

RTOHQ

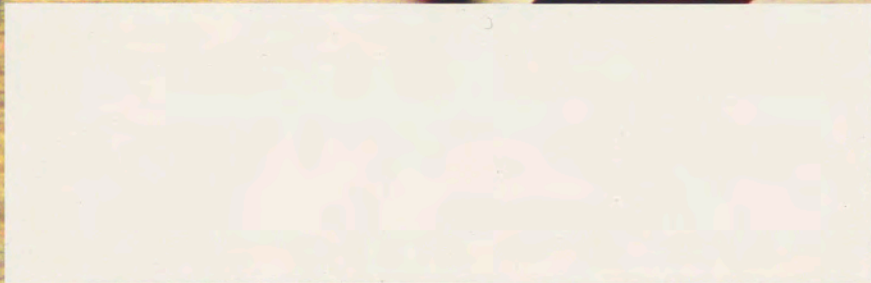
The Magazine

The logo for APRO's 30th anniversary. It features the word "APRO" in white capital letters on a red curved background. Below it is a large, stylized number "30" in white with a green outline. Underneath the "30" is the word "years" in white lowercase letters on a red curved background.

APRO
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**APRO's 2010 Rent-to-Own
Convention and Trade Show**

July 19-22 | Louisville, Kentucky



APRO's 2010 Rent-to-Own Convention and Trade Show | March-April 2010

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The Mac is Back!

When one commits a blunder of colossal proportions, one must apologize to those concerned and confess his mistake with the hope that, one day, all will be forgiven. In the previous issue of our magazine, we reported that Mac Hennigan had departed from this world. I must confess that I did not attend his funeral, but for the past 12 years I have been told by a dozen or more rental dealers that Mac did not survive his brain surgery. When Neil Ferguson, RTOHQ: *The Magazine's* editor and art director, began compiling a feature for the January-February issue saluting all of APRO's past presidents, I told him that we had lost Hennigan in 1998, that Mac was the only past president who was deceased.

A week after the magazine was mailed to our subscribers, we received a call from the other side—of the Red River. The call was from Tulsa, Oklahoma, and instantly I recognized the distinctive voice on the other end of the line complaining to me that no one had sent him any flowers for his funeral. Yes, Mac is alive and well and enjoying his retirement with his lovely wife, Jan.

Mac was serving on APRO's executive committee as immediate past president when I was hired as the association's executive director in July 1989. After all these years, I have never been so happy to hear from anyone as I was from him this past month. Mac graciously accepted my apology and agreed to a redemptive interview for our magazine. I know you'll enjoy "The Resurrection of Mac Hennigan" (see page 38) and, better still, join with me in welcoming Mac back!

While we're addressing mistakes, we inserted an explanatory note within a quote in the previous issue's article "The Year of the Tiger," erroneously stating that APRO President Tiger John Cleek had sold his stores to Aaron's. Of course, he *converted* his company to an Aaron's franchise. We're sorry for the error, Tiger.

A feature in this issue of RTOHQ: *The Magazine* reflects on the creation and early days of APRO as told by Bud Holladay, Chuck Sims and Ed Winn III. After 30 years, we separate the reality from the myths on the association's purpose and responsibilities as seen by the founders of APRO. In "The Age of Enlightenment," three giants of our industry explain what APRO and rent-to-own is all about and how it came to be. It's a must-read!

As APRO's annual Convention and Trade Show approaches, we're gearing up to celebrate 30 years of camaraderie, competition and fulfillment this summer in Louisville. I urge everyone to put the dates—July 19 through 22—on your calendar. In more ways than one, these will be the most profitable four days of your year. We look forward to seeing you there!



SHANE BEVEL

APRO's executive director
bkeese@rtohq.org



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March–April 2010

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APRO's 2010 Convention and Trade Show

Come celebrate the association's 30th anniversary at APRO's Rent-to-Own Convention and Trade Show, July 19–22 in Louisville. It's the industry's must-attend event of the year and the 2010 show will offer more ways to save money, enhance your business and have fun than ever before.

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by Kristen Card

Three of the association's founders—Chuck Sims, Bud Holladay and Ed Winn III—reflect on the nascent days of rent-to-own and the Association of Progressive Rental Organizations.

34 : **Some Clarity on Collections**

by Ed Winn III

Only occasionally does the government get involved in reviewing a rental dealer's collection practices, but over the past couple of years, two state attorneys general's offices have exacted settlements from two different rental companies. APRO's general counsel examines the circumstances and outcomes.

38 : **The Resurrection of Mac Hennigan**

by Kristen Card

Like former Beatle Paul McCartney, former APRO President Mac Hennigan isn't as dead as had been rumored.

40 : **Vendor Spotlight: Al Zagorniak**

by Neil Ferguson

He's been retired from Sears since 2001, but during his career, Al Zagorniak's good cheer and enthusiasm helped build bridges between APRO's vendors and rental dealers.

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RTOHQ

The Magazine

Volume 2, Number 5

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

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

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



RTO Matters

APRO launches its annual quest for the best

APRO's Employee of the Year and Customer of the Year are people who inspire, help or sacrifice for the betterment of their families and communities. If one or more of your rent-to-own employees, co-workers or customers represents rent-to-own with such honor and character, be sure to submit their names for APRO's 2010 RTO Employee of the Year and RTO Customer of the Year contests.

Nominations can be submitted quickly and easily online at www.rtohq.org. The deadline for entries is June 11.

APRO's 2010 RTO Employee of the Year winner and a guest will receive an all-expenses-paid trip to APRO's Convention and Trade Show, July 19-22 in Louisville, Kentucky. The winner will be honored during APRO's General Session and at the Awards Banquet.

The 2010 RTO Customer of the Year winner will receive a \$1,000 cash prize; the employee who nominates the winning Customer of the Year entry will

receive a cash prize of \$500 for discovering the rent-to-own customer who best exemplifies generosity and is an inspiration to those who know him or her.

Both the RTO Employee of the Year and RTO Customer of the Year winners will be featured in a video to be presented during APRO's General Session in Louisville. They also will receive recognition in APRO's publications and on its Web site. Many recipients of these awards have been featured in their local newspaper and on their local television news programs.

For details and entry forms for the APRO 2010 RTO Employee of the Year and RTO Customer of the Year, visit www.rtohq.org.

How will the health care bill affect your business?

The health care overhaul that President Barack Obama signed into law in March will mean big changes for many small businesses. Through a combination of coverage mandates, penalties, tax credits and purchasing pools, lawmakers aim to boost insurance coverage for U.S. workers.



But exactly *how* the legislation will affect small businesses depends on the size of the company.

According to *The Wall Street Journal*, the \$940-billion overhaul subsidizes coverage for uninsured Americans, financed by Medicare cuts to hospitals, reduced fees and taxes for insurers, and increased taxes for drug manufacturers and Americans earning more than \$200,000 a year.

Beginning in 2014, organizations with more than 50 employees that don't offer affordable coverage will pay a penalty starting at \$750 a year per full-time worker. The rent-to-own industry is composed primarily of small business operators; 73 percent of APRO-member rent-to-own companies are independents, with the majority owning fewer than 12 stores. Approximately 50

of APRO's 406 member companies have payrolls with more than 50 employees.

Employers with 50 or fewer employees would be exempt from these

penalties, while organizations with more than 200 workers would be required to enroll workers automatically into health insurance plans offered by the em-

ployer. Employees can opt out of these plans.

On the bright side, the legislation provides a number of tax credits designed to encourage small-business owners to expand health insurance coverage.

For tax years 2010 through 2013, businesses with no more than 25 employees and average annual wages of less than \$50,000 that purchase health insurance for employees will receive a tax credit that phases out as firm size and average wages increase, according to a legislative summary of the new bill from the Henry J. Kaiser Family Foundation.

Employers paying at least 50 percent of total premiums will be eligible for tax credits of up to 35 percent of their contribution. The full credit is available for businesses with fewer than 10 employees averaging less than \$25,000 in annual wages. More than 300 APRO member companies claim 25 or fewer employees.

Beginning in 2014, eligible small businesses that purchase coverage through new state exchanges also can receive a tax credit for their contribution toward the employees' health insurance premium. The legislation calls for the creation of state-based exchanges through which individuals and small businesses can purchase health coverage.

Business community opinions on whether the new health care legislation will help or hinder small businesses vary. The National Federation of In-

dependent Business claims that the bill will burden employers, threaten broader economic recovery and that few businesses will qualify for the tax credits.

The Small Business Majority, on the other hand, heralds passage of the legislation as a victory for small business because it will help reduce health insurance costs for small businesses through the creation of state insurance pools and tax credits.

Fewer than half of businesses with three to nine workers offered health insurance in 2009, according to the Kaiser Family Foundation. That figure climbed above 70 percent for companies with 10 to 24 employees and to nearly 90 percent for those with 25 to 49 workers.

Buddy's Home Furnishings set to franchise

In February, Buddy's Home Furnishings, based in Tampa, Florida, submitted its franchise disclosure document and is now listed in the national franchise registry, ushering in a new era for the company's development. Buddy's, which was founded in 1961 by the late Norman Slatton Sr. and his wife, Lois, has opened 34 licensee stores over the past three years in an aggressive campaign led by rent-to-own veteran Todd Homberger, formerly of RentWay.

"Protecting the name Buddy's Home Furnishings

APRO's RAE Awards seeks the RTO industry's best advertising

APRO's 2010 Rental Advertising Excellence Awards contest is once again issuing a call for entries to rent-to-own businesses that would like to be recognized for creating the best radio, television, print, direct-market and Internet advertising campaigns over the past year. In commemoration of APRO's 30th anniversary this year, entrants also will compete for a first-ever "Best of Show" prize.



"Advertising is the number-one source of public perception and image," says Richard May, APRO's public affairs director. "If you want to improve the image of your business and the rent-to-own industry, the best way is through your advertising. APRO's RAE Awards contest honors the best in the business."

Whether produced in-house or by an advertising agency, May says that the annual RAE awards are less about competition and more about public perception. "The ultimate goal of the program is to promote the important role advertising plays in creating a positive image of the rent-to-own industry."

The Community Relations Program category is of particular interest to the industry, May says. The category—one of 15 this year—encompasses food drives, donations and volunteer efforts undertaken by rent-to-own companies. Though not advertising, *per se*, these localized efforts serve to boost the industry's image by serving the larger community. "Sometimes, this is the only way we find out about what some of these companies are doing in their communities," May says. "Rent-to-own dealers tend to be very humble, but this is the kind of thing we want to know about so we can brag for them."

All RAE Award winners will be on display at APRO's Convention and Trade Show, July 19-22 in Louisville, Kentucky, and a list of the winners will be posted on APRO's Web site in July. For more information and entry forms, visit www.rtohq.org.

RTOCalendar

May 5-7

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

May 17-19

RSSS 2010 Users' Conference, Omni Hotel, Corpus Christi, Texas. For more information, contact Doug Funk at 361/737-0700, doug@rsss.com; or visit www.rsss.com.

June 15-17

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

June 17-20

ColorTyme 2010 Summer Retreat, Hyatt Regency Coconut Point Resort & Spa, Bonita Springs, Florida. For more information, contact Rhonda Davis at 972/403-4945, rdavis@colortyme.com; or visit www.colortyme.com.

July 19-22

APRO's 2010 Convention and Trade Show, Marriott Louisville Downtown and the Kentucky International Convention Center, Louisville, Kentucky. For more information, contact Shelley Martinek at 800/204-2776, ext. 109, smartinek@rtohq.org; or visit www.rtohq.org. See page 17 of this magazine for details.

August 2-6

Las Vegas Furniture Market, Summer 2010. For more information, call 888/416-8600; or visit www.lasvegasmarket.com.

August 15-18

RentDirect Nationwide PrimeTime! Vendor Show, Gaylord National, Alexandria, Virginia. For more information, contact James MacAlpine at 336/714-8802, jamesm@nationwidetimer.com; or visit www.nationwideprimetime.com.

August 20-22

Tupelo Furniture Market, Tupelo, Mississippi. For more information, call 662/842-4442; or visit www.tupelofurnituremarket.com.



Buddy's Jamie Slatton (owner) and Joe Gazzo (president)

is paramount and, in order to do that, we must select the right franchisees," Homberger says. "Then we must offer great training, have a strategic model and reinforce that plan with solid marketing and home-office support."

Homberger, who joined Buddy's as president of franchising in 2008, and Buddy's COO, Sal Moccia, have overseen the company's growth to become the



country's largest independent rent-to-own business, with 92 stores; Dallas-based Bestway Rent To Own is the second largest independent company, with 78 stores and rounding out the top-five are Premier Rental-Purchase (63 stores), Baber's (51 stores) and Rent One (50 stores). Buddy's is now the country's fourth largest rent-to-own company overall, behind Rent-A-Center, Aaron's and ColorTyme, respectively.

Buddy's has 58 company-owned locations in Florida and southern Georgia and 34 licensed stores throughout the southern

United States. Its license-operated companies are expected to convert to the traditional franchise agreement over the next seven to 10 months, Homberger says.

Although predicting the store count for 2010 is difficult—due to the large response from potential franchisees—Homberger says that the year looks promising, with several stores scheduled to open and lots of territory available.

Buddy's franchising model includes start-up necessities, such as business licenses, sales tax permits, comprehensive training, lease negotiations, full-service purchasing, marketing, payroll, accounting and support for legal counsel, human resources, auditing, construction and IT, among other services. The company is offering multiple options for rent-to-own operators and investors, with royalties ranging from 3.5 percent to 7.0 percent.

For more information on Buddy's franchising, contact Todd Homberger at 972/890-4499; or Sal Moccia at 813/623-5461, ext. 180.

Flashback: The APROach, APRO's first magazine

In commemoration of APRO's 30th anniversary, we're taking some trips down memory lane this year. Below are a few clippings from an early edition of the rent-to-own industry's first magazine of record, *The APROach*, which APRO debuted in March 1981, just a few months after the formation of the Association of Progressive Rental Organizations. The magazine's name was changed to *Progressive Rentals* in 1984 and then to *RTOHQ: The Magazine* in 2008. For more about APRO's first president, Bud Holladay, see page 26.

President's Letter

IF WE DON'T...WHO WILL?

"The greatest sin an employer can commit against his workers is to fail to make a profit." Those were the sentiments of the early labor union giant, Samuel Gompers -- clearly, a man who knew a thing or two about business! Gompers was right, but if he were around today, he might add: "And to see that he can continue to make a profit tomorrow." This is what APRO is all about: tomorrow. Tomorrow's profits, tomorrow's owners, tomorrow's workers. And given the young age of our industry, most of those owners and workers are you and your associates. For someone who has his very life invested in his business, the survival and security of that business tomorrow is vital. The real aim of APRO is to see that our unique retail concept of "no obligation, rental purchase" is around for longer than just the life of today's contracts.

We are the keepers of what we have. Nobody else can take that responsibility, nor should they. We made the first commitment to preserve and protect the image and the professionalism of our industry when we signed the financing papers for those first hundred or so televisions we intended to rent. And now APRO is the catalyst for those efforts. APRO's objective is to see that your business will be accepted as a legitimate enterprise by those who count: the government, the suppliers, the lenders, and the customers. They are all increasingly aware that rental is becoming a viable alternative to the more traditional methods of acquiring goods. The major reason for that awareness is the activity and publicity generated by APRO. And without your recognition, support, and participation, APRO becomes only an echo of a good idea.

Bud Holladay
President of APRO

Update

TO ALL APRO MEMBERS:

One of the major subjects discussed during the last APRO meeting was our membership. In order for APRO to continue its operation next year, we must reach our goal of 80 new members. It will take a unified effort among all APRO members for us to accomplish this goal by our deadline of December 1, 1981.

We have divided our membership drive into geographical regions headed by a regional manager. We expect each dealer to recruit at least one new member. I have already received verbal commitments from two new dealers, and I haven't even gone through my list; so with a little effort and support from each of you, APRO will have an outstanding year in 1982.

One important suggestion -- personal telephone calls or face-to-face discussions with prospective members is far more effective than direct mail. A short discussion with a new dealer of the benefits and assistance possible through APRO is much more meaningful than letters. There is much written material available describing APRO's programs and benefits which can be used during your visits with new dealers. Explain to them your involvement and support of APRO. New membership applications should be easy to get with a small amount of time devoted to this campaign.

If you need any material to assist you, please contact Sharon Gross at APRO. I very much appreciate your support and assistance on behalf of APRO. Please give me a call if I can help you in any way.

Thomas R. Devlin
Chairman, Membership Committee,
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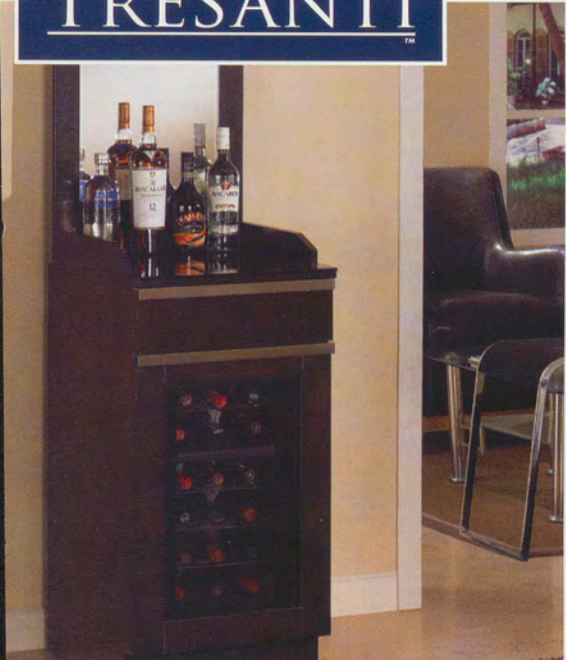
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**APRO's 2010
Legislative Conference**

More than 120 rent-to-own dealers, vendors and other industry professionals met on Capitol Hill February 23-25 for APRO's 2010 Dave Egan Legislative Conference. They came to enlist support for the Consumer Rental Purchase Agreement Act (HR 1744 and S 738). More than a dozen additional co-sponsors have agreed to sign on to the bill as the result of meetings held during the conference, bringing the current total of co-sponsors to 17 in the Senate and 122 in the House.



1: Missouri rental dealers Gary Romine, Tiger John Cleek Sr., Mark Windsor, Dan Cole, Kathy Windsor and Tiger John Cleek Jr. in Missouri Representative Sam Graves' office. 2. Bill French, North Carolina Representative Virginia Foxx, David Kraemer and James McAlpine. 3. An impromptu tie auction to raise money for APRO's Scholarship Fund was held during the Legislative Conference dinner; pictured are some of the donors: Jeannie Mendell, Scott Brown, Larry Sutton, Jamee Thompson, Jeff Loeb, Larry Carrico, Joe Gazzo, Charles Smithgall and Mamie Harper. 4. Florida rental dealers Jon Gazzo, Larry Sutton, Jamie Slatton, Joe Gazzo, Todd Humberger, Brent Sutton and Adam Sutton. 5. Larry Carrico, Tiger John Cleek, Dan Cole and Congressman William Lacy Clay. 6. Mark Windsor with Missouri Representative Ike Skelton's legislative director, Dana M. O'Brien Jr. 7. Rent-A-Center's Josh Lopez, Kenneth Jones, Jacy Todd, Xavier Dominicus, Ulyssa Ramos and Dwight Dumler. 8. Steve Arthus, Mamie Harper and Robert Briley meet with Congressman Randy Neugebauer. 9. Kaleigh Earle, George Schorsten and Trooper Earle. 10. David Kraemer and Bill French with Texas Representative Ralph Hall (center). 10. Robert and Lou Briley with Congressman William Lacy Clay. 11. Shannon Strunk, Cynthia Baber-Strunk, Chris Bolin, Jennifer and Bryan Collins.

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TRIB Group's Convention and Buy Fair

TRIB Group held its 2010 Convention and Buy Fair March 27–31 in Dallas. The event included a record-breaking “Hot Show,” with \$5.4 million in purchases. Attendance was up 10 percent over last year, with members from 104 rent-to-own companies and 84 exhibitors at the show. Outgoing TRIB Group President Ernie Lewallen passed the gavel to his successor, Lyn Leach, while Chris Bolin, Ron Rose and Kevin Quinn were elected to serve on the TRIB Group board of directors.

1: Lyn Leach was auctioneer at TRIB Group's “Hot Show”—and was elected TRIB Group's president during the convention. 2: The convention was capped off with a tour of the new Dallas Cowboys Stadium. 3: TRIB Group Executive Director Dennis Shields. 4: Whirlpool exhibitor. 5: Derrick Brooks, former Tampa Bay Buccaneers linebacker (center), with fellow Buddy's Home Furnishings employees. 6: Kathy Windsor received the “Slats” President's Award—TRIB Group's top honor—from outgoing President Ernie Lewallen. 7: The “People's Choice” Vendor Award was presented to Steve Sherman (center, with Dennis Shields and Lyn Leach). 8: Dan and Susan Matthews with Ernie Lewallen.



Aaron's community outreach program heads to Texas

On March 31, more than 2,000 Aaron's employees visited Dallas- and Fort Worth-area communities as part of the company's second annual community outreach initiative, a component of Aaron's National Managers Meeting held in Dallas this year. Over a two-day period, Aaron's dedicated \$300,000 in products and 5,600 hours in volunteer services to seven charitable and community causes, including Wounded Warriors, SpiritHorse Therapeutic Center, Carter BloodCare, North Texas VA Hospital, North Texas Food Bank, Aaron's Lucky Shoes Program (partnering with TOMS Shoes) and Dallas Fire Rescue.



1: Approximately 250 of Aaron's employees in Dallas for this year's outreach program launch. 2: Aaron's “Lucky” Shoes program partnered with TOMS to deliver a pair of shoes to every student at the Yvonne A. Ewell Townview Magnet Center (School of Education and Social Services). TOMS will match the 250-shoe donation by giving shoes to children in poverty-stricken countries. 3: Aaron's color-guard ceremony at the Dallas VA hospital. 4: Aaron's Robin Loudermilk, Ken Butler, Michael Ryan and Celentria Adams are presented an award of recognition from Tamela Horton (in white), principal at the Yvonne A. Ewell Townview Magnet Center.

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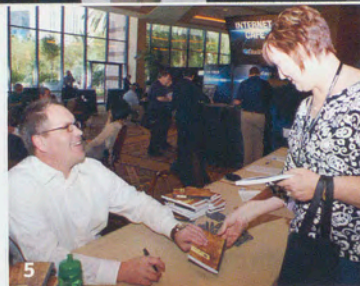
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**RentDirect
Nationwide's
PrimeTime! at the
MGM Las Vegas**

Rent-to-own and retail dealers packed the MGM Grand Convention Center in Las Vegas February 28–March 3 for Nationwide Marketing Group/RentDirect Nationwide's PrimeTime! Conference and Buying Show. More than 3,300 registered for the show—the second highest attendance ever for a Nationwide event. Dealers from 175 rent-to-own companies attended and there were approximately 150 vendors exhibiting at the show.

1. RentDirect Nationwide dealers Tammy McPherson, Cary McPherson, Regina White, Dan Matthews, Jeff White and Ryan Welch.
2. Simmons' Ben Crowder and American Rentals' Donna Hinshaw.
3. Nationwide Marketing Group executives Doug Schatz, Mike Decker Sr., Les Kirk, Ed Kelly, Robert Weisner, Adam Thomas Sr. and Rick Weinberg.
4. The "Britelite" girls.
5. PrimeTime! keynote speaker Kris Kuester signs copies of his book, *Redefined*.
6. Lisa Lopez with SED International.
7. Jack Shelburne, a Twin-Star/Classic Flame vendor, with PrimeTime! attendees.

**Las Vegas
Furniture Market,
Winter 2010**

On February 2, more than 30 rent-to-own dealers representing a dozen companies attended the APRO Hospitality Suite, sponsored by Ashley Furniture and held during the Las Vegas Winter Market. There were nearly 100 new exhibitors at this year's bi-annual Las Vegas Market. "We've been swarmed with dealers from all over," says Ron Wanek, chairman of Ashley Furniture, the largest furniture manufacturer in North America. "They are coming in upbeat and we are writing good business. We think 2010 should be a pretty good year."



Reporting and photographs by Murlin Evans.

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

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Access to the RTO industry's largest skip database	✓	?
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YOUR INVITATION TO ATTEND

APRO

30
years

APRO 2010

Celebrating 30 Years as the Voice of Rent-to-Own

APRO's 2010 Rent-to-Own Convention and Trade Show

July 19-22 | Louisville, Kentucky

Louisville

YOUR INVITATION TO ATTEND

APRO's 2010 Convention and Trade Show is the premier event for everyone involved in the rent-to-own industry—and this year, we have something to celebrate!

In 1893, *Louisville* sisters Patty and Mildred Hill wrote the song "Happy Birthday to You," so it's only fitting that APRO chose Kentucky's largest city to celebrate the association's 30 years as the voice of the rent-to-own industry. Join us July 19–22 for APRO's Rent-to-Own Convention and Trade Show—where the past, present and future come together.



Churchill Downs

APRO's Trade Show: More than 100 vendors exhibiting products specifically for the rent-to-own industry will offer APRO Show Specials not available anywhere else. All valid purchase orders written at the show will be entered in a drawing for cash prizes. Complimentary lunches will be served in the exhibit hall and there will be an Exhibit Hall Cocktail party on opening day.

Seminars: Top speakers and rent-to-own experts from across the country will provide the information you need to help your business succeed. APRO's Convention is the *only* annual education program geared specifically to rental dealers. The 2010 program provides tracks designed specifically for different groups within the industry: store-level employees/one-store managers, mid-level/multiple-store managers and owners/top-level managers.

Rental Roundtables: The Rental Roundtable session has become one of the most popular events at the APRO Convention. This year, the roundtables will echo the seminar tracks by starting with three groups of discussions: store-level employees/one-store managers, mid-level/multiple-store managers and owners/top-level managers. Then all groups will come together for the Rental Roundtable Wrap-Up, facilitated by rent-to-own pioneer Chuck Sims. The hottest topics in the industry will be discussed, so don't miss this opportunity to exchange ideas with your peers.

State of the Rent-to-Own Industry: In addition to the educational sessions, the APRO General Session and Business Meeting will provide annual industry updates, board elections and a rousing keynote presentation.

Networking: Social events with great food and entertainment are always a highlight of the APRO Convention and this year we'll return to tradition with the APRO President's Welcome Reception, a Gala Cocktail Party at Churchill Downs and APRO's 30th Anniversary Awards Banquet and Reception.

Golf Tournament: Always a popular event, don't miss this year's Joe Eason/Tom Kitchens Golf Tournament at one of the Louisville area's most beautiful greens, the Covered Bridge Golf Club.

RAE Awards: APRO's annual Rental Advertising Excellence Awards competition recognizes the creative advertising efforts of the rent-to-own industry. Winning entries will be on display in the exhibit hall.

RTO Customer of the Year and RTO Employee of the Year: Nominate your best customer and best employee in this annual contest recognizing the lifeblood of our industry. Winners will be announced during the General Session. Get details at www.rtohq.org.

APRO's Educational Scholarship Foundation awards \$2,000 to deserving college students who are rent-to-own employees or their children. Meet this year's recipient at the General Session.



Monday, July 19

- 9 a.m.-1 p.m. Joe Eason/Tom Kitchens Golf Tournament at the Covered Bridge Golf Club (sponsored by Whirlpool)
- 2-5 p.m. Early registration
- 6-7:30 p.m. APRO President's Welcome Reception (sponsored by Serta)

Tuesday, July 20

- 8 a.m.-5 p.m. Registration
- 8 a.m.-8 p.m. Exhibitor set-up
- 8-8:30 a.m. Rental Roundtables continental breakfast (sponsored by Florida State Games)
- 8:30-11 a.m. Rental Roundtables (sponsored by LG Electronics)
- 10 a.m.-4 p.m. Spouse/Guest Tour: Southern Charm—Hospitality, Horses and Home Cookin'
- 11 a.m.-12 p.m. Exhibitor lunch and Vendor Advisory Committee election
- 11 a.m.-12:30 p.m. Lunch (on own)
- 12:30-5:30 p.m. Educational seminars (seminar breaks sponsored by RES Accessories)
- 7-9 p.m. Gala Cocktail Reception at Churchill Downs (sponsored by RentDirect Nationwide)

Wednesday, July 21

- 7-11 a.m. Exhibitor set-up
- 8 a.m.-5 p.m. Registration
- 8:15 a.m. Pick up ballots for Board of Directors election
- 8:15 a.m. General Session continental breakfast (sponsored by Bryce Co., Central File, Crosley, Imagery Marketing Group and SED International)
- 9-11 a.m. General Session and Keynote Address (sponsored by GE Consumer & Industrial and Simmons)
- 11 a.m.-1 p.m. Complimentary lunch in exhibit hall (sponsored by TRIB Group)
- 11 a.m.-6 p.m. Exhibit hall open (ice cream break sponsored by Ashley Furniture)
- 5-6 p.m. Cocktail Party in exhibit hall (sponsored by Affiliated Construction Specialists)
- 7-7:30 p.m. Awards Banquet Cocktail Reception (sponsored by Protect-A-Bed)
- 7:30-9:30 p.m. APRO's 30th Anniversary Awards Banquet (sponsored by High Touch)

Thursday, July 22

- 9 a.m.-2 p.m. Registration
- 8-9 a.m. APRO Vendor Advisory Committee meeting
- 9-10 a.m. APRO Board of Directors meeting and election of officers
- 9 a.m.-3 p.m. Exhibit hall open (ice cream break sponsored by D&H)
- 11 a.m.-1 p.m. Complimentary lunch in exhibit hall (sponsored by TRIB Group)
- 2 p.m. Deadline for submitting APRO purchase orders for cash drawings
- 2-3 p.m. Cash drawings in exhibit hall
- 3-9 p.m. Exhibitor tear-down

Additional sponsors:

Badges: ArchBrook Laguna; Relaxation Station: Benefit Marketing Solutions; registration computers: CybertronPC; registration electronics: O'Rourke Sales Co.; registration bags: TRIB Group; Pocket Show Guides: RSSS; hotel key cards: BriteLite



YOU'LL LOVE *Louisville!*

This year marks the first time APRO has held its Convention and Trade Show in Louisville, Kentucky's largest city.

Louisville is located within a day's drive of 50 percent of the U.S. population.

Louisville's international airport is served by nearly every major airline.

The city is home to the Kentucky Derby, Muhammad Ali Center, Louisville Slugger Museum and several fine art museums.

The Kentucky Derby is the oldest continuously held horse race in the country. 100,000 mint juleps are served during the Kentucky Derby.

Louisvillian Muhammad Ali—"The Greatest"—was a three-time heavyweight boxing champion.

The Louisville Slugger baseball bat was created by Andrew "Bud" Hillerich in Louisville in 1884.

Louisville has the nation's largest urban municipal forest, the 6,000-acre Jefferson Memorial Forest.

The Old Louisville section of town is the largest Victorian neighborhood in America.

There are 1,300 animals at the 134-acre Louisville Zoo.

The public saw an electric light for the first time in Louisville, when Thomas Edison introduced his incandescent light bulb to crowds at the Southern Exposition in 1883.

90 percent of the nation's disco balls are produced in Louisville.

95 percent of the world's bourbon is produced in Kentucky.

The song "Happy Birthday to You" was the composed by two Louisville sisters in 1893.

For more information on Louisville, visit www.gotolouisville.com.

**Joe Eason/Tom Kitchens
Golf Tournament**

9 a.m.–1 p.m., Monday, July 19,
Fuzzy Zoeller's Covered Bridge Golf Club
Sponsored by Whirlpool

Enjoy this morning outing with fellow rental dealers and vendors. Trophies will be awarded to the top five teams. Space is limited and assigned on a first-come, first-served basis, so register early. For more information on the course, visit www.coveredbridge.com.

APRO President's Reception

6–7:30 p.m., Monday, July 19
Sponsored by Serta

Join APRO President Tiger John Cleek in honoring those who have worked hard to protect and promote the rent-to-own industry, including state presidents, APRO PAC and Team APRO contributors, Congressional leadership and Legislative Conference attendees. *Business casual attire. Complimentary bar and light hors d'oeuvres.*



APRO 2010 Keynote Address:

The Passion to Succeed, The Power to Break Barriers
Jeremiah Wilson, ContactPoint

9–11 a.m., Wednesday, July 21
Sponsored by GE Consumer & Industrial and Simmons
Continental breakfast sponsored by Bryce Co., Central File, Crosley,
Imagery Marketing Group and SED International

This keynote address won't put audience members on the edge of their seats—it will stand them on the tips of their toes. "The Passion to Succeed, The Power to Break Barriers" will emphasize that we are responsible for our own success. Too often, excuses



and complaints block companies from being their best. APRO's keynote address will offer plenty of practical insights to help you do more and avoid making excuses. Keynote speaker Jeremiah Wilson introduced his patented remote monitoring device, the Maculon, and the Sales Mentor System in 2001; it revolutionized sales and service training. Prior to founding ContactPoint, he served as a national sales and customer service training specialist and was assistant to the counselor of economics at the embassy of the Czech Republic. He holds a BA in International Relations from Brigham Young University.

**Gala Cocktail Party
at Churchill Downs**

7–9 p.m., Tuesday, July 20
Sponsored by RentDirect Nationwide

At Churchill Downs, home of the world-famous Kentucky Derby, you'll enjoy an evening on Millionaire's Row, overlooking the track. "Place bets" on your favorite horse in a simulated race, enjoy down-home Kentucky music and food in the Bourbon Lounge, socialize with colleagues and have a great time! Kentucky Derby attire is encouraged—fabulous hats are recommended for the women. *Please note: a business casual dress code is strictly enforced at Churchill Downs. No jeans, shorts, T-shirts, gym shoes or midriiffs are allowed. Complimentary bar and heavy hors d'oeuvres.*

Exhibit Hall Cocktail Party

5–6 p.m., Wednesday, July 21
Sponsored by Affiliated
Construction Specialists

Wind down and relax with your favorite exhibitors—a good way to close out your first day of business on APRO's 2010 exhibit floor. *Complimentary beer, wine and snacks.*



**APRO's 30th Anniversary
Awards Banquet and Reception**

7–7:30 p.m. (Reception)
and 7:30–9:30 p.m. (Banquet),
Wednesday, July 21

Reception sponsored by Protect-A-Bed
Banquet sponsored by High Touch

For APRO's 30th anniversary, we'll revel in the past and look to the future as we celebrate all that the rent-to-own industry has brought to our lives. Join fellow dealers in an elegant evening honoring the industry's finest. *Semi-formal evening attire. Open bar during the reception, cash bar during dinner.*

**Spouse/Guest Tour: Southern Charm—
Hospitality, Horses and Home Cookin'**

10 a.m.–4 p.m., Tuesday, July 20

We'll start with a tour of Undulata, a historic Civil-War-era Saddle Horse breeding and training farm. Shelby County is "The Saddlebred Capital of the World," home to many of the country's most outstanding American Saddlebred facilities. Then it's on to the Claudia Sanders Dinner House—a 125-year-old dwelling that once was home to Colonel Sander's Kentucky Fried Chicken. We'll savor the flavors of Southern hospitality and cooking and offer recipes to take with you and try at home. If time allows, on our way back to the Marriott, we'll enjoy a brief tour of Louisville, as well as some shopping time. *The tour is included in Spouse/Guest registration fee. However, you must be registered in advance to attend, so please check the appropriate box on your registration form.*

New for 2010: APRO's Convention Youth Initiative Award

APRO strives to encourage our youth—they're the future of the industry! Students currently enrolled in high school or college who are employed in the rent-to-own industry are invited to apply for a complimentary full registration to APRO's 2010 Convention and Trade Show. Contestants must submit a one-page essay on the topic of rent-to-own. It can include what you've learned about the transaction and the industry

and/or how you feel the industry might fit into your plans for the future.

APRO's Youth Initiative Award will include a full registration to the convention; travel and hotel expenses will not be included. To apply, send your one-page essay by mail or e-mail and include the following additional information: name, address, telephone number, birth date, rent-to-own store where the student is employed; supervisor's name, address and telephone number; high school or college where student is en-

rolled. Entries must be received by June 15. Send to Shelley Martinek, APRO, 1504 Robin Hood Trail, Austin, TX 78703; or e-mail to smartinek@rtohq.org.



APRO's Rental Roundtable and Seminars Tuesday, July 20 at the Marriott Louisville Downtown

Continental breakfast sponsored by Florida State Games; Rental Roundtables sponsored by LG Electronics; seminar breaks sponsored by RES Accessories.

8-8:30 a.m.	APRO Rental Roundtable continental breakfast in the Marriott Salon Foyer		
	Salon 1 and 2	Salon 3 and 4	Salon 7 and 8
8:30-9:30 a.m.	APRO Rental Roundtable: Store-Level Employees/ One-Store Managers Facilitator: Mike Tissot, Countryside Rentals	APRO Rental Roundtable: Mid-Level/Multiple-Store Managers Facilitator: Sam Lowe, Furniture & Appliances Now	APRO Rental Roundtable: Owners/Top-Level Managers Facilitator: Chuck Sims
9:45-11 a.m.	APRO Rental Roundtable Wrap-Up Facilitator: Chuck Sims		
11 a.m.-12:30 p.m.	Lunch on your own		
	Store-Level Employees/ One-Store Managers Track Salon 1 and 2	Mid-Level/ Multiple-Store Managers Track Salon 3 and 4	Owners/ Top-Level Managers Track Salon 7 and 8
12:30-2 p.m.	Training for Management: Moving to the Next Level Lyn Leach, Ace Rent-To-Own	Why Buy Now?: Fourth-Quarter Budgeting, Tracking and Ordering David P. David, American Rentals	2010 Rent-to-Own Industry Legal Update Ed Winn III, APRO General Counsel
2:15-3:45 p.m.	Social Media and Marketing: Low-Cost Ideas to Grow Your Business Kelly McDonald, McDonald Marketing	Coach Your Teams to Higher Sales Mitch Wasden, ContactPoint	Health Care in America: How it Impacts Your Business Larry Carrico, Rent One
4-5:30 p.m.	Create Sales: Be Order Makers, Not Order Takers Mitch Wasden, ContactPoint	Rent-to-Own Marketing with Social Media: A Panel Discussion Moderated by Kelly McDonald, McDonald Marketing	Leadership: Get Out There and Do It! Jeremiah Wilson, Contact Point
Info-to-Go Sessions	Don't miss these up-to-the-minute educational sessions presented at various times on the exhibit hall stage.		



Register today

Hotel Accommodations

APRO's host hotel is the beautiful Marriott Louisville Downtown, which is connected by a skywalk to the Kentucky International Convention Center, the site of APRO's 2010 Trade Show. Located in the heart of downtown Louisville, the Marriott is within walking distance to several of the city's major attractions, including the Fourth Street Live entertainment complex, Museum Row—which includes the Louisville Slugger Museum, Muhammad Ali Center, Frazier International History Museum, Glassworks and the Kentucky Center for the Performing Arts—and the banks of the Ohio River.



Louisville Slugger Museum



Who says that business and pleasure don't mix?

Take advantage of APRO's 2010 Convention and Trade Show to enhance your business while enjoying some personal time with your friends and family. There are many great sights to see in the Louisville area, so plan to enjoy some leisure time while you're here. The Internal Revenue Service's rules on business travel deductions are available at www.irs.gov/taxtopics/tc511.html. For more information on Louisville, visit www.gotolouisville.com.

For more information

For general inquiries regarding the convention:
Shelley Martinek
800/204-2776, ext. 109
smartinek@rtohq.org
www.rtohq.org

Exhibitor inquiries:
Cindy Ferguson
800/204-2776, ext. 107
cferguson@rtohq.org

Hotel inquiries:
Marriott Louisville Downtown
280 West Jefferson Street
Louisville, Kentucky 40202
502/671-4266
Fax 502/671-4469
Reservations: 800/533-0127—
or at www.rtohq.org

Exhibits:
Kentucky International
Convention Center
221 Fourth St.
Louisville, Kentucky 40202
800/702-5831 or 502/595-4381
Fax 502/584-9711

Registration in three easy steps

Step 1: Travel. Louisville is one of the most accessible cities in the nation—many of you are within driving distance of this great city. If you are driving, parking fees at the Louisville Marriott range from \$21 to \$25 per day. If you're flying to Louisville, book your flight early to get the best rates.

Step 2: Hotel Reservations at the Louisville Marriott Downtown. The discounted APRO rate of \$119 is available July 14–25. Call 800/533-0127—or reserve your room via the APRO Web site at www.rtohq.org. For suite information and reservations, contact Shelley Martinek at APRO, 800/204-2776, ext. 109. **Important!** You must book your room in the APRO block at the Louisville Marriott Downtown in order to get discounted convention registration rates. Your hotel confirmation number will be required, so book your room first. Hotel deadline is June 21.

Step 3: APRO Convention registration. The APRO member rate for a full registration is \$345 for those who book in the APRO room block at the Louisville Marriott Downtown. Other registration rates are listed on the registration form at right. The Convention registration deadline is July 1. You may also register online at www.rtohq.org.

It's APRO's "pearl" anniversary!



APRO's 2010 Convention and Trade Show Attendee Registration

(APRO TRADE SHOW EXHIBITORS SHOULD NOT USE THIS FORM)

Last name _____ First name (for badge) _____

Company name _____

Company mailing address _____

City _____ State _____ Zip code _____

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

Special needs? _____

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

Attendee type: Rental dealer Non-exhibiting vendor Other _____

Job title: Owner Executive officer District manager Store manager Account manager Non-management-level employee Other

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

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

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

APRO's 2010 Convention and Trade Show registration prices (please check all that apply):

Marriott Louisville Downtown confirmation number (mandatory to receive discounted registration rates; confirmation number will be verified) _____

Registration options and prices (APRO's General Session and Business Meeting is open to all attendees.)	With valid Hotel confirmation	Without valid hotel confirmation
<input type="checkbox"/> APRO member full registration. Price includes all functions except the golf tournament and the spouse/guest tour.	\$345	\$545
<input type="checkbox"/> Non-APRO member full registration. Price includes all functions except the golf tournament and the spouse/guest tour.	\$595	\$795
<input type="checkbox"/> Spouse/guest (non-industry). Price includes all functions except the educational sessions and the golf tournament. The spouse/guest tour is included with full spouse/guest registration, but you must be pre-registered to attend the tour. Please indicate if you wish to participate in the spouse/guest tour: <input type="checkbox"/> Will attend <input type="checkbox"/> Will not attend	\$195	\$195
<input type="checkbox"/> Exhibit hall plus—for non-management level employees (requires one full registration from same company). Price includes educational sessions (with lunch), exhibit hall admittance (with lunches) and the exhibit hall cocktail reception. Price does not include the golf tournament, spouse/guest tour, gala cocktail party or awards reception and banquet. Must have at least one full registration from same APRO member company to qualify. For APRO members only.	\$95	\$95
<input type="checkbox"/> Non-exhibiting vendor—exhibit hall only. Price includes exhibit hall admittance (with lunches) and the exhibit hall cocktail reception. Price does not include the golf tournament, spouse/guest tour, gala cocktail party, awards banquet or educational sessions.	\$95	\$95

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

- Gala Cocktail Party at Churchill Downs, Tuesday, July 20: \$125 Spouse/guest tour, Tuesday, July 20—this tour is included with the full spouse/guest registration or may be purchased à la carte): \$95
- APRO's 30th Anniversary Awards Banquet, Wednesday, July 21: \$125 Child—all events (12 and under only): \$75
- Joe Eason/Tom Kitchens Golf Tournament: \$95

2010 Joe Eason/Tom Kitchens Golf Tournament registration:

Registration fee is \$95 per player; \$25 of every registration goes to the APRO Education Scholarship Foundation. Registration deadline is July 1. Space is limited and assigned on a first-come, first-served basis. Space in the tournament cannot be reserved until payment is received by APRO.

Handicap _____ Shirt size: S M L XL XXL

Convention attendee affiliation: Rental dealer Vendor Guest/spouse

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

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

Please indicate if you would like to reserve clubs at \$30 per set—supply is limited: Rental clubs: Right-handed Left-handed

Payment information:

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

Credit card number _____ Expiration date _____

Signature _____ Name as it appears on card _____

Pre-registration deadline is July 1. Registration will be available on-site. A cancellation fee of \$45 will be charged for any cancellation made after July 1.



Mail or fax this form, with payment, to:
Association of Progressive Rental Organizations, 1504 Robin Hood Trail, Austin, Texas 78703; fax 512/794-0097

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



Thanks

APRO would like to thank the following companies for their generous sponsorships of the 2010 Rent-to-Own Convention and Trade Show, July 19-22 in Louisville, Kentucky.

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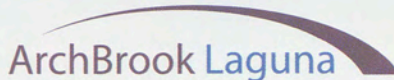
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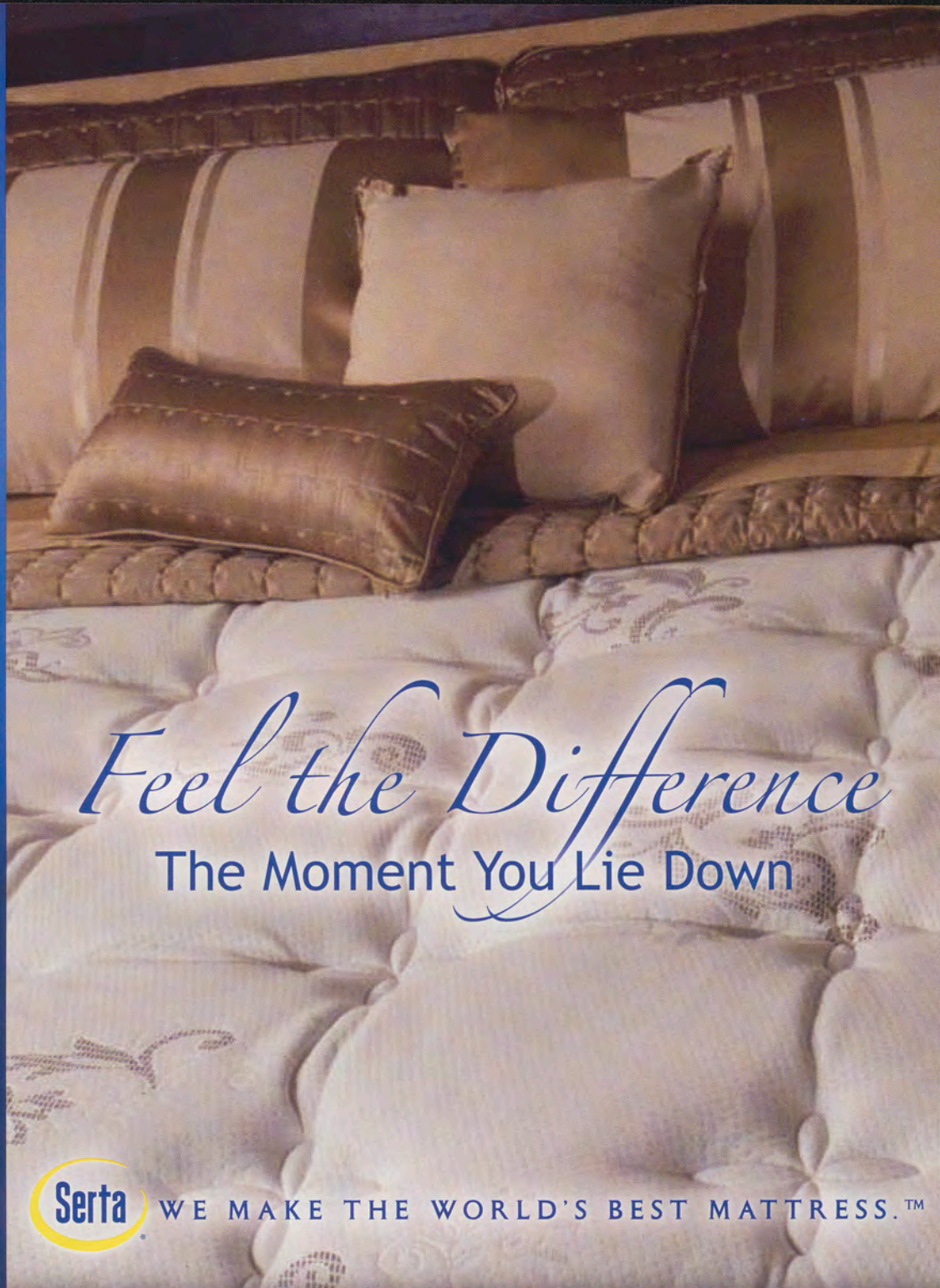
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- ✓ Special Marketing Incentives
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- ✓ Wide Selection of Promotional & Premium Mattress Products
- ✓ Quarterly Pricing Specials
- ✓ Access to Bed Bug & State Regulation Experts & Resources
- ✓ National RTO Trainers
- ✓ RTO Expert Customer Service Team



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APRO Associate Member since 2009





**Three of the association's founders—
Chuck Sims, Bud Holladay and Ed Winn—
reflect on APRO's beginnings**

The Age of *Enlightenment*

With APRO's formation, rent-to-own went from under-the-radar operations to open-book policy—but the transition wasn't necessarily a sunny one. "Think of it like a team," says Remco founder, rent-to-own legend and anything-but-retiring retiree Chuck Sims. "If someone is a team member, he realizes he gets bigger when the team gets bigger. When the team wins, he wins. It's not an individual thing. When you want to create a safe regulatory environment, you can't do it as an individual. You have to do it as a team. I believe the misunderstanding of our industry by regulators and consumer protection advocates has done one thing: it has caused the industry to behave like a team. It's caused us to come together with a common mission, a common purpose—and when you have a common commitment by a diverse group of people, magical things happen." That common commitment was cemented 30 years ago under the name the Association of Progressive Rental Organizations, or APRO. And while some might argue the validity of the term "magical," it's clear that APRO has achieved some essential accomplishments for the rent-to-own industry's survival and success.

By Kristen Card

Chuck Sims was there from the beginning—before rent-to-own was rent-to-own.

He had begun working for Ernie Talley at Mr. T's Appliances in Wichita, Kansas, in the late 1950s and the store had a rent-to-own department—although they didn't call it that. As Sims recalls, the term "rent-to-own" was coined by the owner of Wichita's Hillside Appliance—but it was Sims who opened up America's first stand-alone rent-to-own store, completely separate from an appliance sales business, for Mr. T's in the early 1960s.

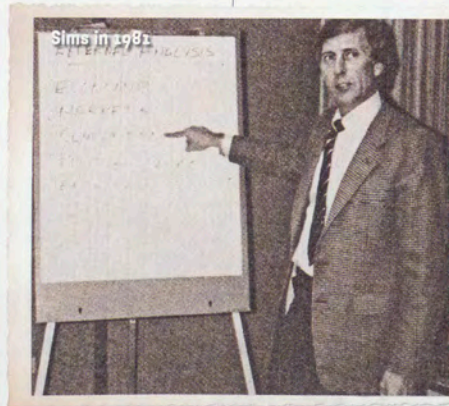
"I used the wheels out of that phrase because it was a perfect description of the transaction," Sims says. "Many people shy away from the phrase because the industry put such a terrible stigma on the idea of rent-to-own with the weekly bad-credit-pick-'em-up business operators. But it should be a banner of pride and direction in this industry."

Sims remembers the rent-to-own industry at its first formative stages, with a number of small operators craving more information about a business they were basically just making up as they went along. "We were sharing information, but really informally," Sims recalls. "Some of us were talking to one another, but we weren't all talking to each other. There just wasn't a vehicle to get us to a bigger picture."

At the same time, the necessity for further information sharing was becoming more pressing, as attacks against the business began to develop. Bud Holladay—big-picture man, first APRO president and still not retired (he's currently the senior vice president and chief operating officer of Gallery Homestore)—was the lynchpin. "A trade association was Bud's idea," Sims says. "He called me and proposed we get together to talk about it. I thought it was a great idea and hitched my cart to his horse."

"We sent a letter and invited everybody to come to Dallas for an organizational meeting," Holladay recalls. "About 50 people showed up—some dealers, some manufacturers. And two things happened in that one room: the manufacturer reps realized 'These people buy a lot of stuff and will buy lots more'; and the rent-to-own dealers realized that we were probably a bigger, stronger force than we had believed we were."

"We were learning from each other," Holladay continues. "And we discovered two big issues we all shared were educating customers about what we were and having some kind of control over our future. We needed to be better defined, gain buying leverage and find out more about our market."



Chuck Sims.

"Many people shy away from the phrase [rent-to-own] because the industry put such a terrible stigma on the idea of rent-to-own with the weekly bad-credit-pick-'em-up business operators. But it should be a banner of pride and direction in this industry."

The meeting featured guest speaker Ed Winn III, a University of Texas professor whom Holladay had seen present a seminar a few months earlier about government regulation and its crippling effect on entrepreneurship. Winn recently had quit his teaching gig to hang out his shingle as an attorney. Holladay's invitation to Winn to address this assembly of rent-to-own dealers provided Winn with his first lawyerly paycheck—and an enduring career connection he never expected.

"I had completed my presentation and was still there, politely listening to their conversation, when the topic of a trade association came up," Winn remembers. "A couple of the vendors immediately got up and said, 'We have to leave; we can't belong to trade associations.' And the dealers looked around at each other and said, 'Gee, maybe

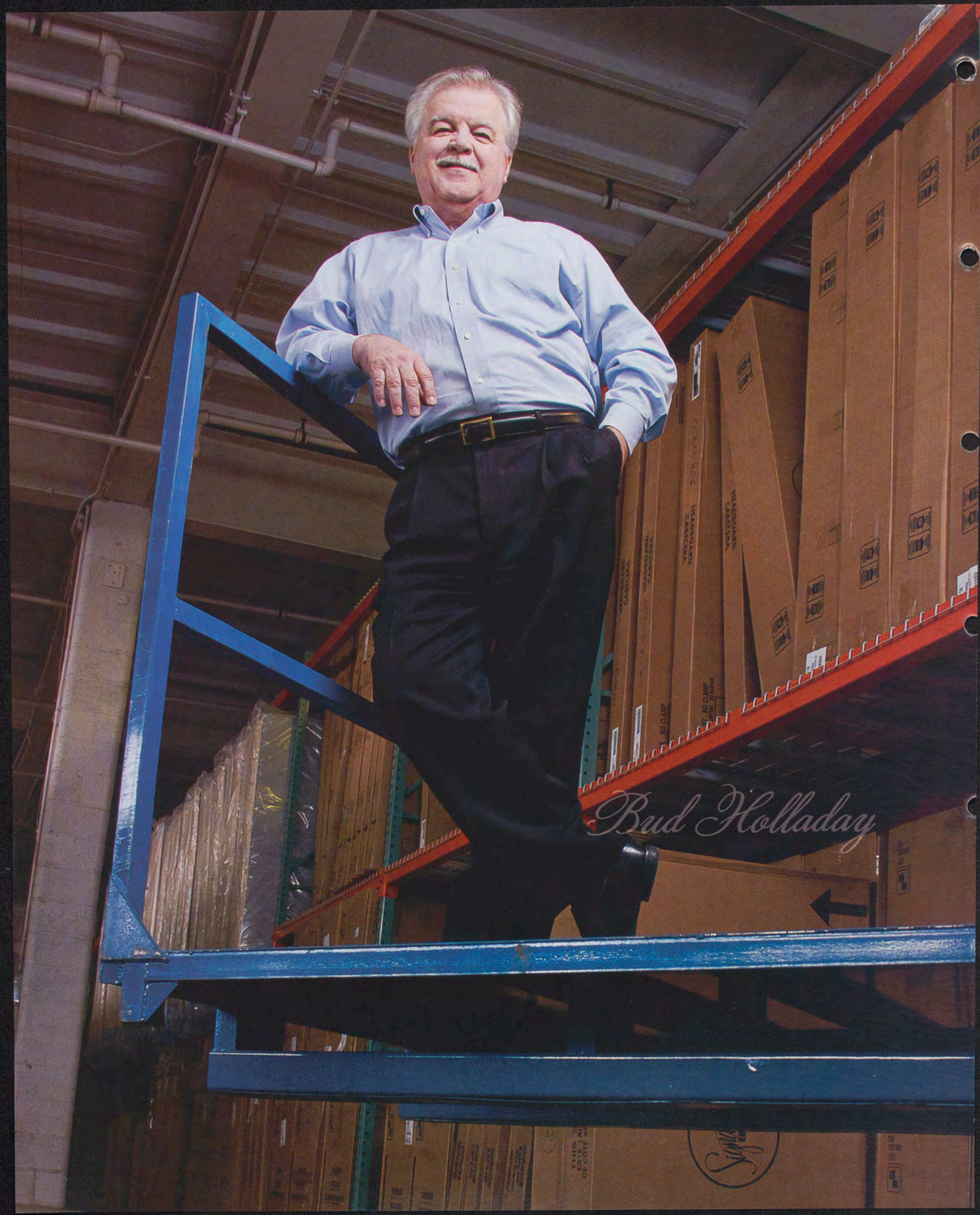
we need a lawyer.' I raised my hand and they hired me to explore the possibility of launching a trade association. A few months later, we all met again and concluded that the 30,000 existing trade associations nationwide were too different from us, that we really needed our own group. They voted to do it and that was the official beginning of the Association of Progressive Rental Organizations."

It was also the beginning of Winn's 30-years-and-counting involvement with the group. It was Winn who drafted APRO's bylaws, put together its first budget, rented the organization office space within his law offices and hired its first secretary. It was Winn who served as APRO's *de facto* executive director for the group's first five years (and continues to act as its general counsel).

And it was Winn who had to go to a small rent-to-own chain in Austin—the organization's chosen headquarters city—to rent a refrigerator for the APRO office. "We had to rent by the week and if we didn't make our payment by five o'clock in the afternoon, they'd call us every time," Winn chuckles. "We were just another account."



Chuck Sims



Bud Holladay

Visit for a little while with almost any of the rent-to-own industry's most successful dealers and they're bound to mention the exceptional culture of openness and sharing within the industry. It's a given all seem to be grateful for—rent-to-own

guys help each other, mentor each other, teach and learn from each other. What comes through is a sense of extraordinary community, with little room for cut-throat competitiveness. But for this prominently open industry, openness was a particularly difficult and hotly debated topic in APRO's early years.

"The first huge hurdle we had to overcome was just convincing everyone that a trade association was the right thing to do," Holladay recalls. "Some argued, 'Why open up the industry to more and more competitors? If we just keep our mouths shut and keep renting TVs, then no one will open a store across the street from me.' The guys who were most strongly against telling the world about rent-to-own were the guys who were doing very well. They were stubbornly resistant to change, because they had stumbled into something that was working very well for them. 'If it ain't broke, then don't fix it' was their attitude. It almost killed the association early on."

The next challenge was deciding who could be a member of APRO. Again, the conflict centered around revealing too much and creating a competitive arena that was too easily reached. "Originally, you had to have been in business a minimum of 90 days and have rented a minimum of 150 TVs to qualify for membership," Winn says. "Some people didn't want the trade association teaching newbies how to run a rent-to-own business from scratch, because it created competition. At some point, they agreed that this isn't rocket science and if people want to do it, then we want to teach them how to do it the right way."

But should APRO be teaching at all? Discussion carried on about the association's main function: was it to be a lobbying organization or training/development/fellowship group? "Did we want to do covered-dish supper in the church basement or did we want to go out and convert?" Holladay neatly characterizes the debate. "Clearly, we wanted to do a little bit of both."

"Even Chuck [Sims], who was a strong pro-APRO voice, held back a little at first," Winn notes. "He did step up and

volunteer to lead some training seminars early on, but the first few times he presented them, he didn't want to use his rent-to-own companies as examples. He had another business—selling bull semen from stud bulls—so he used examples from his bull-semen business. Eventually, he caved on it and began using Remco proper in his training examples."



Bud Holladay.
The learners lasted, the doubters converted and the preachers sold their three stores and retired to go fishing."

Other controversies faced during APRO's formative years included how much cost information to provide to customers, how to determine dues and how to make sure everyone was paying his fair share. In the end, the dues structure may still be a point of contention for some members, but enlightenment won the day on issues of openness and sharing.

"There were preachers, doubters and learners," Holladay says. "The preachers preached the gospel that this industry is going to hell in a handbasket if we let one single retailer in, if we give up one secret. Their line was, 'You're going to ruin this business if you go tell people all about it.' The doubters doubted that the trade association concept would work at all, because nobody outside the industry gave a hoot about it and customers were just customers. They simply didn't see the lasting value of it."

"And the learners listened to each other because they heard things they didn't know. They thought, 'Two of the vendors knew more about our business than we did, so what else can we learn if we get together and talk and share ideas and information?'"

"The learners lasted, the doubters converted and the preachers sold their three stores and retired to go fishing," Holladay concludes.

That was then, this is now. Three decades later, APRO has accomplished some fairly fantastic achievements for its membership—from some serious elbow-grease image-polishing for the industry to the development and support of an impressive network of state associations; from securing positive rental-purchase laws in 47 states to never surrendering the good fight for federal legislation in Congress.

"I believe every single rent-to-own dealer in this nation owes a huge debt of gratitude to APRO and its leadership—

guys like Ed Winn and [executive director] Bill Keese," Sims effuses. "They have legitimized this industry, given it a face that the investment community smiles at and they've been absolutely unwavering in their dedication to do the right thing. There's such a high level of commitment from the people who serve on the board—those guys really care. They've got a great trade association with a great philosophy and great spirit."

Though some things at APRO have remained essentially the same, the face of rent-to-own continues to change—some for the good, some for the not so much. "There has always been a big-guy-versus-little-guy issue, from the very beginning," Winn confirms. "But the big keep getting bigger. It used to be the biggest guys had 50 stores and the littlest guy had one. Today, the biggest guy's got 3,000 stores and the littlest guy's still got one. So some of those divisive tensions are intensified.

"At the same time, rent-to-own is becoming much more familial and inter-generational, with fathers passing down the family business to sons and even grandsons now," Winn continues. "That's totally different from the first rent-to-own entrants. They were all about cut-and-run—they'd get four or five stores up and running, sell them and go do something else. The guys coming into the business now seem to be more about the long run. They seem willing to create careers—many franchisees are signing into 15-year deals today."

With the association and the industry witnessing a flood of younger blood into rent-to-own, Sims, Holladay and Winn all feel the best legacy APRO's founders have provided for the next generation of dealers is APRO itself. Asked for advice they might offer these fresh, green shoots, the trio concentrates it masterfully down to three Cs—two to avoid, one to embrace: cockiness, complacency and the customer as the top priority.

"Their biggest barrier would be getting too full of themselves, believing this business is easy," Holladay warns. "It appears easy only because a bunch of people sweated in the hot sun to break the rocks and make that pavement smooth. Just don't forget beneath all that, your basic business is serving a customer base with an iffy financial history, yet with the same wants and needs as mainstream consumers. Without mindful management, it can be a dangerous combination."



Winn (right) with Barry Gambini in 1981

Ed Winn.

"The guys coming into the business now seem to be more about the long run. They seem willing to create careers."

first week's payment, you want to do all you can to keep that customer on the books. If you want to be in business five years or 25 years from now and you're not measuring your business by gauging your customer satisfaction and keep rate, then God help you."

Despite APRO's winning culture of openness and multifaceted effectiveness for the benefit of its members, despite its 30-year ability and agility at not just surviving but thriving, at the core its members still consider themselves "marketplace pariahs" (Ed Winn's expression) and "the red-headed stepchildren of retail" (Bud Holladay's turn of phrase). But truth be told—and remember, we're all about the honesty here—being beleaguered is a large part of the industry's identity. Circling the wagons to fend off common enemies has played a vital role in tightening the ties between APRO members and moving rent-to-own forward.

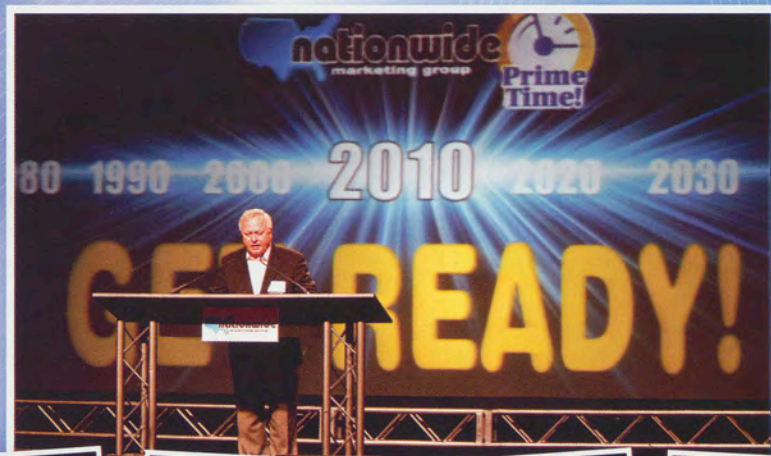
"Our collegiality as an industry reminds me of kids in an orphanage who grow up together," Holladay relates. "We didn't fit in anywhere else, so the other kids become our family. We talked about what we'd do if this, and what we'd do if that...and APRO gave us all a chance for the 'if' to become real."

"The one constant from the beginnings of the industry to today is that there are people who would like to put us out of business," Sims adds. "It was one of the founding reasons we got together and formed the association. Our mission was to create a safe place for us to operate and enjoy our businesses, and the industry has done it in spades. Not the individual stores, not the individual companies—the trade association, as a resolute *team* of members, did it. And they're still doing it. What greater gift can you give to your membership?" ✧

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



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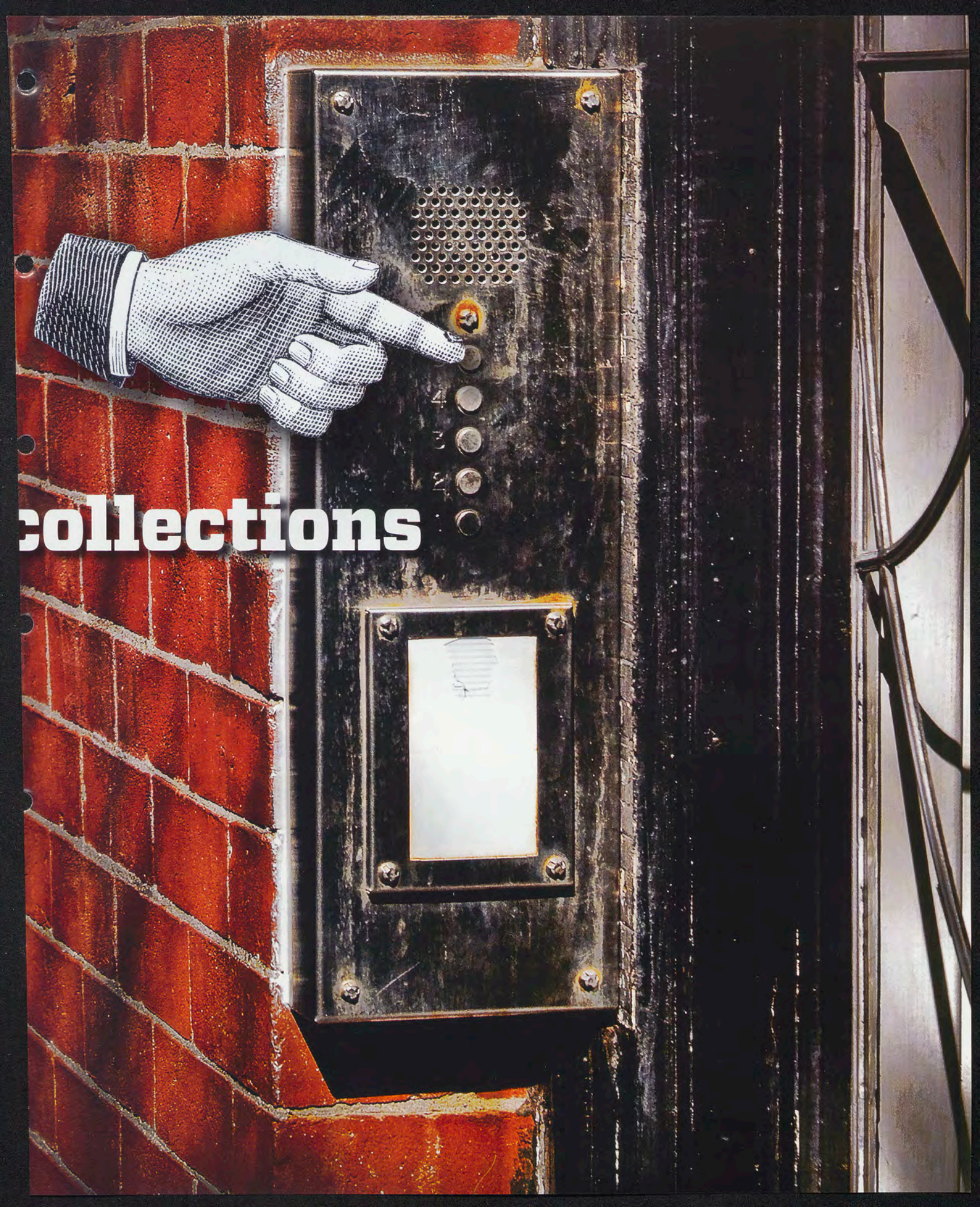
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Some clarity for

Collections are the second half of the famous Ernie Talley rent-to-own formula: Rent and Collect. It would be easy enough to install televisions in customers' homes if that were all there were to it. But one must also get the customer to pay in order to have that lovely big screen in the living room—or else, what is the point? And there, of course, is the rub in rent-to-own. No rental dealer, no matter how enlightened or evolved, takes delight in having a customer watch the dealer's television for free—and so, perforce, the dealer must collect, or try to collect, the rent. ★ Every dealer out there has either heard of or lived through some eye-popping, cringe-inducing, stomach-curdling tale of collection efforts gone awry. Given the nature of the business, it is no surprise that customers and dealers alike occasionally get emotionally involved with the television and the situation. All those emotions, running amok, can cause harsh words and even harsher actions. That there have been relatively few lawsuits over rent-to-own collections over the years is a tribute to the training that dealers practice and preach with their employees and the persistent patience at play in successful rental companies.

By Ed Winn III



collections

If there once was a day when dealers could hire “muscle” to collect on accounts, or failing that, recover the televisions by intimidating customers into doing what they were told, those days are long gone. Dealers today have to play by the rules and when, in the heat of the moment, they do not, they get sued and most often end up giving away the television and writing a check, to boot.

Even though the federal *Fair Debt and Collection Practices Act* does not apply to rental dealers, there are state debt-collection statutes, collection-practices provisions in several state rent-to-own statutes and common-law rules concerning breach of the peace, trespass, privacy and other tort-encouraging conduct that do apply.

Most allegations of collection abuse occur one customer at a time, as opposed to the occasional class-action suit challenging the legality of the rent-to-own transaction itself. The nature of the collections process is that it occurs customer by customer and the strategy adopted by the dealer to get the money or the television will vary, within reason, according to who is not paying and why.

Only occasionally does the government get involved in reviewing a dealer’s collection practices, but over the past couple of years, two state attorneys general’s offices have exacted settlements from two different rental companies resulting in the payment of money for multiple alleged abuses in the one case and payment for attorneys’ fees and an investigation fund in the other. In both cases, there were agreements by the companies to tweak collection practices in ways demanded by the attorneys general. In one case, it was an Assurance of Voluntary Compliance and, in the other, it was a Consent Decree. In both cases, it was an agreement reached by the rental company involved and the state attorney general and approved by a state court judge.

Most of the debt collection regulations that apply to rent-to-own dealers offer only vague guidance as to what one can and cannot do when trying to collect money or recover a television. “Do not call the customer at unreasonable times.” “Do not contact the customer at unreasonable places.” These kinds of rules leave a lot of gray area and it is in the gray area that lawyers make their money and rental dealers can lose theirs.

The two settlements are conceptually different in that one company agreed to maintain training and enforcement programs to achieve compliance with its internal policies against certain practices and the other company agreed to outright prohibitions of the practices themselves. A seemingly subtle distinction, but one that could have significance in a subsequent enforcement action, at least to the thinking of the lawyers who negotiated and drafted it. Both of the settlements with the attorneys general do, how-

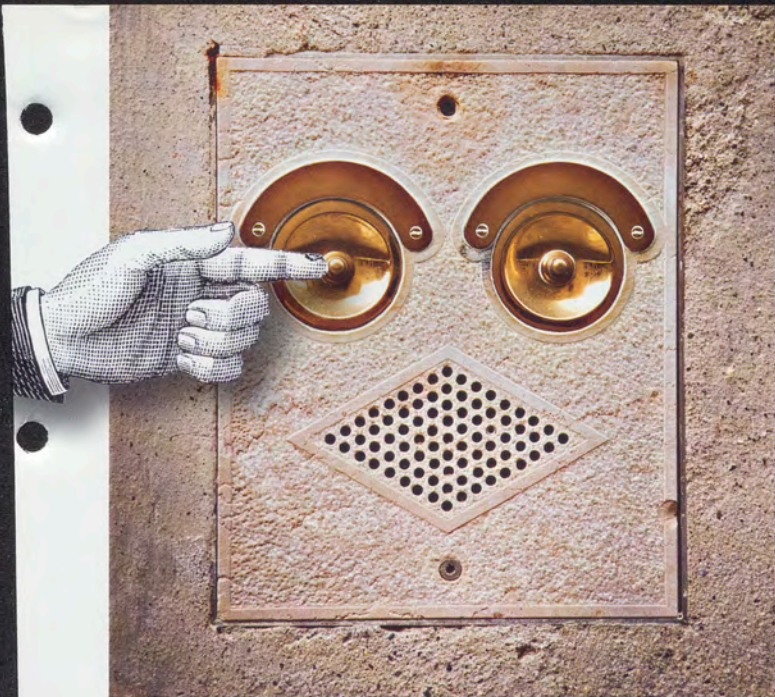
ever, have to contemplate the same kinds of vague prohibitions, usually a repeated recitation of the state debt-collection laws, but they also contain some very specific limits on behavior for the companies involved. Some aspects of these settlements will surely impede collections; some will have little impact on how the company does business. The extent to which these agreements will actually cost either of the companies involved any money at the store level remains to be seen. In any case, the prohibitions in the settlements only apply to the companies who agreed to them.

Calling all customers

The most recent settlement with the attorney general may have answered one of the age-old rent-to-own collection questions: “How many times can you call a customer about his account before you have made ‘too many’ calls and are guilty of harassment?” This settlement allows the rental company to “actually speak with a customer, by telephone or in person, six times per week for the purpose of discussing a past-due account.” That might be once per day for a week, or six times on Friday. Either way, the customer has no beef until the seventh contact. Also, note that the agreement does not address unsuccessful efforts to contact the customer. There has to be *actual* contact—the customer has to answer the phone or come to the door—before it counts as one of the six. Voice messages and door hangers do not count as contacts. The attorney general would like to have set some limits on attempts to contact customers, but the rent-to-own company was adamant that it had the right and business necessity to contact past-due customers about their accounts and was entitled to keep trying until the company could actually make contact.

The settlement also requires the company to train its employees to refrain from discussing a customer’s account with anyone who has not signed the agreement, except for a spouse. Nor can the company’s employees ask anyone who has not signed the agreement to make a payment on the account. The company also is required to maintain its prohibition against leaving phone messages with any communication other than the caller’s name, name of the company, date and time of the call and “a courteous request that the customer return the call.” In other words, no editorial comments about the customer’s character or mother.

The other attorney general settlement, from a couple of years ago and in a different state, offers more challenges to the dealer’s collection practices. This settlement prohibits the company from making more than two telephone calls to any one person per day, unless that person makes and then breaks a promise to pay on that day. (Note that this prohibition is different from the six-times-per-week



Call the attorney general's office and politely inquire whether there are any complaints on file against your company. Usually, you can get the answer over the phone.

rule in the other settlement, because this rule refers to calls regardless of whether anyone actually makes contact with the customer.)

Another rule in this second settlement is that the company can only make one additional call to a customer who has told the company that he is not willing to pay any more on the account or after he tells the company not to call again. This rule will require the company to make the choice of either writing the account off or "going legal" on the customer sooner than the company might prefer. This write-off-or-sue decision is not a choice that dealers are typically eager to make because either one will cost the dealer time and money. It is a decision that dealers ultimately must make on hard accounts, of course, but most dealers will want to work the account for weeks or even months before coming to that decision. Under this rule, the dealer has lost the power to decide when to make the call and, instead, must make it as soon as the customer tells the store not to call again.

Both settlements are full of additional provisions. The companies admit to no wrongdoing, for example. In addition, the companies agree not to break any existing laws concerning collections, which are repeated in the settlement agreements. Both affected companies agreed to implement training programs to ensure that all current and future employees are aware of the prohibitions in the respective settlements.

Importantly, the prohibitions in the settlement agreements only apply to the companies involved in those settlements and only in the states where those settlements were reached. All other dealers will have to decide for themselves

whether the strictures agreed to by the affected companies would work for them. If they do not, it does not necessarily mean that the attorney general will launch an investigation. Most attorney general actions in the consumer arena arise from consumer complaints. If you keep your customers happy and solve their problems promptly as they arise, they will have no reason to file a complaint and you can continue to work collections like you want—within the bounds, of course, of whatever laws that may apply to your particular business.

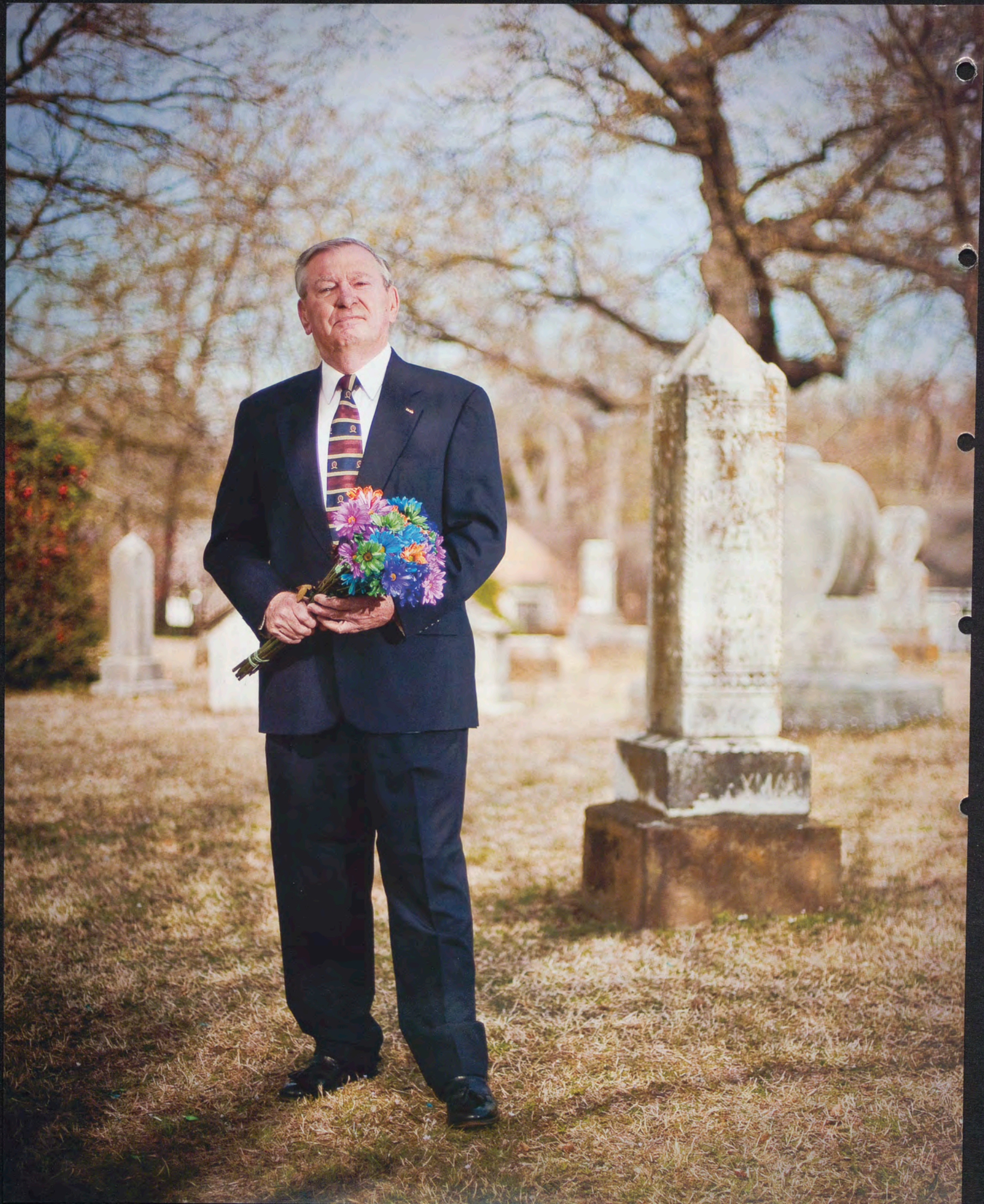
Calling attorneys general

One of the attorney general investigations arose because the rental company allowed unresolved consumer complaints to accumulate in the attorney general's office. Every state attorney general has a department of consumer protection where consumers can complain when they feel aggrieved. An attorney general, after all, is the people's lawyer. It is easier than ever for consumers to file complaints against a company, and often they can do it online. When a complaint is filed, a copy is sent to the store location where the customer acquired the merchandise and where the dispute arose. Ordinarily, the attorney general's office will not send a copy of that complaint to the home office. Rental companies have procedures in place for funneling all such complaints—if they cannot quickly be resolved—to the home office, but sometimes that does not happen. Instead, the complaint stays in the store; store personnel fret over it for a while and then, finally, toss it in a drawer and forget about it. One unresolved complaint will not likely unleash the wrath of the attorney general consumer protection attorneys, but several might, and in one instance, anyway, did.

There is an easy solution to avoiding this dilemma. Periodically, call the attorney general's office and politely inquire whether there are any complaints on file against the company. Usually, you can get the answer over the phone, although a few states require a written request for this information. If you own one store, maybe you call once a year. If you operate more stores, call more often. If you have knowledge of rogue employees in your stores that you have had to fire, call more often still. Today, as government offices become more automated, it may be possible to contact an attorney general's offices and get a person in the home office on file to whom all consumer complaints are to be sent. Some offices will be set up for this procedure; others not.

We have not had any real collection horror stories in a long time. Let's keep it that way. *

Ed Winn III is APRO's general counsel. Contact him at 512/476-0750; or by e-mail at edwinn@mwvmlaw.com.



The Resurrection of Mac Hennigan

FORMER APRO PRESIDENT, TULSA, OKLAHOMA

Like former Beatle Paul McCartney, this former APRO president isn't as dead as had been rumored

By Kristen Card

It's the definition of a dilemma—which phone call would you rather receive? *Scenario 1:* You're a retired rent-to-own leader—a former APRO president, in fact—who has been out of the industry loop for a while. One morning, you receive a call from an RTO pal with whom you're still in contact. “So, you're still around, huh?” he asks with a chuckle.

“Sure, I'm still around—I talked with you last week,” you answer, puzzled.

“Well, APRO thinks you're dead,” he responds.

Scenario 2: You're the editor of APRO's magazine and have just published an issue featuring memories and insights from APRO's past presidents. One morning, you receive a call from a past president you—with confirmations from several reliable sources—listed as deceased. Only he's not; he's on the phone and—thankfully—alive, well and laughing. To paraphrase Mark Twain, the report of Mac Hennigan's death was greatly exaggerated.

“The only thing I'm upset about,” Hennigan claims, “is that I didn't receive any flowers at all. Not one bouquet from all of my old cronies. Extremely disappointing.” Hennigan's faux outrage and follow-up belly laugh are the mirthful mark of a man who has faced the very real prospect of death several times during his seven-plus decades and lived to tell the tale.

Born and raised in rural Louisiana, Hennigan knew at the age of six he was going to be a soldier. He left home after high school graduation to join the Army and, a decade later, was commanding a field artillery unit in Vietnam.

After an exciting military career, Mac was assigned to the Pentagon, his least-

favorite assignment. He retired from the Army in 1979 and was hired by Willie Talley to work for ColorTyme in Dallas. Hennigan managed ColorTyme's Fort Worth market, added the Dallas market, then, when ColorTyme was sold, took over a Tulsa Curtis Mathes franchise.

“I was pretty good at rent-to-own,” Hennigan says. “But I didn't like retail. By the mid-'80s, I returned to Dallas as director of rental-lease operations for Curtis Mathes. I traveled all over the country and really enjoyed it. That's when I got involved in APRO, as the Curtis Mathes representative.”

Hennigan served on APRO's executive board for five years and as the association's president in 1986 and 1987. “I loved my time in rent-to-own,” Hennigan says. “The camaraderie was my favorite part. I associated with the industry's giants and loved working with those guys. I came through the military system, where entrepreneurship is never one of your goals—and it never was one of mine. I prefer managing an operation larger than I could afford to own.”

Hennigan suffered a heart attack in 1989 and had to undergo bypass surgery. It slowed him down considerably. He resigned from the APRO board. The following year, he went to work for Transamerica Commercial Finance, helping repossess failing rental businesses in Canada. In 1995, a former owner repurchasing his stores, Gord Reykdal, hired Hennigan as his chief operating officer based in Edmonton, Alberta. Hennigan and his wife, Jan, had fallen in love with the Land

CONTINUED ON PAGE 42



Al Zagorniak

RETIRED, SEARS CONTRACT SALES, KANSAS CITY, MISSOURI

Al Zagorniak's good cheer and enthusiasm helped build bridges between APRO's vendors and rental dealers

By Neil Ferguson

If someone had thought to anoint Al Zagorniak with a nickname during his years in the rent-to-own industry, an apt one would have been “The Bridge.” As a Sears rep for almost his entire professional career, he nurtured many relationships with rental dealers, as well as his fellow vendors in the industry. He was awarded APRO’s Vendor of the Year honor in 1996 and in 1999 became the first vendor to serve on the APRO board of directors. His great sense of humor and charm made him an ideal liaison who strived to build bridges between APRO’s buyers and sellers.

“I belonged to 23 associations during my career and, in most cases, the only time they wanted you was when it was time to set up a booth,” Zagorniak recalls. “But APRO was different. It’s a very progressive association, as its name suggests. It services everyone in the industry—dealers and vendors.”

Although he retired from Sears in 2001 after 35 years of service, Zagorniak holds a great deal of enthusiasm for—and fond memories of—rent-to-own. One dealer with whom he had a special rapport was one-time Sears Retail Distribution/Central Service Manager Gary McDougal, who went on to operate American Rentals in Tennessee and served as APRO president from 1999 to 2002.

“When I was APRO president, I convinced the board of directors that we should have a vendor on our board—and Al was the guy,” McDougal recalls. “He was very active in helping us do a lot of things for the vendors. He was like the vendor ‘whip.’ He had a real talent for pulling them together and they were lucky to have him as their man.”

Zagorniak, though, is humble about his talents, confessing that one of his key assets was

knowing how to listen and take orders. “Years ago, I was being interviewed for a position within Sears,” he remembers, “and was asked, ‘Do you like being told what to do?’ I thought about it and figured that, when I go to church, the priest tells me what to do; when I go home, my wife tells me what to do; when I go to work, my boss tells me what to do. So I’m sure I wouldn’t know *what* to do if someone wasn’t telling me!”

While building bridges between APRO’s dealers and vendors, Zagorniak also sought to maintain a jovial atmosphere among his fellow associate members. Still, he never completely let down his competitive guard. “I attended an APRO conference in Puerto Vallarta one year,” Zagorniak recalls. “Also at the conference was [former APRO President] Bill White, one of Sears’ good customers in the Dallas area. I arrived at the airport for the trip back to the states only to find Tom Kitchens [a fellow vendor who worked for Whirlpool] and Bill sitting together at a table. I thought to myself, ‘Tom, you rascal! You’re after my customer!’ As the baggage handlers were loading our luggage, I approached Bill and Tom, gave a quick wink to Bill and told Tom that I hoped the dogs wouldn’t find the ‘Mary Jane’ that I’d put in his golf bag. Kitchens’ face turned red and we all had a great laugh on the way back to the states. I had to stay on my toes! It was a competitive environment, but, as vendors, we had fun together, too.”

Since retiring at age 57, Zagorniak has enjoyed good health with his wife of 44 years, Carol, a former Spanish and psychology teacher from Guatemala. They’re intensely proud of their two grown daughters, Cindy and Julie. “Both took advantage

CONTINUED ON PAGE 42



Al Zagorniak inherited this vintage 1969 Volkswagen Bug from his aunt. He drives it in car shows for charity and it has only 41,000 miles on it.

of the Maple Leaf, so it was a great deal. "It was the best civilian job I ever had," Hennigan gushes. "We built the company from 50 stores to 150 stores all across Canada. It was fantastic."

But in 1997, Hennigan was diagnosed with a brain tumor. Again, he returned to Dallas for successful surgery. Despite Hennigan's protests, Reykdal persuaded him to employ his long-term disability insurance and retire. The insurance company required half-time Canadian residency, so Mac and Jan delightedly spent a couple of half-years in a cottage by the ocean in Nova Scotia.

Hennigan is still alive and kicking; so if you didn't send an appropriate gift of grieving and memoriam, then you might want to watch your back. "I didn't get a single rose!" Hennigan declares.

The Canadian cottage couldn't hold a candle to Oklahoma-based grandchildren, though. Reykdal convinced the insurance company to waive its residency requirement so that Mac and Jan could move closer to family.

"That helped me adjust to retirement, which I dearly hated," Hennigan grumbles. "I still don't like retirement much, but with six grandkids between 3 and 13, we manage to stay busy. And every summer, Jan and I get out of the hot weather in our 36-foot fifth-wheel [RV] and go somewhere cool for a few months."

A second open-heart surgery was necessary in 2005, yet today, Hennigan says he gets up every morning feeling good. "Not even a headache," he reiterates.

So, with two heart surgeries, a brain tumor, a Canadian sojourn and an early retirement, it begins to become more understandable how folks might figure Hennigan for a goner. He also mentions possible confusion with his brother, Murl, a central Texas ColorTyme dealer who died of leukemia a few years ago.

No doubt about it, this Hennigan is still alive and kicking; so if you didn't send an appropriate gift of grieving and memoriam, then you might want to watch your back. "I didn't get a single rose!" Hennigan chortles. "Well, you can tell them to save their money—they'll probably get another chance one of these days. But not soon!" *

EDITOR'S NOTE: *Whenever it happens—and we hope it's not on our watch—rest assured, you won't read it here first.*
Kristen Card is a freelance writer living in Austin, Texas.

of their education and carved out great careers for themselves," Zagorniak says. The younger of the two, Julie, graduated from the University of Missouri and now lives in California. Cindy graduated from Kansas State University and lives near Kansas City, Missouri, which is where the Al and Carol reside.

It was in Kansas City, while stationed at Richards-Gabaur Air Force Base, that Zagorniak started working for Sears in 1966. "[U.S. Army] General Robert Woods was president of Sears at the time and he favored hiring prior military personnel," Zagorniak says, "because we were disciplined, knew how to take orders and had a strong work ethic." Since his Air Force days, Zagorniak has called Kansas City home—and also deems it one of America's "best-kept secrets. I love it here."

Zagorniak stays busy with many post-career passions, including golf, travel, baking and driving his vintage 1969 Volkswagen Bug. Perhaps he's most proud to be a member of Elks Lodge 26; he was instrumental in fostering that group's involvement with reStart, a charity organization that aids the homeless. "reStart works to find housing for the homeless, run-aways and throw-aways—those children who have been abandoned by their parents," Zagorniak says. "Throw-aways are the ones that really grip me."

If he's not at the 125-year-old Elks Club (one of the oldest in the country) or on the golf course, Zagorniak might be found in the kitchen. "I've always had an interest in cooking," Zagorniak says. "When we were first married, Carol gifted me with enrollment in gourmet cooking classes. Soon after, I started baking yeast breads. I have my grandmother's original recipe for holiday stollen and I bake more than 40 loaves every Christmas to give to my neighbors and friends. I have a collection of cookbooks that you wouldn't believe!"

To know Zagorniak is to like him. His generosity, enthusiasm and sense of humor are infectious—traits that served him well during his years in rent-to-own. When APRO moved into its current Austin location in 2000, Zagorniak provided Sears' top-of-the-line appliances for the building, charging \$1 for the whole lot of them. Around that same time, he traveled to Austin to work alongside rental dealers and APRO staffers building a Habitat for Humanity home, and he donated the appliances for that house, as well. He was a handy craftsman during the Habitat project—a natural for someone so good at building bridges. *

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A Top “Fastest Growing Young Franchisor” for a Reason

By Trooper Earle, President/CEO, The Premier Companies



Trooper Earle

Last year, Premier Rental-Purchase ranked fifth on the list of fastest growing young franchisors in America* – the only RTO company ever to make the list.



Our growth hasn't been by accident. It is the direct result of a philosophy whereby we give dealers the flexibility to run things their way, while at the same time we support their ongoing growth with important operational services.

We never forget that each of our franchisees is a business owner on a path of success. And we never stop listening to their ideas because so often by implementing their suggestions or resolving their needs, we grow stronger as a whole organization. Our goal is to bring everyone together as a close-knit, supportive and creative network of fellow entrepreneurs who challenge each other to progress and who also challenge the Premier organization to continually strengthen its structure and support.

We do several things well that make us stand out

For starters, we prepare dealers to launch: helping them with a business plan that will impress lenders, working with them to find a location and giving them access to our purchasing and marketing support. We set them up with employee insurance, payroll, accounting and legal programs. That is, of course, if they want these services. We find most do, either because they are coming out of a corporate setting and have not had the experience in running a business or because as they mature they decide they don't want to hassle with certain aspects of their business.

More and more dealers are now running multi-unit operations and seeking new levels of support. With their growth has come our growth and ability to expand our support

across the board to help make our dealers successful. We first help them realize their dream of owning a business, and then we support that dream and help them grow.

But don't take my word for it. See what our dealers have to say.

In their own words...

Ratner/ Reichenbach Team Up For Success



Jim Ratner and John Reichenbach were strangers when

they each found out just weeks before their individual store openings that their partnerships had fallen through. In choosing to become part of the Premier family, however, they were instantly part of a network through which they discovered each other, formed a partnership, and were able to move forward once again with their dream of being business owners. They opened their first store in Westbrook, Me. in 2007 and their second in Auburn, Me. late last year. Their combined forty years of experience is paying off with two thriving locations and a proven theory that customer care makes all the difference.

Ratner, a 26-year industry vet, began his RTO career with Rent-A-Center in Wilmington, Del., opening his first of six successful independent businesses in Lawrence, Mass. in 1986 as a Rent America franchisee. He eventually sold those stores and took a short-lived break from being an owner. When he decided to get back in the industry again as a

*data compiled by FranData.

Advertisement

dealer, he had bigger expectations of what he wanted this time around – a more active partner and a franchisor that would provide greater support.

“I decided to go with Premier rather than becoming totally independent like before because of Premier’s track record in assisting dealers with creating an impressive business plan in helping them get bank financing. Their experience proved a big advantage over doing it on my own. Premier has worked through this over and over and they know what it takes.”

John Reichenbach began his RTO career in 1997 as manager of an RTO franchise in Bangor, Me., progressing quickly to district manager. He started running the numbers and realized what he was missing by not being in business for himself.

“I saw how much money I was making for the corporate store and how little of it I got to keep. I found myself being completely stressed out all the time because I had so many issues I was not able to control and fires to put out.”

So John left to open his own store. Needing help to take the giant leap into ownership, Reichenbach discovered Premier Rental- Purchase, which offered a simple-to-follow process and made it clear they would support him.

“Premier provides you with solutions for everything you haven’t had to deal with as a corporate store manager or multi-unit manager,” said Reichenbach. “I felt I would be very happy with Premier. As I headed toward my opening, they had made it simple, right down to the manuals they provide that are easy-to-read and follow. Every angle of the business seemed covered.”

In addition to getting their doors open – now twice – the partners discovered that along the way they have benefited from ongoing services in human resources that include payroll and health care, and also in marketing and purchasing, all important in becoming multi-store owners. And they

have given back. Ratner chairs Premier’s dealer-run Marketing Board and Reichenbach has been active on Premier’s dealer-run purchasing board.

Ratner says. “I bought and sold businesses before I got involved in Premier. But the highlight for me has been working with a partner who is committed to the business and to working the business and has more integrity than most people I know. Add to that the flexibility we have as Premier franchisees to run things our way, and I can’t imagine a better scenario.”



Moodys take on the South

Brothers Chad and Jeffery Moody opened their second Premier Rental-Purchase store recently in Tuscaloosa, Al. It was always part of the plan to open multiple stores since they debuted in Columbus, Miss. in mid 2008.

“Coming from a family of entrepreneurs, we always intended to open a second store because we knew we wouldn’t be satisfied with just one. Despite the economy, the financing went well and the process went smoothly. We were familiar with what to do having opened our first store not too long ago. And we certainly felt supported by Premier as a franchisor. You can’t compare our experience with other dealers who are out there trying to open up as independents.”

Both are seasoned veterans. Chad was on a fast track with Aarons, rising from accounts manager to sales manager to store manager – all within eight months. He hired Jeff right out of college and saw early on a budding partnership. The Moody’s researched

several different RTO franchising companies, both large and small. They specifically wanted an organization that provided helpful guidelines for opening and operating their own business rather than one that handed them a set of corporate rules. They found Premier through a colleague and decided Premier offered the type of support they were looking for. “As I had thought about different companies and options,” says Chad, “Premier was the best fit.”

Jeffery adds, “We have so much leeway in what we can do as owner of a Premier business. We can run it the way we want to, buy products we want to, work with our customers the way we want. We are not under corporate limitations. We know what works for us and our business. No one is pointing a finger to tell us what to do. It’s so beneficial to work that way.”

With two stores now operating, the Moodys have discovered that even as entrepreneurs they appreciate the on-going services Premier is providing to support their operation – human resources, insurance, payroll and marketing to name a few.

“When we get a new employee, we can get him in the Premier system and Premier takes care of everything through a paperless “green” system,” says Jeffery. “I also like the advertising resources and promotions from Premier Marketing, like the Holiday Cash Giveaway program in December. The priority for us is customer service. Having support that is flexible as we need it enables us to take better care of our customers and grow our business.”

The national office of Premier Rental-Purchase is located in Williamsburg, Virginia. All Premier stores are independently owned and operated. Visit Premier’s website at www.ThePremierCompanies.net or call (800) 2-Premier and ask for Trooper Earle.

Protect Your Mattresses



Few words strike fear into the hearts of those in the furniture rental industry like “bed bugs,” and rightfully so. Bed bugs are everywhere—dormitories, mansions, apartments, schools, subways, movie theaters, airplanes and trains—and, unfortunately, can be picked up easily on rental furniture. Is your rental property at risk for bed bugs? Here are the facts:

- ▶ Rental furniture by nature and design are at perhaps the highest risk of infestation in the country.
- ▶ When bedding is rented you have no idea, upon return, if an infestation is present; a low-level infestation can be as small as two to three eggs.
- ▶ Infested bedding can be re-rented to a new customer or placed in a truck or in storage, which may lead to infestations of multiple pieces of furniture.

The impact of a bed-bug sighting can be devastating. Business drops and damage to your store’s reputation can take years to repair. Add to that potential of lawsuits from humiliated bed-bug victims seeking monetary retribution and any business owner has a potentially expensive problem.

The best way to help ensure a bed-bug-free experience for customers is to encase mattresses and box springs prior to rental and require that the person renting keep the encasement on the mattress. Some encasements even include mechanisms to indicate if the encasement has been tampered with. While bed bugs can live on all types of furniture, the largest concentrations will be found around the bed, as that’s the easiest place for the nocturnal insects to get a meal.

Bed-bug-proof encasements make the tell-tale signs of bed bugs—fecal spotting and blood spots—readily identifiable. The signs appear clearly on the encasement’s white fabric, which allows your staff to spot them easily and quickly alert a pest-control professional. By identifying the signs of bed-bug activity as soon as possible, it allows the pest-control operator to address and manage the infestation in a timely manner.



In addition to the benefits of bed-bug protection, mattress encasements also reduce exposure to dust mites—one of the most significant causes of allergies and a trigger for asthmatic attacks. A typical bed contains from 100,000 to 10,000,000 allergens and experts agree that the best place to start reducing dust-mite allergens is the bed and bedroom. Encasing a mattress, box spring and pillow is the first major step in reducing exposure to dust mites.

Many encasements are available in the marketplace, so it’s wise to choose one that offers proven protection against bed bugs *and* allergens. First, determine if the encasement has been specifically tested to be effective against bed bugs. In order for an encasement to be effective, it must be bite-proof—meaning that the bugs cannot feed through the material—and entry/escape-proof—meaning that the bugs cannot get in or out of the encasement after it has been installed. Unless the encasements have been specifically designed for bed bugs, it is very unlikely they will work effectively.

Next, check to see what allergen-reducing benefits the encasement offers. Look for an impassable material on the mattress encasement that provides superior protection against allergens penetrating the mattress. Choose a product that covers the mattress completely and has a zipper lock that creates an impenetrable barrier. This encasement also should have the added benefit of being waterproof, which will help increase the life of the mattress.

To protect your assets from bed-bug infestations and provide health benefits at the same time: just encase. Adding bed-bug-proof, allergen-reducing and waterproof mattress and box spring encasements to your rental beds is a proactive measure that can salvage mattresses and your reputation. *



Rita Haney is the national sales director for Protect-A-Bed’s rent-to-own division. Contact her at ritah@protectabed.com, 919/656.0882; and visit Protect-A-Bed, booth 110, at the APRO Trade Show, July 21 and 22 in Louisville, Kentucky.

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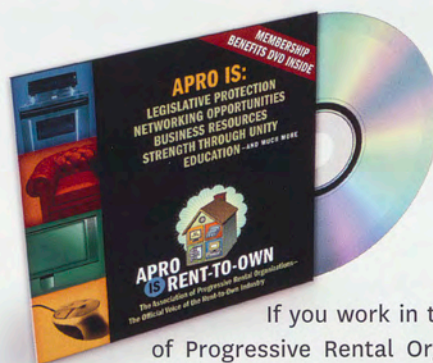
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Seeing is believing: APRO membership is worth every penny

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

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jay.cochran@albanyindustries.com
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Ashley Furniture Industries *^+

Contact: Kerry Lebensburger
and Gary Jones
954/401-2996
klebensburger@ashleyfurniture.com;
gjones@ashleyfurniture.com
www.ashleyfurniture.com

Brooks Furniture Mfg. Inc. ^

Contact: Chris Brooks
423/626-1111
chris@brooksfurnitureonline.com
www.brooksfurnitureonline.com

Brown Council RTO Sales *

Contact: Brown Council
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brown@browncouncil.com
www.browncouncil.com

Broyhill Furniture Industries *^

Contact: Jim Vaughn
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jvaughn@furniturebrands.com
www.furniturebrands.com

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215/537-6566
joshblock@homelinefurniture.com
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Do the Right Thing



In the January-February issue of this magazine, I read with great interest Ed Winn's article about the keep rate conundrum. As always, Ed's article was well researched, well written and carried a very important message—that the keep rate is a valid legal issue and should not be taken lightly.

But let's examine the keep rate for a moment as if the legal issues surrounding it did not exist. When I consider the keep rate, I think about its two primary benefits: customer satisfaction and efficient operations. I think it's one of the most important results that can be measured and managed. When I owned a rent-to-own business, we measured keep rate every way we could: 30-day, 60-day, 90-day, ownership achievement, by product category, even by weekly or monthly pay customers. Our management information systems provided the data for all of it. We didn't use one bit of that information for legal purposes.

At that time, in 1975, our keep rate was a whopping 25 percent, which approximates the industry average today, give or take a few points. I know that result can be changed. We changed it at Remco. Back then, once the decision was made to work on this aspect of the business, we relocated stores, upgraded selection, offered new, in-the-box products, developed a system that had a wait list in the stores to buy returned products, encouraged monthly payments, revised credit and collection practices and spent a fortune in employee training—all to achieve one strategic objective: a 60-percent keep rate of those customers seeking ownership. That became the strategic goal.

It took several years, but by 1983 our company keep rate was up to nearly 50 percent overall. Our 500 BOR stores grew to be 1,100 BOR stores, with an average monthly rental (APU) of about \$63 (with 75 percent monthly pay and 25 percent weekly pay). Even so, still there were unhappy customers who couldn't achieve ownership no matter *what* we did. The point is, the result can be changed and, if done successfully, far more profitable. Would you rather have a 500-BOR store average or a 1,100-BOR store average? Here's the best part: you don't need to increase your deliveries by even one to double your store BOR. Double your *keep rate* and you're there—even if it takes five years. It can be done; we did it.

I considered this issue of consumer satisfaction to be the biggest threat to the long-term existence for my business back then; that's why we put so much emphasis on it and devoted the resources to change it. Adverse regulation is still the biggest threat facing the industry today and it's rooted in the customer satisfaction issue. I do not want to see the industry so caught up in making legal arguments that it loses sight of what really needs to be done—giving consumers true value in their rent-to-own experience.

Measuring customer satisfaction aside, keep rate also is a measure of efficiency. Customers who keep pay better than those who don't. Eighty percent of all our pick-ups happened within the first 90 days of the agreement. We knew that if we could get a customer to keep for 90 days, his or her chance of achieving ownership went up to a whopping 90 percent. We would do almost anything to make that customer want to keep that product. Collection calls became sales calls and we stopped picking up five-day past-dues, especially on monthly accounts. We became a lot more compassionate to customers problems. And it paid off *big time*. Average past-dues slowly declined—fewer pick-ups and damaged property, far fewer in-home collections and units on rent increased in every store.

Our stores were the most efficient in the industry at the time. Why? Fewer non-profitable activities in the store. Not only that, but lawsuits and customer complaints almost stopped, which was a big expense saver. And most important, we all *felt good* about what we were doing because we knew it was the right thing to do. You can ask anyone who worked for Remco during those years and they will tell you that it was special because we took the keep rate so seriously.

My intention here is not to brag about old victories, but to try—one more time (some will say that I sound like a broken record)—to get the industry to focus on Ed Winn's point about the whole issue surrounding keep rate and consider that you can make a difference by what you do in your own business. After all is said and done, it's just the right thing to do. ✱

Rent-to-own pioneer Chuck Sims is one of the founders of the Association of Progressive Rental Organizations. See page 26 for details.

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LE8500 model shown. *3D technology available on LEX9, LEX 8 and LX9500 models only. For a small percentage of the population, the viewing of stereoscopic 3D video technology may cause discomfort such as headaches, dizziness or nausea. If you experience any symptoms, discontinue using the 3D functionality and contact your health care provider. 3D glasses required and sold separately. Internet connection required to access broadband content and is sold separately. ©2010 LG Electronics U.S.A., Inc., Englewood Cliffs, NJ. All rights reserved. "LG Life's Good" is a registered trademark of LG Corp. Screen image simulated.

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