually we train with the wrong things, at the wrong time and—in many cases—we train the wrong people. So we only train when forced to, or when nothing else seems to work.

Anyone on the payroll for longer than six months needs and deserves training that's different than the instructional training administered to new hires. Their universes are not yet parallel. There are no shared experiences and their understandings are vastly different. So why do we believe that sticking both in the same class will promote acceptable outcomes? Deep down, we probably don't believe it at all. But the sheer economies of having all those people learning in one place at the same time overrides any convictions we may have about the real purpose and processes of training.

Most experienced workers know the *hows* and *whats*, but many have difficulty getting the blocks in the right or-

der or persuading others that these are, indeed, the right blocks. Training for them should be all about values, goals, directions, interpersonal issues. But because details, forms and repetitive tasks are cheaper and easier to teach—and are certainly less controversial and easier to sell to the higher-ups than are concepts, values and ideas—we tend to focus on detail. Imagine that Sherman already knows how things work in your store. He can complete any task after eventually figuring out what's expected. What confounds Sherman are the other things. He doesn't read people easily, he exhibits poor body language, he cannot prioritize

Anyone on the payroll for longer than six months needs and deserves training that's different than the instructional training administered to new hires. Their universes are not yet parallel. There are no shared experiences and their understandings are vastly different.

and often ends up just doing things himself because it's easier. Coworkers say Sherman frequently loses his cool when customers don't do what he expects or wants them to do. So how can Sherman and the kid hired last month benefit equally from the same training class? They cannot.

About that fourth column on our Big Chief chart. Label it "Roadblocks." Those are the things that get in the way of good work as it relates to each topic, task, function or resource. Poll every manager and associate and maybe even some customers. List all of the things that often get in the way of successful execution of store processes. Later, when district managers visit stores, they take out the charts and focus on Roadblocks. Each is either crossed off as resolved or highlighted for more attention. This simple method requires no complicated reporting or analysis and provides instant feedback. Sometimes it's not what you start, but what you stop, that proves most valuable.

If the Big Chief Training Program sounds way too simple, just think about how great most of those kids from yesterday turned out—kids like Wally and the Beav. And keep your fingers crossed that Eddie Haskell isn't up there in your training department, planning new adventures for you and your customers. ✽

Bud Holladay writes from the tri-state area—New York, New Jersey and Pennsylvania—where he is developing stores and management teams for Gallery Homestore. His e-mail is bud@galleryhomestore.com.

Loving Las Vegas

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

Rental dealers leaving the glitz and glitter of Las Vegas after APRO's 2009 Convention and Buying Show went back to their businesses with lots of new ideas, great deals from vendors, a better understanding of the industry's legislative goals, accolades from their peers and a renewed sense of purpose about rent-to-own. The industry's prime annual event is designed to bring the rent-to-own industry together and help forge the future—and this year's spectacle was no different. APRO's Rent-to-Own Convention and Buying Show offers the best in networking, industry updates, education, entertainment, social events—everything rent-to-own. If you attended, we thank you for doing so and encourage you to take a few minutes and complete our convention survey; please visit the link to it on the homepage of www.rtohq.org. If you didn't make it to Las Vegas for this year's show, plan to attend next year—you will not be disappointed. Information on the date and location of APRO' 2010 Rent-to-Own Convention and Buying Show will be announced soon, so watch for updates in APRO's online newsletter, *RTO Today*, on APRO's Web site, www.rtohq.org, and in upcoming editions of this magazine.

By Shelley Martinek | Photographs by Murlin Evans and Neil Ferguson



1. Bill Kelly bids at the Hot Show auction. 2. Britt Beemer highlights the latest customer survey. 3. Keynote speaker Michael Hoffman 4. President's Award of Excellence recipient David P. David, center, with his sister, Barb Walker, and mother, Jane Dyer. 5. Serta's Jim Thompson, Jeannie Mendell and David Gradick counting sheep. 6. APRO President Tiger John Cleek. 7. Awards Banquet performers The Goodfellas. 8. Dennis DeYoung performs the music of Styx. 9. Cleek with former APRO presidents Ernie Lewallen, Gary McDougal and Kevin Quinn. 10. Ideal Software's David Goldman, Dan Peterson and David Sisson.

Loving Las Vegas

APRO 2009 Convention Highlights

- Michael Hoffman presented a light-hearted, thought-provoking **keynote address** during the General Session entitled “Igniting Performance in the Tornado of Business,” which offered valuable tips on weathering the storms of modern commerce. Hoffman also moderated APRO’s Rental Roundtable session this year.
- The annual **Rental Roundtable** included many interesting topics. America’s Research Group CEO Britt Beemer presented an overview of APRO’s 2009 *Rent-to-Own Customer Satisfaction Survey*. This valuable information, which is collected every four years, will be sent to all APRO members; contact the APRO office at 800/204-2776 for more information. Also at the Roundtable, APRO’s general counsel Ed Winn III and Washington lobbyist John Raffaelli reported on a wide range of rent-to-own legislative issues. The Roundtable concluded with a new feature, the Best Rent-to-Own Ideas contest. Rental dealers offered their inside tips for doing better business and those in attendance voted for their favorites ideas. The following winners were awarded casino chip prizes: Trent Agin, SKC Enterprises (first place); Kevin Quinn, KLQ Enterprises (second place); and Dan Cole, National Rent To Own (third place).
- Another new feature at this year’s Convention and Buying Show was the **APRO Hot Show Auction**. Exhibitors offered their best deals in a fast-paced auction program. Auctioneer Lyn Leach of Nebraska-based Ace Furniture & TV kept it moving and rental dealers bid on great fourth-quarter buys for their stores.
- APRO’s 2009 line-up of **seminars** offered top-flight education by experts not only the in rent-to-own, but also in marketing, customer diversity, skip-tracing and online employee training. Handouts distributed at the seminars can be downloaded through APRO’s E-Communities at login.rtohq.org.
- More than 50 golfers—rent-to-own dealers, vendors, employees and family members—played in this year’s annual **Joe Eason/Tom Kitchens Golf Tournament**, held at the scenic Angel Park Golf Club in Las Vegas. SEI/Aaron’s Dave Edwards, Robert Barnes and Charles Smithgall III, along with Mark Fore of CEI Engineering, took home first place in the tournament with a score of 61 (net 56).
- During the Convention and Buying Show, David Keen, employee development manager for Rent One in Mt. Vernon, Illinois, was named APRO’s **2009 RTO Employee of the Year**. The **2009 RTO Customers of the Year** award went to Sherron and Robert Wilder of Benton Harbor, Michigan. They’ve been Rent-A-Center customers since 1992. The **APRO Education Scholarship** was awarded to Robin Walker, whose father, Gary “Bo” Walker, is director of operations for RTO Rentals in Paris, Tennessee. Robin is a University of Mississippi sophomore. For details, see page 5. Also, view video presentations of the winners at www.rtohq.org/rto-video-main.php.





1. Linda Dominguez participates in APRO's Best Rent-to-Own Ideas contest. 2. Hot Show auctioneer Lyn Leach with Ron Rose and Todd Homberger. 3. Richard and Ron Rose. 4. Hot Show auction bidders. 5. Golf Tournament first-place team: Dave Edwards, Robert Barnes, Charles Smithgall III and Mark Fore. 6. Sert's Jeannie Mendell presents a mattress marketing seminar. 7. RAE Award winners on display. 8. APRO Executive Director Bill Keese congratulates former APRO President Gary Romine on his announcement of running for the Missouri Senate (see page 8 for details). 9. Lobbyist John Raffaelli addresses Roundtable attendees. 10. Easyhome's Torrey and Danielle were a hit. 11. Angie and Kevin Quinn celebrated their 30th anniversary with a dance and some cake during the Awards Banquet.



1. Washington lobbyist Tonya Speed (center) accepts the Impact Award from Gary McDougal and APRO President Tiger John Cleek. 2. 2009 RTO Employee of the Year David Keen (center) and Keen's employer, Larry Carrico of Rent One (left), accept their awards from Cleek. 3. Most-Improved State Association honors went to the Pennsylvania Association of Rental Dealers, which was accepted by Dan Fisher (center), pictured with Cleek and state association coordinating committee chairman Dave Edwards. 4. Keynote speaker Michael Hoffman goes into the audience to motivate David P. David. 5. 2009 Legislative Conference attendees, pictured here at the APRO President's Reception. 6. Larry Carrico (right) presents the RTO Customers of the Year honor to Rent-A-Center's Dwight Dumler, who accepts on behalf of recipients Sherron and Robert Wilder, longtime Rent-A-Center customers. 7. Jim Brown during the General Session. 8. Clair Keizer and Larry Cukjati with HD Canvas Art. 9. Bryce Jewelry's Don and Linda Gibson, Jennifer and Bryan Collins. 10. Ellison Crider (center) on the Buying Show floor.



Loving Las Vegas

APRO 2009 Convention Highlights

- **APRO's 2009 Rental Advertising Excellence Award** winners were on display outside the exhibit hall. RAE Awards showcase the finest rent-to-own advertising, marketing and community relations over the past year. Community relations is a category of increasing significance in the RAE competition. While the more traditional forms of advertising influence the industry's public image, a company's active engagement in its communities can convey a very powerful message. This year's first-place RAE Award winners for community relations were BJQ Sales/ColorTyme (in-house division) and Rent-A-Center for its "Random Acts of Caring" program (agency division). For a complete list of this year's winners, visit www.rtohq.org/pdfs/RAE2009winners.pdf.
- APRO President Tiger John Cleek was re-elected to a second term as president of the **board of directors**. In elections held during the General Session, four rental dealers won seats on the board for the first time: Dennis Adams (Full-O-Pep/American Rental, Bloomington, Illinois), Cynthia Baber-Strunk (Baber's, Pascagoula, Mississippi), Shawn DiLeo (ColorTyme, Lexington, Kentucky) and William McCrae (Buzz's Lease Purchase and Sales, San Antonio, Texas). The following were re-elected to the board: Chris Bolin (Bolin Rental-Purchase, Clarksville, Tennessee), Larry Carrico (Rent One, Mt. Vernon, Illinois), John Darden (Premier Rental-Purchase, Charlottesville, Virginia) and Dave Edwards (SEI/Aaron's, East Hartford, Connecticut). O'Rourke Sales' Bill French was elected vice chairman of the vendor advisory committee and also will serve on the APRO board, as will Michael Gerwe Jr. of RES Accessories, who was re-elected as VAC's co-vice chairman. See page 10 for details on the new board of directors.
- At the **APRO Awards Banquet**, the association presented top honors to the industry's finest, bestowing "Buddy" statues for the Rental Dealer of the Year, President's Award of Excellence, Lifetime Achievement Award, Heritage Award and Vendor the Year. Read profiles of each of these winners—along with details of what the "Buddy" is all about—starting on page 14. Photographs of the award winners receiving their recognition are on page 44.
- Legislative achievements were acknowledged during the **APRO President's Reception**. The Illinois Rental Dealers Association was named State Association of the Year. The Most-Improved State Association award went to the Pennsylvania Association of Rental Dealers. The New York State Rental Dealers Association won the Legislative Achievement award. Continued Excellence awards went to state associations in Florida, Indiana, Kansas, Kentucky, Louisiana, Minnesota, Missouri, Ohio, Tennessee and West Virginia. Emerging Excellence recognition was awarded to the Delaware-New Jersey Rental Dealers Association, Georgia Rental Dealers Association, Northeast Rental Dealers Association and Southwest Rental Dealers Association.

Loving Las Vegas

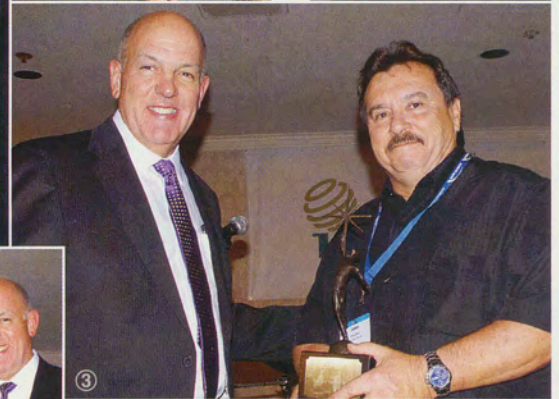
APRO 2009 Convention Highlights



1. Lifetime Achievement Award recipient Gary McDougal (third from left) with APRO President Tiger John Cleek, McDougal's wife, Mary, and APRO Executive Director Bill Keese. 2. The State Association of the Year award went to the Illinois Rental Dealers Association.

Steve Branning (center), IRDA president, accepted from APRO's state association coordinating committee chairman Dave Edwards and Cleek. 3. John Blair (right) was named Vendor of the Year, pictured here with Cleek. 4. APRO's Cindy Ferguson and Bill Keese (center) were recognized for 20 years of service to the association, flanked here by APRO's general counsel Ed Winn III and Cleek. 5. 2009 Heritage Award winners Brenda and Larry Tinney, with Cleek (left).

6. The 2009 Rental Dealer of the Year honor was awarded to Dave Edwards, accepting the Buddy from Cleek. 7. The President's Award of Excellence went to David P. David (left), pictured here with Cleek.





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.

Learn more about High Touch's total technology solutions by contacting us at **800.326.6059** or www.hightouchinc.com.



**High
Touch**
TECHNOLOGY SOLUTIONS

316.832.1611 | www.hightouchinc.com

APRO Associate Member since 1984

iDemandNOW.com

THE VARIABLE PRINT ON DEMAND SOLUTION.

**YOU DEMAND,
IMAGERY DELIVERS!**

The power of persuasion is in your hands with iDemandNOW.com!
Imagery's exclusive online, on-demand printing and mailing service gives
YOU the power to individually address your customers with specific offers in
the mail within 72 hours.

- access targeted mailing lists
- boost underperforming stores
- announce new managers
- promote timely specials

- clear unwanted inventory
- target payouts and pick-ups
- celebrate birthdays and more!

For a live demo, contact Marty Smith at 314 835.0004 ext. 302 and join the print evolution!



10929 Page Avenue • St. Louis, MO, 63132
tel~ 314 835.0004 • imagerymarketinggroup.com

APRS
Associate Member Since 1998

TRIB GROUP
Approved Vendor



**Rental
Information
Systems, Inc.**

800-863-7394

powerful...integrated...software solutions

for the rental-purchase industry



Point of Sale

RAM system

- ✓ Powerful Customer Management Tools
- ✓ Powerful Inventory Management Tools
- ✓ Employee Timekeeping
- ✓ On-Screen Collections
- ✓ Customer Quotes
- ✓ Laser Rental Agreements
- ✓ Automatic Pricing
- ✓ Integrated Credit Card Processing
- ✓ Powerful Reporting
- ✓ Simple Integration with other Microsoft® Products



Corporate Control

RAM system
Corporate Edition

- ✓ Powerful Consolidated Reporting
- ✓ Centralized Inventory Control
- ✓ Purchase Orders
- ✓ Inventory Depreciation
- ✓ Daily Summary Reports
- ✓ Performance Reporting
- ✓ System Audit Reporting
- ✓ Region and Division Reporting
- ✓ Inventory Transfer Verification
- ✓ Simple Integration with other Microsoft® Products



Web Based Tools



RAMONLINE™
Online Customer Payments

Customers Login Securely to:

- ✓ Make Account Payments
- ✓ Review Open and Closed Agreements
- ✓ Request Address Changes



RAMVOICE™
Automated Voice Messaging
Powered By: Vontoo

- ✓ Collect Cash Faster
- ✓ Improve Account Manager Efficiency
- ✓ Cut Collection Costs
- ✓ Launch Sales Promotions

1705 E. North Street • Magnolia, AR 71753 • 800-863-7394 • www.rentinfo.com



APRS Associate Member since 1987

COASTER[®]

Fine Furniture

Giving you Quality, Value and Style.

Our wide range of products meets the demand of every consumer.



12928 Sandoval Street, Santa Fe Springs, California, 90670

Atlanta | Chicago | Dallas | Florida | Los Angeles | New Jersey | San Francisco

Contact Larry at ext. 1149

www.coastercompnay.com

Credit card security procedures

A single violation of cardholder data security can be devastating to your business. As a merchant, the consequences of such a breach fall on your shoulders—you could face substantial fines and the loss of your credit card processing services. But you can protect your business and customers by following a set of newly established security guidelines and procedures.

The major card issuers—American Express, Diner's Club, Discover, JCB, MasterCard and Visa—have collaborated to create a set of standards called the Payment Card Industry Data Security Standards (PCI DSS). All merchants and service providers that handle, transmit, store or process information related to any of these companies' cards must comply with the standards. If a merchant doesn't comply, it may face monetary penalties and/or have its card processing privileges terminated by the credit card associations.

Here are the 12 PCI DSS requirements:

1. Install and maintain a firewall configuration to protect cardholder data from unauthorized access.
2. Do not use vendor-supplied defaults for system passwords and other security parameters. This will help prevent hackers from easily compromising your systems.
3. Protect stored data. Cardholder data that is stored electronically must be masked or encrypted. Physically secure paper copies that contain cardholder data, such as receipts and reports.
4. Encrypt transmission of cardholder data across open, public networks—e.g., the Internet and wireless communications—to help prevent it from being compromised.
5. Use and regularly update anti-virus and spyware software to help protect computer systems from malicious intrusion.

6. Develop and maintain secure systems and applications. Installing the most recent software security patches will help prevent systems from being exploited.
7. Restrict cardholder data access to authorized personnel only.
8. Assign a unique ID to each person with computer access to help ensure that actions taken on critical data and systems are performed by, and can be traced to, known and authorized users.
9. Restrict physical access to cardholder data—limit an individual's ability to remove systems or hard copies.
10. Track and monitor all access to network resources and cardholder data. This allows for information to be analyzed in the event of a security breach.
11. Regularly test security systems and processes for possible vulnerabilities.
12. Maintain a company policy that addresses information security. All employees and service providers should be made aware of the sensitivity of cardholder data and their responsibility to protect it.

Does your business need to comply with the PCI DSS? Absolutely. All businesses that store, process or transmit credit card account information are required to comply with the PCI DSS—although validation requirements vary depending on your merchant level. Moneris Solutions can help you find out what you need to know about complying with the PCI DSS and other card association programs. *



David Shelleny is marketing manager for Moneris Solutions, based in Schaumburg, Illinois. Moneris Solutions is one of North America's largest electronic transaction processors, processing more than 2.5 billion transactions a year for over 350,000 merchant services accounts. The company offers services specific to the rent-to-own industry. For more information, visit rto.monerisusa.com or call 847/240-7545.

CONSUMER ELECTRONICS

COMPUTER TECHNOLOGY

SMALL APPLIANCES

Distributor of Choice™

CELEBRATING
1980-2010

30

YEARS IN BUSINESS
SED INTERNATIONAL

Superior Service!

**Computer Parts
Replacement & Service!**

Same Day Shipping!

Flexible Financing!

Demo Programs!

Great Product Lineup!



Haier **SAMSUNG** **COBY** **acer** **Sherwood** **Panasonic** **Canon** **LG** **AUDIOVOX** **EMOUITS**
Z-line **RCA** **SANSUI** **flip** **APC** **CyberPower** **tontom** **ViewSonic** **ASUS** **Swann**
video THE POWER TO CONTROL THE POWER

Call Your Assigned & Dedicated Sales Representative TODAY!

SED
REWARDS
sedonline.com/rewards

twitter
twitter.com/SEDIntl

800.444.8962
www.sedonline.com

SED
INTERNATIONAL

Atlanta, GA • Bogotá, Colombia • Buenos Aires, Argentina • Los Angeles, CA • Dallas, TX • Miami, FL

APRO Associate Member since 2004

Advertisers

Benefit Marketing Solutions.....	3
Coaster Fine Furniture	47
D&H	IFC
Donco Trading Co.	33
GE Consumer and Industrial	IBC
High Touch	45
Imagery Marketing Group	46
LG Electronics	BC
New Age Electronics.....	15
O'Rourke Sales Co.....	11
Premier Rental-Purchase	50
Rental Information Systems	46
RSSS	9
RTO Pro Software	50
SED International.....	49
Serta.....	12
TRIB Group.....	51

Who's Who in Rent-to-Own Jewelry

The following rent-to-own jewelry vendors are APRO associate members (*), APRO advertisers (+) and/or APRO Buying Show exhibitors (^).

Bryce Co. * ^ +
 Contact: Bryan Collins
 1612 2nd Ave. S.W., #232
 Cullman, Alabama
 35055-5313
 800/880-9434
 fax 800/881-0194
 bryan@brycejewelry.com
 www.brycejewelry.com

C.M. (Classic Models) Jewelry Mfg. Co. * ^
 Contact: Robby Tyson
 Sales and marketing:
 5512 Ringgold Rd., Ste. 101
 East Ridge, Tennessee 37412
 Factory and distribution:
 2936 N. Druid Hills Rd. N.E.,
 Ste. B
 Atlanta, Georgia 30329-3920
 888/995-5579
 fax 423/648-1105
 robbityson@aol.com
 www.cmjmf.com

Retail Gold Brokers Inc. ^
 Contact: Robert Frimet
 2039 Civic Center Dr.
 North Las Vegas,
 Nevada 89030-6311
 888/375-4449
 fax 702/993-8542
 bob@checkconsultants.com
 www.retailgoldbrokers.com

PREMIERTM RENTAL-PURCHASE

Open Your Own RTO Company

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

**EQUITY INVESTMENT FUND
AND SBA LOAN ASSISTANCE**

RTO Pro Software

Complete point-of-sale software for rent-to-own, retail, cash-advance and check-cashing businesses

RTO PRO FEATURES

- Compatible with Windows 95 through Vista
- Easy to learn and easy to use
- Ideal for rent-to-own and other short-term rentals, as well as retail sales, installment sales and revolving-interest sales
- Great for cash-advance and check-cashing services
- Perfect for invoicing and billing
- On-screen account management
- Built-in WYSIWYG word processing for editing agreements, letters and other forms
- Prints rental and cash-advance loan agreements, mailing labels, form letters, inventory labels and price tags
- Supports receipt printers
- Barcode inventory control
- Tracks inventory, depreciation and multiple-store transfers
- Deposit and petty-cash tracking
- Scanning interface for documents—driver's licenses, agreements, applications, etc.
- Integrated time clock
- Integrated credit card and ACH payments
- Automated telephony collections and promotions
- Compatible with destination-based sales tax
- Fully integrated Teletrack access
- Support for "Preferred Customer Club"
- Network and home office versions available
- Data conversion from other software available
- Toll-free customer support
- More than 700 locations use RTO Pro Software

\$899

OR LEASE FOR JUST \$75 A MONTH!

TRY OUR FREE DEMO TODAY!

RTO Pro Software
AFFORDABLE SOLUTIONS

➔ 800.351.6299 | WWW.RTOPRO.COM

APRO Associate Member since 2000

MAKE TRIB GROUP

YOUR

1

TRIB Group Convention
March 27-31, 2010
Hilton Anatole
Dallas, Texas

STOP

EXCLUSIVE NATIONAL PROGRAM

COMPLETE REBATE PROCESSING

SATISFACTION GUARANTEE

RTO buying solution

FOR INDEPENDENT OPERATORS

TRIB GROUP

OWNED BY MEMBERS • RUN BY MEMBERS

2775 Cruse Road, Suite 2401
Lawrenceville, Georgia 30044
P: 770-451-4302 F: 770-451-4312
www.tribgroup.com

JOIN OVER 2,800 LOCATIONS & BECOME A TRIB GROUP MEMBER

**BRAND
SOURCE**®

An Associate Member of **APRO** since 1983

The two biggest lies about rent-to-own

“**E**very rent-to-own customer pays the full RTO price and rents long enough to own” is lie number one. A common misconception among those on the outside looking in at RTO is that the keep rate is 100 percent. After all, who gives back a television or a refrigerator or a sofa after they get it? Consumer advocates launch this lie and then point to the disparity between the cash price at the warehouse store and the rent-to-own price of a few cherry-picked electronics items to prove that RTO customers pay too much and that rental dealers are all brigands or worse.



The second biggest lie, which contradicts lie number one, is that rental dealers regularly crouch in the bushes outside a customer's home until the customer is far into the deal—a week away from ownership in the most apocryphal tellings—and then find an excuse to repossess the unit so that they can rent it out again for another

77 weeks to the next unsuspecting sucker.

The rent-to-own industry's besmirched image is due in no small part to the persistence of these misperceptions. One can understand why these RTO myths have such a hold on the public perception. The industry's marketing emphasis is most often on ownership—the industry calls itself “rent-to-own,” after all. And if the marketplace would allow a dealer to rent the same item over and over again for hundreds or even thousands of weeks, a dealer could make a lot of money with that business model. (Rental yards, which do rent and re-rent the same items year after year, sell for the highest multiple of earnings of any retail business, mainly because they never market by price—only by convenience and availability.)

But these two misconceptions of rent-to-own are, finally, just that and are belied by the facts, facts that dealers have known for a long time and live with every day—and they are facts that get pushed aside repeatedly in the debates about the business.

The facts are that keep rates generally hover between 20 percent and 40 percent. One can count customers, deliveries, accounts, agreements or rental inventory units. If a dealer rents stuff by the week, the keep

rate trends down toward the low end of the range and if the dealer rents stuff by the month, the keep rate trends up toward the high end of the range. These statistics haven't changed much over the years. The industry had to prove the accuracy of these statistics in court cases with the IRS in the late 1990s and did so. Since then, finance and economics professors at distinguished universities have looked a hundreds of thousands of actual completed rent-to-own transactions, calculated keep rates using various theories and published their findings in peer-reviewed academic journals. But, like Obama's birth certificate, the misperception persists among wide swaths of the public.

The “jerk-back” myth has never been disproved statistically. The logic of the marketplace should be sufficient to dispel lie number two. If a dealer really tried to jerk a product back after a customer had made 77 out of 78 payments, we would be reading about it on the front page of *USA Today*, and if it were the business practice of even one RTO company, the company soon would have no customers and also would be sued into oblivion. The rent-to-own customer base, until recently, has been stagnant for years. The industry, company by company, has been doing everything it can think of to drive more customers, new customers, through the doors. In the absence of being able to attract new customers, the industry has had to work like crazy to keep the customers it has, which means, first of all, not pissing them off by initiating late-term repossessions. It is far more likely that a dealer will bend too far backward over a late-term default and just give stuff away in order to get that customer to the ownership goal line with the hope he or she will rent something else.

We must all take our lumps over what we do for a living. Heard any good lawyer jokes, lately? But, we can also wish for a little more reality to insert itself among the slings and arrows that we must suffer for what we do. Rent-to-own dealers have sufficient trouble with the truth of the business—employees do regularly color outside the lines of those carefully constructed policies-and-procedures manuals. Wouldn't it be nice if we could get rid of the lies and just deal with what's left? ✖

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.

timeless good looks and value are always in demand



It's easy to see why GE® refrigerators are so appealing to your customers. They not only offer dependable performance, but also the gently rounded doors and edges suit any décor. What's more, GE French-door refrigerators come in a variety of colors, so your customers have a choice. And don't forget, GE is the appliance brand with the largest service network in the country, so you have unparalleled support. Choose GE for the same reasons your customers do—because reliability, timeless good looks and value are always in demand.

geappliances.com



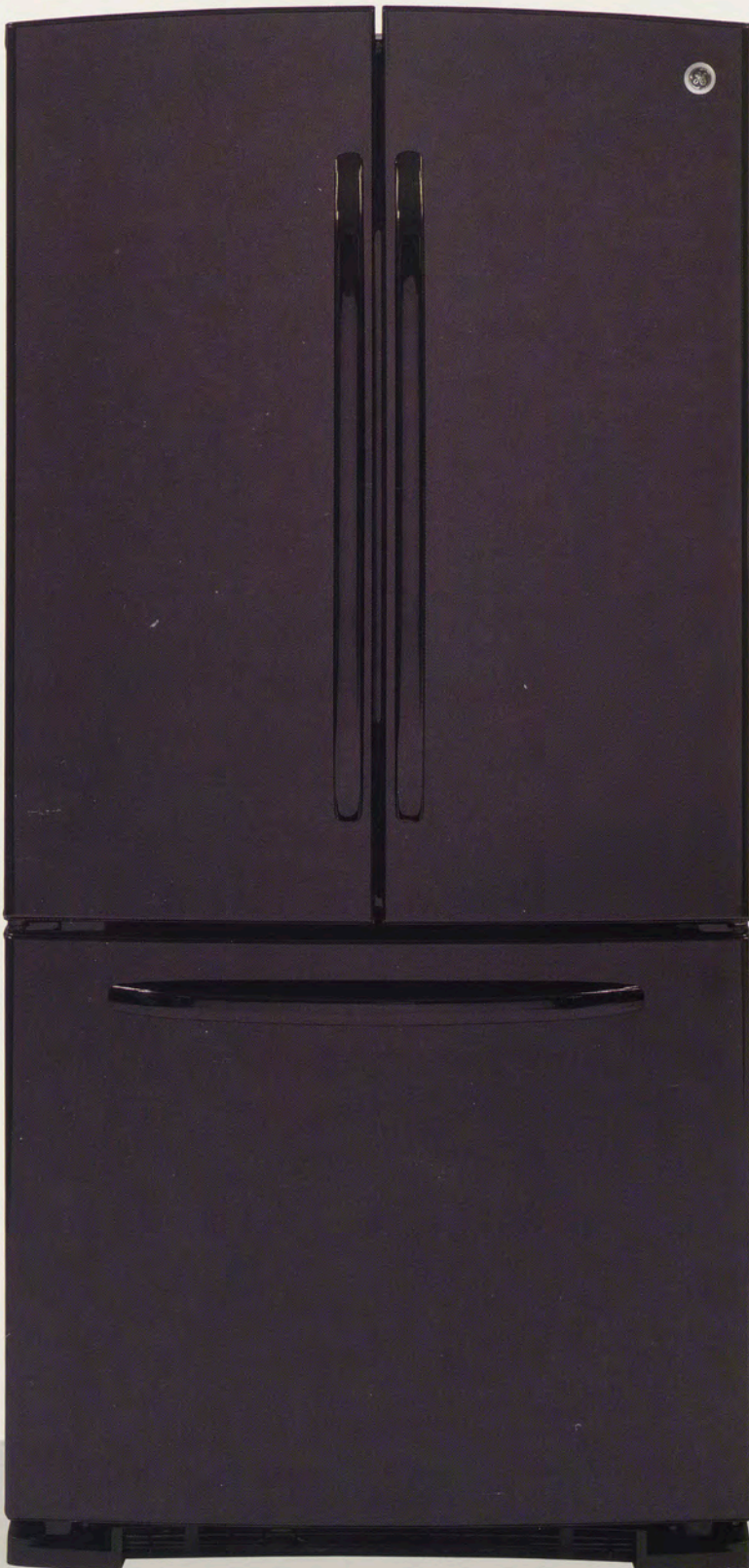
imagination at work

Contact your Rental Sales Manager for product and pricing information

Paula Allison
800.782.8093

Paul Eichberger
800.782.8097

Fax
866.238.6595



LG Full HD 1080p

You're watching your favorite sports team in the mist of an incredible playoff run but find yourself talking more about a player's complexion than the actual game. It has to be the new LG LH30 Series LCD TV with full HD 1080p resolution. Now you're going to see more than ever before and you'll be seeing it a lot clearer.



The LG LH30 Series of LCD TVs feature full 1920 x 1080p resolution, for an incredibly clear and more detailed high-definition picture. LGusa.com



APRO Associate Member since 1981

© 2008 LG Electronics U.S.A., Inc., Englewood Cliffs, NJ. All rights reserved. "LG Life's Good" is a registered trademark of LG Corp.