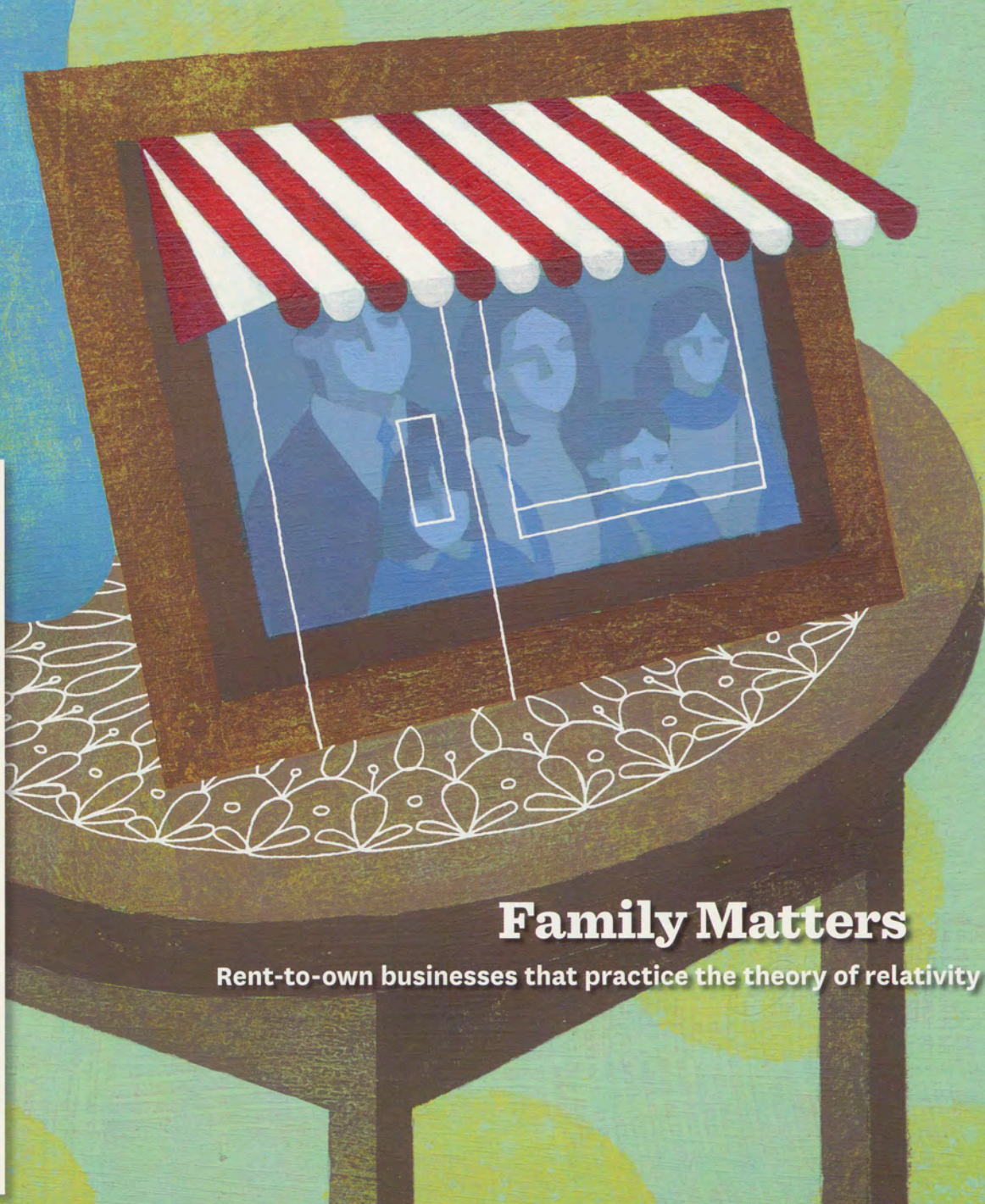
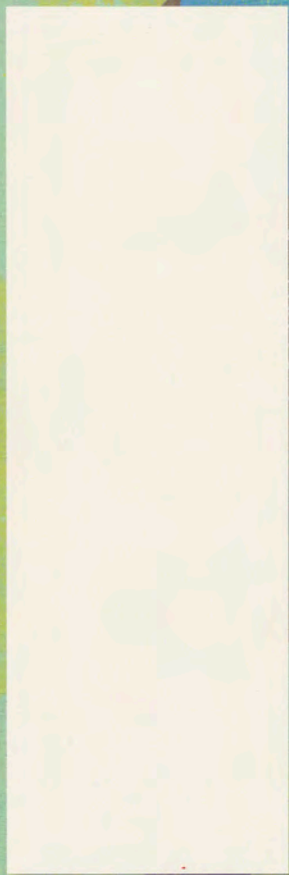


RTOHQ

The Magazine



Family Matters

Rent-to-own businesses that practice the theory of relativity

audio | digital imaging | dvd players & recorders | portable entertainment | soho | appliances



YOUR **RTO** DISTRIBUTOR

home entertainment



XBOX 360

Panasonic

mobile computing



lenovo

TOSHIBA

acer

digital imaging



FUJIFILM

JVC

Panasonic



800.340.1007 | www.dandh.com/apro

email inquiries to rto@dandh.com

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

APRO
Associate Member

TRIB GROUP
LIFE BY DESIGN. WORK BY DESIGN.

The Year of the Family

Save the dates for APRO's family reunion in Little Rock: July 11-14 is the event of the year—APRO's 2011 Rent-to-Own Convention and Trade Show—and you won't want to miss it. Reconnect with old friends, meet new ones, discover and purchase cutting-edge products for your stores and improve your business' marketing skills.

This year's reunion will begin with a golf tournament on one of the most beautiful courses in the Southeast. Chenal is a Robert Trent Jones Jr. course gorgeously set among the lakes, rivers, hills and trees of west Little Rock. A hot breakfast, hot lunch and drinks at every other hole await all golf tournament participants—and the green fee is a surprisingly low \$100.

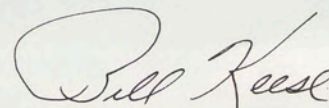
Have you ever heard of *Fast Company* magazine? Our keynote speaker, Bill Taylor, was a co-founder of the publication in 1995. *Fast Company's* focus is on innovation, leadership, change management and related topics that inspire greatness in business. Taylor is an agenda-setting writer, speaker and entrepreneur who has shaped the global conversation about the best ways to compete, innovate and succeed. He will inspire and challenge you with his presentation.

This spring, APRO will be conducting a series of potential customer focus group surveys across the country. Marketing expert Jill Adams McDonough will compile the findings from these and past rent-to-own studies and present a marketing plan to every rental dealer at the Little Rock convention. McDonough's company, Prevaill, was founded to offer ethical and creative business building and protection to organizations. She has provided analytical and effective integrated marketing counsel for clients such as GE Lighting, Proctor & Gamble, Kraft, SC Johnson, ConAgra Foods and Heinz.

Our family reunion banquet in Little Rock will feature "A Night with Sir Elton John." The iconoclastic singer and pianist has produced some of the most memorable music of the past 40 years and our Elton John tribute performer sounds and looks just like the original Rocket Man. Get ready to do some crocodile rockin'—this will be a music event to remember.

In 31 years of bringing dealers and vendors together from all walks of the rent-to-own life, never have we prepared a more enlightening, rewarding experience for all at one time in one place. July in Little Rock is *the* event of the year for rent-to-own!

In this issue of RTOHQ: *The Magazine*, we begin a year-long tribute to rental dealers around the country who have built their companies by incorporating family members into the business. Fathers, mothers, sons, daughters, brothers, sisters, grandchildren all working together—these families provide a solid foundation for our industry. It's a grand series on business kin that I know you will enjoy. Also, Ed Winn III examines some interesting court cases that involve rent-to-own in one way or another and he offers up lessons to be learned from some interesting circumstances. Richard May concludes his three-part series on the rent-to-own image, this time examining how the industry fares among those who influence public policy. Happy reading—and don't forget to mark your calendars for this summer in Little Rock.



APRO's executive director

bkeese@rtohq.org



RTOHQ

The Magazine



Departments

- 1 : Welcome *by Bill Keese*
- 5 : RTO Matters
- 10 : Click! Photographs
from rent-to-own events
- 40 : Who's Who in
Rent-to-Own Services
- 42 : Advertisers Index
- 44 : For Your Consideration
by Ed Winn III

January–February 2011

12 : Family Matters

by Kristen Card

Most APRO members regard the rent-to-own industry as one big, mostly happy family. Amidst that kindred spirit, many actual families run their businesses. Throughout 2011, we invite you to meet some kin who work together to keep rent-to-own thriving, generation after generation, starting in this issue with the Quinns, Windsors and Ferrimans.

20 : As the Rental World Turns: Lessons Learned From Some Thought-Provoking Circumstances

by Ed Winn III

APRO's general counsel offers a sampling of legal cases that involve a rent-to-own store, customer or employee in one way or another. These cases offer insights and perspectives into the world in which we live. Some are old; some are new. The lessons offered are timeless.

28 : What Influences Image?

by Richard May

In this issue, we conclude our three-part examination of rent-to-own's image. First, we addressed the marketing image of our business—how we are perceived by customers and potential customers. Next, we offered some public relations do's and don'ts. Now we look at the association's broader image-enhancing strategies and how they affect public opinion makers.

34 : 2011: An Economic Forecast

by Phillip M. Perry

Today's economy is like a patient in convalescence—it needs more time to return to full health, but at least it's no longer on life support. How will businesses fare this year?

Cover illustration by Barry Fitzgerald

One Size Does NOT Fit All

Customizable Turnkey Solutions

Specialty Business Solutions

AutoQueue Voice Messaging

Envia - Mobile Forms

Business Intelligence

ASAP Sales Kiosk

FMS - Fleet Management System

Online Payment System

**Not Simply a Software Provider
but Your Technology Partner**

We know that every client is unique, which is why we give each client the individualized attention they deserve. After all, it was only by listening to our customers that we were able to develop the most complete Point-of-Sale system for the Rent-to-Own industry.

Call 1.800.326.6059 to learn about how Cynergi and our other specialty business solutions can benefit your business needs.



You deserve top-notch employees

APRO offers top-notch online training to help



APRO's NEW RENTAL TRAINING ONLINE

APRO's New-and-Improved Rental Training Online

WWW.RTOHQ.ORG > RTO EDUCATION RESOURCES

- ▶ **New, easier-to-use interface.** Offering APRO's original training courses—*Introduction to Rent-to-Own, Rental Delivery and Safety, Customer Satisfaction in Rent-to-Own, Communication in the Rent-to-Own Workplace* and *Account Management in Rent-to-Own*. More courses are coming soon; rent-to-own management training is in development now.
- ▶ **Courses are only \$10.** APRO has lowered prices to give all employees in the industry an opportunity to receive proper training.
- ▶ **Enhanced administrative control and registration.** Easily assign courses and track training progress within a company. Allow employees to self-register or direct control of the registration process to a company administrator.
- ▶ **Expanded payment options.** Credit cards, eCheck and online invoicing.
- ▶ **E-mail notification.** Alerts employees when a new course is assigned.
- ▶ **Certificates of completion.** Generated automatically; stored in the system.

To register for a free account, visit www.rtohq.org, click on the "RTO Education Resources" tab, then "Enter APRO's New Virtual University." If you have an existing corporate account for APRO's Rental Training Online, contact Keith Carrico at 314/835-0004, ext. 324, to transfer to the new system. For questions regarding the Rental Training Online program, contact Shelley Martinek at smartinek@rtohq.org, 800/204-2776, ext. 109.



APRO UNIVERSITY

RTOHQ

The Magazine

Volume 3, Number 4

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

Editor / Art Director

Neil Ferguson

Executive Editor

Ed Winn III

Director of Marketing (Advertising)

Cindy Ferguson, CEM

Executive Director

Bill Keese

Contributors

Kristen Card, Tulisha Carson, Murlin Evans, Cindy Ferguson, Laurie Hill, Jeannie Hutchison, Bill Keese, Shelley Martinek, Richard May and Ed Winn III

Director of Circulation

Laurie Hill

Editorial and Advertising Offices

1504 Robin Hood Trail
Austin, Texas 78703

512.794.0095; fax 512.794.0097
nferguson@rtohq.org
www.rtohq.org

APRO 2010–11 Officers and Directors

PRESIDENT

Robert O. Briley

FIRST VICE PRESIDENT

Cynthia Baber-Strunk

SECOND VICE PRESIDENT

David P. David

SECRETARY

Richard Rose

TREASURER

Chris Bolin

IMMEDIATE PAST PRESIDENT

Tiger John Cleek

DIRECTORS

Dennis Adams, Sidney Burton, Larry Carrico, John Darden, Shawn DiLeo, Dwight Dumler, Dave Edwards, Bill French, Michael E. Gerwe Jr., Bill Kelly, William McCrae, Jamie Slatton and Mike Tissot

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

Copyright © 2011 by APRO.

All rights reserved. Cover and contents may not be reproduced in whole or in part without prior written permission. Back issues \$5 each, subject to availability. For subscription, change of address, back issues, write to the above address. Three weeks required for changes on orders. Allow six to eight weeks for the first subscription copy to be shipped.

RTOMatters

APRO's 2011 Legislative Conference springs to life on Capitol Hill in May

A new session of the U.S. Congress is getting down to business in Washington, D.C., one that will continue to focus on economic recovery in the aftermath of the financial meltdown that started in 2008. In the coming weeks, bills will be introduced that will affect the rent-to-own industry. APRO's annual Dave Egan Legislative Conference is the perfect opportunity to affect change among legislators who could affect change on the rent-to-own industry.

The RTO industry soon will propose legislation that would meet two of lawmakers' highest priorities: economic stimulus and financial reform. That focus should assure that RTO-industry-supported federal legislation will be considered on Capitol Hill. While such legislation has yet to be introduced and details are still being ironed out regarding a sponsor for a House version of the bill, rest assured that by the start of APRO's 2011 Dave Egan Legislative Conference, May 3-5, rental dealers and vendors will be needed in Washington to visit with House



and Senate members and their staffs, assuring that the rent-to-own story is being understood.

With more than 60 new members of Congress sworn into office this year—and a new Republican majority in the House of Representatives—it is crucial that our industry be represented in the lawmaking process and it's vital that those legislators new to Capitol Hill hear directly from APRO members about the importance of rent-to-own businesses. APRO's Legislative Conference is the best opportunity to garner the much-needed attention of Congress while we pursue fair and appropriate federal legislation.

To register for APRO's Legislative Conference or for

more information, visit www.rtohq.org; or contact Jeannie Hutchison, 800/204-2776, ext. 108, jhutchison@rtohq.org. The host hotel for this event is the L'Enfant Plaza Hotel. Call the

hotel directly for room reservations at 202/484-1000 and mention the APRO room rate of \$249 (double or single). The reservation deadline for accommodations is April 8.

2011 CONFERENCE SCHEDULE

TUESDAY, MAY 3

- 1:30-2:30 p.m. State Association Presidents Meeting
- 2-4 p.m. Registration
- 2:30-3:30 p.m. APRO Board Meeting (*sponsored by Coaster*)
- 4-5:30 p.m. General Briefing Session
- 5:30-7 p.m. Welcome Reception (*sponsored by TRIB Group*)

WEDNESDAY, MAY 4

- 9 a.m.-5 p.m. Meetings on Capitol Hill
- 7-9:30 p.m. Networking Reception and Dinner, Folger Shakespeare Library (*reception sponsored by Serta; dinner sponsored by RentDirect Nationwide*)

THURSDAY, MAY 5

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

RTO-inspired inventor turns up heat on bed bugs

A Google search for “bed bug solutions” yields a plethora of results, including options involving bug-sniffing dogs, specially designed mattress covers and heavy-duty pesticides. According to the National Pest Management Association, which represents 7,000 pest-control companies, revenues from bed bug extermination hit \$258 million in 2009, up from \$98 million in 2006.

Industry officials expect 2011 revenues to close in on the \$1-billion mark.

While many larger rent-to-own companies have devised their own treatment systems for dealing with bed bugs, others are left to deal with what can be a very expensive process. Mike Frye may have a cost-effective solution for long-term management of bed bugs. A 14-year rent-to-own veteran and current manager of Premier Rental-Purchase in Altoona, Pennsylvania, Frye is married to Sandi Frye, a Premier franchisee and president of the Pennsylvania

Association of Rental Dealers. He also is a lifelong tinkerer—his garage is hobby central and Frye has built custom chopper-style motorcycles from the ground up. His latest tinkering has produced what he calls the Bug Out Thermal Extermination System.

Knowing that high heat—at least to 125 degrees for one minute—is the only non-toxic way to kill both bed bugs and their eggs, Frye has produced an affordable bed-bug solution for the rent-to-own industry. His 50-pound aluminum and steel device may spell relief for



rent-to-own companies by providing a cost-effective in-house alternative to dealing with the critters.

“I began researching and found that the heated trailers, the kind that super-heat and kill off the infested items, run about \$30,000,” Frye says. “Pesticides are cheaper, but require multiple visits and involve toxic chemicals. There are other units out there that do [what the Bug Out System does], but I knew I could get those same results with a much more portable and cost-effective system.”

The unit, slightly larger than a split box spring, is installed in the back of a 12-foot delivery truck and operates from a 220-volt, 50-amp circuit (a 50-amp range-type outlet installed by the back door of the store is helpful). A thermostat is inserted into the edge of a mattress to measure internal temperature.

A 25-foot cable connects the heating unit to the temperature

Calling all kin: APRO’s family reunion in Little Rock

A PRO is planning a “Big Show in Little Rock,” July 11–14 for its Rent-to-Own Convention and Trade Show. It will be the first time Arkansas’ capital city has hosted the association’s main event, a show that promises to offer plenty of fun, education, networking and special buying opportunities. In the next issue of *RTOHQ: The Magazine*, we will give you all the details—for now, we’ll just whet your appetite.

In addition to being APRO’s “Big Show in Little Rock,” we’re also calling this year’s Convention and Trade Show our RTO Family Reunion. Throughout the year, we’ll celebrate the kindred aspects of our industry. The association is one big, mostly happy family and it is also comprised of many family-run businesses. In each issue of the magazine in 2011, we’ll profile some of those family-run operations

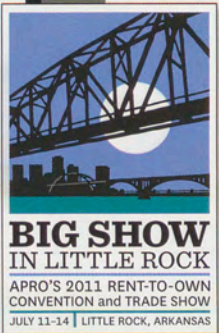
(see page 12) and, at the convention, we’ll salute them as well. If you are in the rent-to-own business and work alongside other family members, let us know about it so that you can be part of our tribute in July. Contact Shelley Martinek soon at smartinek@rtohq.org and let her know.

A few highlights of this year’s education program include: keynote Bill Taylor, founding editor of *Fast Company* magazine and a best-selling author, who will speak on “Unleashing Big Change in Tough Times”; Jill Adams McDonough’s innovative marketing session that will unveil a targeted rent-to-own marketing plan based on years of research on potential rental customers; and eight hours of APRO seminars designed specifically for rent-to-own business needs and concerns.

More than 100 companies will be displaying the latest products and services specifically for the RTO industry during APRO’s Trade Show and Show Specials will be offered that are only available during this event.

Celebrations will include a Gala Cocktail Party at the new Clinton Presidential Center, and at our annual Awards Banquet, we’ll feature entertainment by an Elton John tribute performer with the voice, looks (plenty of fabulous spectacles) and energy of the original Rocket Man who has rocked the top of the charts since the 1970s. And, of course, APRO’s annual Golf Tournament will be spectacular this year at the world-class Chenal Country Club.

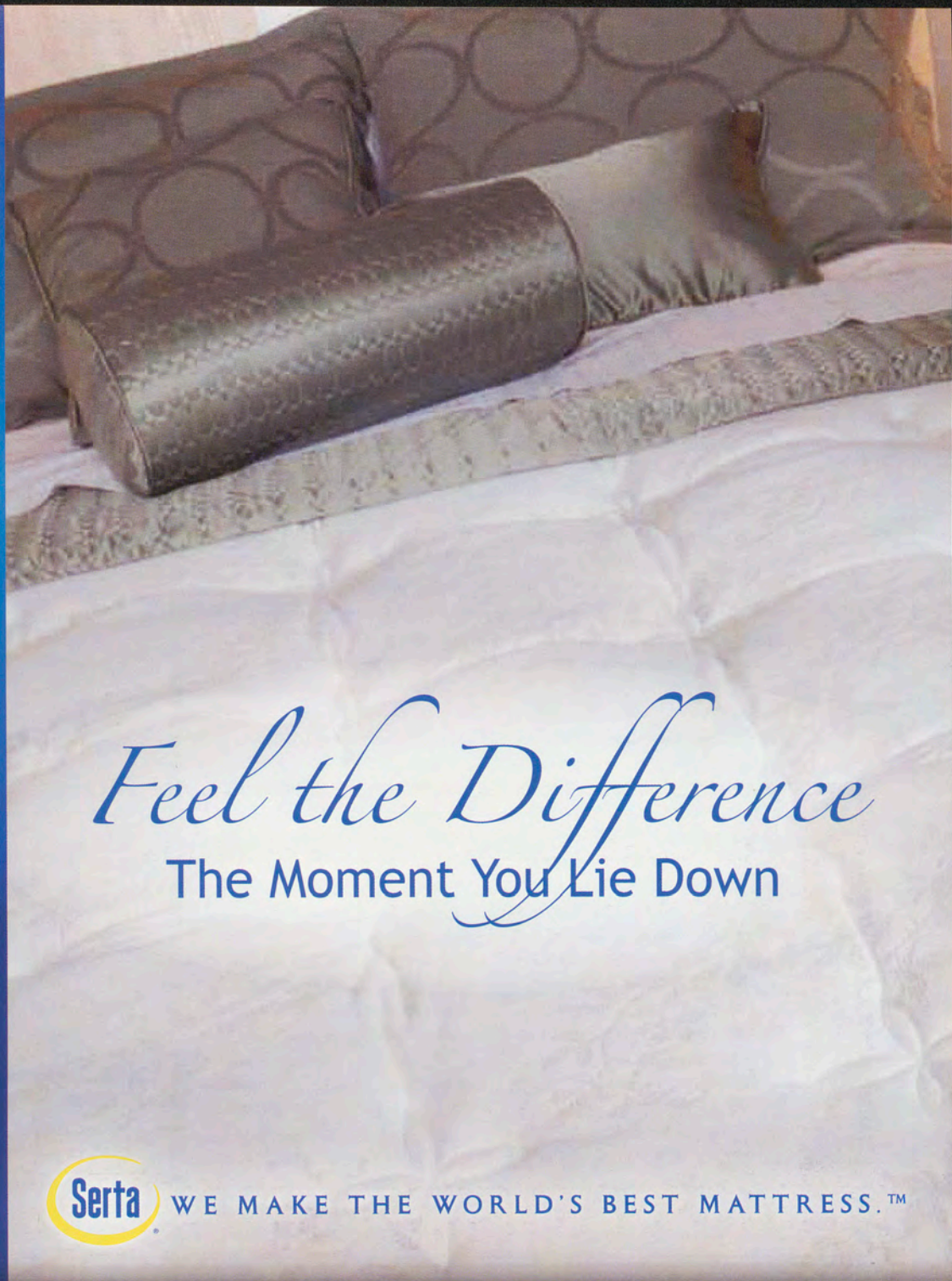
Stay tuned here for more information—or visit www.rtohq.org.





Serta Program Highlights

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



Feel the Difference
The Moment You Lie Down



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

New Serta
Individually
Wrapped
Coil Mattress
Available Now.

APRO Associate Member since 2009



control box, which commands the unit to run full power until the core of the mattress reaches 135 degrees. Then it runs for 60 minutes longer, cycling between 125 degrees and 135 degrees.

"What's great about it, besides the cost, is that it has no moving parts and it's safer than kerosene or propane-powered heaters," Frye says.

Each system is custom built when ordered and costs \$2,999, which includes free shipping. Although a detailed instruction manual is included, Frye recommends anyone interested come to Altoona for a live demonstration.

Dan Fisher, vice president of Majik Rent-to-Own, recently ordered one of Frye's Bug Out systems. Fisher, who oversees six stores in Pennsylvania, says that the investment was easily justifiable. "We have had situations where our product goes out and may come back with bed bugs," he says. "In some cases, it may be a \$1,000 write-off if they get into a sectional, because we have to throw it out. A few of those [situations] and it's paid for itself."

For more information on the Bug Out Thermal Extermination System, contact Mike Frye Sr. at fryefabrication@gmail.com or 814/381-6355. —Murlin Evans

Aaron's survey finds that many would choose a computer or TV over their bed

According to the results of a recent survey sponsored by Aaron's, 42 percent of Americans responded that they would give up their bed before

giving up their computer or television. While 58 percent would still choose a good night's sleep over entertainment, the findings are indicative of Americans' growing dependency on home electronics as household necessities.

In the online survey conducted by Ipsos Public Affairs, 1,006 adults ages 18 and older were asked, "Which would you give up last: Your bed, your computer or your TV?" Fifty-eight percent said they would give up their bed last, 28 percent said they would give up their computer last and 14 percent chose their TV over a bed or computer.

Across all age categories, the majority of respondents chose giving up their bed last, but among under-35 adults, 35 percent said they would choose their computer over their TV or bed.

"While we hope that no one ever has to make this difficult choice, the reality is that many are struggling in these economic times to afford each of these basic household items," said Mark Rudnick, Aaron's vice president of marketing. "One might think that a computer and a TV aren't a necessity, but for children in school, access to computers is a must and for the average household making under \$50,000 a year, a TV is the major source of entertainment."

Aaron's conducted the survey in December as part of the company's ongoing efforts to understand customer preferences. According to Rudnick, this commitment to customer satisfaction has led to rapid growth for Aaron's in 2010. The company is opening a new store approximately every 3.5 days on average and celebrated the opening of its 1,800th store in December. —Murlin Evans

RTOCalendar

February 20-23

RentDirect Nationwide PrimeTime! Vendor Show, Venetian Resort, Las Vegas, Nevada. For more information, contact James MacAlpine at 336/714-8802, jamesm@nationwidegroup.org; or visit www.gorentdirect.com/primetime.html.

February 20-23

TRIB Group/BrandSource Summit, Marriott World Center, Orlando, Florida. For more information, contact Dennis Shields at 770/451-4302, ext. 1, Dennis@tribgroup.com.

April 2-7

High Point Furniture Market, Spring 2011, High Point, North Carolina. For more information, call 336/869-1000; or visit www.ihfc.com.

April 19

Pennsylvania Association of Rental Dealers Annual Meeting, Harrisburg Hilton, Harrisburg, Pennsylvania. For more information, contact Sandi Frye at 814/949-2300, sandifrye@premierrents.com.

May 3-5

APRO's 2011 Dave Egan Legislative Conference, L'Enfant Plaza Hotel, Washington, D.C. For more information, contact Jeannie Hutchison, 800/204-2776, jhutchison@rtohq.org; or visit www.rtohq.org.

June 14-16

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, 573/442-2963, steineraa@aol.com; or visit www.missourirentaldealers.org.

June 15-19

ColorTyme 2011 Summer Retreat, Resort at Squaw Creek, Lake Tahoe, California. For more information, contact Rhonda Davis, 972/403-4945, rdavis@colortyme.com.

July 11-14

APRO's 2011 Rent-to-Own Convention and Trade Show, The Peabody Little Rock Hotel and Statehouse Convention Center, Little Rock, Arkansas. For more information, contact Shelley Martinek, 800/204-2776, ext. 109, smartinek@rtohq.org; or visit www.rtohq.org.

August 1-5

Las Vegas Market, Summer 2011, Las Vegas, Nevada. For more information, call 888/416-8600 or visit www.lasvegasmarket.com.

Franchise Financing has never been **Easier***



Qualified ColorTyme franchisees have access to financing for both start-up needs and ongoing inventory so they can provide name-brand electronics, appliances and furniture to their prized ColorTyme customers.

*Financing available to qualified franchisees through our guaranteed finance programs with a major 3rd party lender.

COLORTYME RENT-TO-OWN

ASHLEY[®] DELL[®] GE[®] hp[®] LG[®] MAYTAG[®] MITSUBISHI[®] Panasonic[®] SAMSUNG[®] Sears[®] SONY[®] Whirlpool[®]



For more information:
www.colortyme.com
(972) 403-4905



APR Associate Member since 1992

Buddy's Home Furnishings' Customer Appreciation Day

More than 1,000 attended Buddy's Home Furnishings' sixth-annual Customer Appreciation Day on December 11 in Tampa, Florida. Entertainment was provided by professional wrestlers, the Tampa Bay Storm and SpongeBob SquarePants. More than 150 children were fingerprinted by Tampa Police Explorers for the "Ident-A-Kid" program. To date, more than 11,000 children have been fingerprinted through the program at Buddy's events.

1: Buddy's owner Jamie Slatton, right, with Cole Edelman and Mason Gazzo 2: Buddy's Home Furnishings' Jody Katz, right, with Jim Basta, a Vietnam veteran and member of the Vietnam Helicopter Pilots Association 3: A Florida Championship Wrestling bout 4: Buddy's Home Furnishings' Joe Gazzo, Lois Slatton, Jim Whitney, Dana Sampson and John Gary 5: SpongeBob SquarePants passes the football to the Tampa Bay Storm's head coach Tim Marcum.



National TV Sales and Rental Awards Banquet

More than 80 employees of Missouri-based National TV Sales and Rental turned out for the company's annual Awards Banquet, held mid-December in Lebanon, Missouri. During the banquet, top employees were honored. "We've done this for more than 20 years and it's a really great opportunity to celebrate our employees and show our appreciation for all they do," says co-owner Kathy Windsor. "We are one big family."

1: Mark Windsor with 2010 Employee of the Year Michelle Jackson 2: The Store of the Year honor went to the Camdentown, Missouri, store: (front row) James Cole and Mike Finley; (back row) Mark Windsor, Jim Edman, Bob Mull and Richard Wilson. 3: Kathy and Mark Windsor with 2010 Manager of the Year Tom Welshimer (center) 4: Rising Star Award recipient Cordillia Stewart with Mark Windsor



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

Distributor of Choice™

Choice Rewards

Choice Selection

Choice Vendors

Choice Web Site

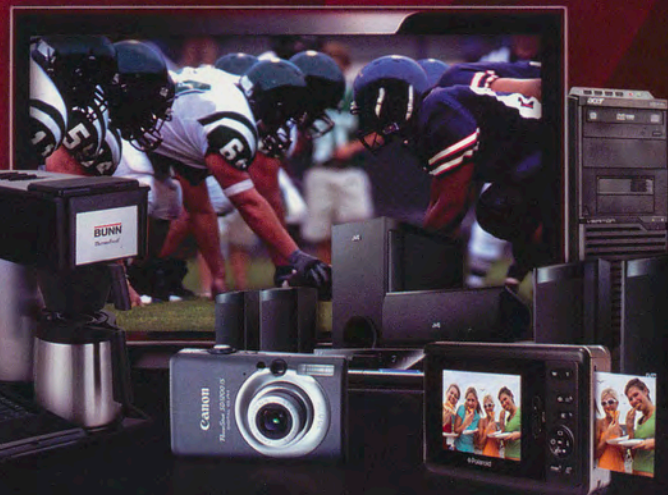
Choice Service

Choice Delivery



SED customers enjoy quick and accurate delivery, whether shipping to their location or to their customer's home or office. With industry leading 99.8% same-day shipping and over 99.9% order accuracy, **SED is the perfect choice** for urgent orders and end-user fulfillment.

Delivering quality products from leading vendor partners, such as:



Consumer Electronics | Computer Technology | Small Appliances

FREE SHIPPING!

Free Shipping for orders over \$750* and exclusive offers on SEDOnline!

www.sedonline.com

* Some exclusions apply

800.444.8962

www.sedonline.com

APRS Associate Member since 2004



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



Family

Matters

T

here's an abundance of camaraderie and compassion within the rent-to-own industry—so much so that many consider the Association of Progressive Rental Organizations to be more like a family and less like a random collective of like-minded business people. As is the case with all families, sometimes APRO members bicker and other times they embrace—but at the end of the day, the bonds remain intact. Throughout 2011, we'll celebrate this sense of family, paying tribute to our alliances and the united sense of purpose that goes beyond the typical colleague-to-colleague exchange. This summer's Rent-to-Own Convention and Trade Show in Little Rock will be the industry's "Family Reunion," your best opportunity to catch up with brothers and sisters, be they literal siblings or the proverbial type. Within the larger APRO family, there are many family-run businesses, where several generations of DNA-sharing entrepreneurs work together to assure that offspring will one day inherit a thriving enterprise. Throughout the year, we're paying tribute to these families as well, beginning here with clans who have been in the business long enough to produce three generations of successful rent-to-own dealers: the Windsors of Missouri, Quinns of Washington and Ferrimans of Ohio.

Most APRO members regard the rent-to-own industry as one big, mostly happy family. Amidst that kindred spirit, many actual families run their businesses. Throughout 2011, Kristen Card invites you to meet some of the families who work together to keep rent-to-own thriving, generation after generation.



MEET THE FAMILY

The Quinns

QUALITY RENTALS, TACOMA, WASHINGTON, WWW.QUALITY-RENTALS.COM

**The Quinns build
a rent-to-own
legacy while
expanding the
definition of
“family” business**

Kevin Quinn’s professional path—from selling mobile homes in Moses Lake, Washington, to owning and operating 18 successful rent-to-own stores statewide and earning APRO’s 2010 Lifetime Achievement Award—has had its share of twists and turns, with a family member around just about every corner.

It’s a story that, sadly, begins with the death of Kevin’s dad and launches into a tale that includes an asparagus farm, a volcanic eruption and 22.5 percent interest rates that led, ultimately, to Tacoma and a Prime Time Rentals franchise.

Happily, through it all, Kevin had Angie, his bride of 32 years and counting. She and Kevin were the only employees when their first rent-to-own store opened in Puyallup, Washington, in 1982 (not counting their six-month-old daughter, Courtney, “who was no help,” Kevin quips). “But once Courtney could talk, we’d put her in one of those booster seats that hangs at the end of a table, but she’d be at the counter,” Angie remembers fondly. “She’d talk to customers and her first words to every customer were, ‘Fifty dollars, please.’”

A second daughter, Casee, came along, followed by the Quinns’ first and second employees—Mike Little, who remains with the company today, and Bryan Huff, Angie’s younger brother, who now serves as the company’s vice president and head of operations.

The tale continues with a (different) brotherly partnership, its dissolution, a cousin coming aboard and the company’s evolution to Quality Rentals. The brotherly

partnership reformed, the partner—Kevin’s older brother, Dan—died suddenly, and Kevin’s oldest brother, Bill, joined Quality Rentals as its chief financial officer, while his son works as a manager.

Today, the Quinns have 17 Quality Rental locations, along with one Rent-n-Roll store. Among their 110 employees are the above-mentioned family members, as well as their now-grown daughters. But members of the Quinn family aren’t the only ones still hanging around. According to Kevin and Angie, more than 10 percent of their employees have been with them more than 20 years, and over half of the staff has been there more than a decade. “Family business doesn’t have to do with just blood,” Kevin notes. “Even though our family members are a huge part of this, our long-term employees are like an extended family to us.”

So the story that began with one man’s sad end, the Quinns have turned into a happy, continuing legacy for many. “Kevin’s father’s passing is what provided us with this opportunity to support our family and other families,” Angie says. “So the business holds a different, deeper level of commitment for us.”

“Our business is about creating futures for people we love—from our immediate family to the people who have been with us for years,” Kevin adds. “Some people run their businesses searching for an exit strategy, a way to cash in on their success. Our so-called ‘exit strategy’ is our family, so our employees can feel secure that they’ll have jobs until they retire. Our employees have given up a lot for our family, so no matter what happens, we stay with it. That’s what families do.” ✧

Opposite page, clockwise from left: Casee (Quinn) White, Bryan Huff, Courtney (Quinn) Conder, Devin, Angie, Kevin and Bill Quinn





MEET THE FAMILY

The Windsors

NATIONAL TV SALES & RENTAL, LEBANON, MISSOURI, WWW.NATIONALTVENTRAL.COM

**The Windsor
family nurtures
their faith,
commitment and
total togetherness
for all-around
success**

Mark and Kathy Windsor, their children and their family business—National TV Sales & Rental—all come from Missouri. And these Show-Me State natives stay true to their home state's nickname, proudly displaying their values for their employees, customers and the world to view. According to Kathy, they are not alone.

"Most of our friends are in rent-to-own, and while our businesses might differ, our priorities are the same: God, family and business," Kathy asserts. "We're proud of our beliefs. Even though sometimes today, it's not politically correct to put your values out there, ours are right out there for everyone to see—and it's always been like that."

Which is saying something, since National TV will celebrate its 25th anniversary this year. Today, the Windsors own and operate 17 locations throughout Missouri and employ more than 90 people—including five family members: eldest son Aaron is a district manager; daughter Michelle has been starring in National's commercials since she was a toddler and now also serves as the company auditor; Michelle's husband works as a service technician; and Mark's brother and a niece are also district managers. At one point, a total of 15 family members were involved in the business—including the Windsors' middle child, Anthony, who recently began training to open up a facility for troubled youth.

With that much family and that much business, the two become easily entangled—and the Windsors like it that way. Mark and Kathy agree that their personal values—working with diligence, acting with integrity,

treating people fairly and doing the right thing—are directly reflected in the way they run their company. And while they're ambitiously seeking to expand the business by a dozen stores, the Windsors continue to offer many special family touches. For the holidays, they drove 800 miles around the state to hand-deliver homemade sweets to every store, and Kathy sews baby blankets for each new addition to the staff's families.

Mark and Kathy, married 33 years, also note a common parallel among successful family-run RTO businesses. "We know most of the people in the industry and divorce is extremely rare," Kathy notes. "I think it's about commitment—you make a commitment to your business, you made a commitment to your marriage and that's it."

"A lot of people have fair-weather marriages," Mark adds. "It's all good as long as everything's fine; if not, then just get rid of it. If you have that philosophy and you're in this business, you're not going to last too long."

Clearly, commitment isn't an issue for the Windsors—not only do they work together, but they also live close to each other, enjoy Sunday family dinners and share a family vacation every five years. These self-proclaimed "roads scholars" say that whether at home or away, they can't dissect the personal from the professional—and they don't want to.

"When we're together, we're talking about the company," Mark says. "We've got a big RV so we can all go on vacation together and it's like being at the office: four people with computers up, talking on the phone. Being together works. A no-signal zone? Now, *that's* a problem." ✱

Opposite page, seated: Anthony Windsor, Laura Percival (Anthony's fiancé), Dakota, Kamilla and Charlie Windsor (Aaron and Robyn's children); standing: Michelle Windsor Jackson and David Jackson (holding two-week-old Ezekial Jackson), Mark and Kathy Windsor, Robyn and Aaron Windsor (holding their other child, Eva Joyce Windsor)





MEET THE FAMILY

The Ferrimans

SHOWPLACE INC., MARION, OHIO, WWW.SHOWPLACEINC.BIZ

**The Ferrimans
earn a spot as one
of Ohio's "first
families" of rent-
to-own through
superior service
and staff**

Gary Ferriman, founder and president of Ohio's Showplace Inc., was renting-to-own before RTO was cool—well, in Ohio, anyway.

"I never knew there was a rent-to-own industry," Gary chuckles. "It was the early eighties and a partner and I had a retail TV shop in Marion, buying trade-in color televisions and refurbishing them for resale. I got into rentals at the suggestion of a Cleveland retailer, just by putting together a small agreement to rent these TVs for \$10 a week for a year and once a customer paid it for a year, we let them have it."

Soon, a "real" rent-to-own store opened up in Gary's town and he began to study how the business operated. The first year his company rented televisions—1983—it did about \$100 thousand worth of business; within three years, it was up to \$1 million annually.

Over the next 15 years, Gary's partner sold out, the company became Showplace Rent-To-Own, Gary maxed out at 24 rent-to-own stores and sold 10 of them to Aaron's to focus on his strongest locations. Meanwhile, Gary's wife, Mary Ann, had opened up her own check-cashing/payday loan business, then merged her seven stores with Showplace. Eventually, unfavorable legislation forced the couple to close that piece of the company and Mary Ann joined Gary to help with purchasing for Showplace.

But Mary Ann wasn't the first to turn Showplace into a family business. "My first and longest-term employee joined in 1982, before we even began renting," Gary notes. "My mother, Kathy Anderson, did it all at the

beginning: she ran the store, she cleaned up and sold TVs, she did the bookkeeping—she did everything that needed doing. She has stayed with us as our bookkeeper all these years and, at 84, still works a four-day week." Gary's dad also did general maintenance for the company until his death in 1999.

Today, a third generation is continuing the rent-to-own family tradition. Gary and Mary Ann's daughter, Sheri Miracle, works as the company's marketing manager, and son Keith is involved in operations, performing electronics purchasing and overseeing five stores.

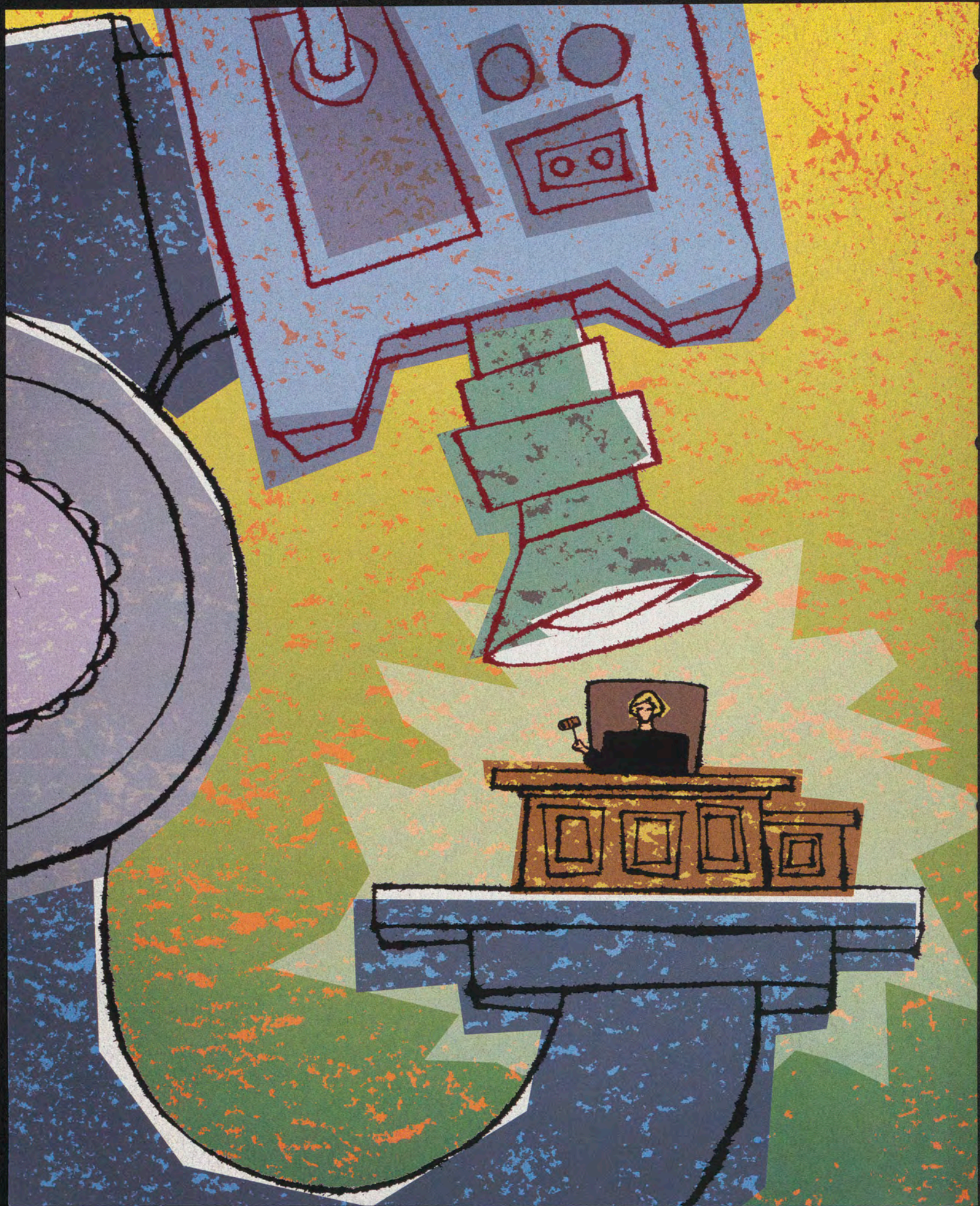
Much of Showplace's almost 30-year success seems related to the people Gary hires, regardless of familial status. He expects a lot of energy and lots of going the extra mile, seeking people who are competitive, yet caring—who want to win, but for the right reasons. And he meets one-on-one with every new employee to ensure that he or she understands Ferriman's high standards.

At the same time, Gary fiercely fights any notion of nepotism, confiding that the highest bar of all is reserved for his own family members. But he hopes that by standing on his figurative shoulders, they'll be clearing it for years to come.

"If they are passionate about it, then I look forward to seeing my kids take what I have put my blood, sweat and tears into and make it their success story, too," Gary says. "We work early to late. We love what we do. We feel good about making a difference for our customers and for the employees who are helping us build a special place to shop and work." ✧

Opposite page, clockwise from top left: Mary Ann Ferriman, Kathy Anderson, Gary Ferriman, Sheri Miracle and Keith Ferriman





AS THE RENTAL WORLD TURNS:

LESSONS LEARNED FROM SOME THOUGHT-PROVOKING CIRCUMSTANCES

IF YOU WORK IN A RENTAL STORE, YOU KNOW THAT YOU'VE SEEN ALL KINDS—quite literally “the good, the bad and the ugly.” Most of the customers are good, a few are bad and fewer still are downright ugly. The case would not change all that much if we were writing about customers at Walmart, or Kroger’s or CVS Pharmacy. If issues arise, usually they are resolved quickly, quietly and without a lot of fuss, right there in the store. A few issues bubble up to the home office. A few of those end up in lawsuits, drawing attorneys into the fray. Most lawsuits—95 percent of them or so—get settled before trial. Lawsuits are expensive for everybody and people generally do not like being in them. § Among those cases that do not settle and ultimately get decided by a judge or jury, a handful get appealed by the loser and the appeals court “reports” its decision. That means the appeals court writes down its decision and the reason for deciding the way that it did and makes it part of the public legal record. The idea is that if people know how courts have ruled in the past, they will be able to shape their future behavior accordingly, since—they realistically suppose—courts, when confronted with similar situations, will rule similarly. That is how “precedent” works and its use is intended to give the law stability and predictability. § Some of the cases that make it through the legal pipeline are noteworthy because of the rulings that the courts make. Some offer fascinating details that you just could not make up. Most, happily, demonstrate, one way or another, that justice does, indeed prevail. All offer lessons for us. Here is a sampling of cases that involve a rent-to-own store, rent-to-own customer or rent-to-own employee in one way or another. They offer insights and perspectives into the world in which we live. Some are old; some are new. The lessons offered are timeless.

BY ED WINN III

THE CHECK INDEED WAS IN THE MAIL, BUT IT WASN'T HERS

In Georgia, a rent-to-own customer, one of the accomplices in this tale, called her local RTO store and asked if she could cash a check for \$300 for a friend—the defendant in this case—whose purse and ID had been stolen. To persuade the rent-to-own store, the customer told the employee on the phone that she intended to make a payment with part of the money. The woman had been a customer for a few months and was current. The two women went to the store with a stolen money order that the defendant endorsed. The store cashed it for her and got a \$50 rental payment out of the transaction. The store employee who cashed the money order later picked the defendant out of a police line-up. The defendant happened to live in the same apartment building as the payee on the money order, a few doors down from the mailboxes—the same street address to which the money order was originally mailed.

At trial, the defendant offered various alibis in an attempt to prove that she was not the person in the store who forged the money order. She told the jury that she had been with her boyfriend. The boyfriend testified that she was, indeed, with him, when the incident occurred. However, a third accomplice, another woman friend of the rental customer, testified that she was in the defendant's apartment when they all heard the mailman arrive. The defendant went out to the mailboxes with a butter knife and came back with her neighbor's mail, which contained the money order. The third accomplice testified that the defendant suggested that the three women cash the money order and split the proceeds.

The defendant was convicted of forgery in the first degree. She appealed, claiming, among other things, that the prosecutor had tainted jury deliberations by calling her a liar repeatedly during closing argument. The court affirmed the conviction. She *was*, after all, a liar—and a forger to boot. We do not know what kind of sentence she got, but she spent some time in the big house.

LESSONS: Lying can be dangerous; forgery even more so. Rent-to-own employees should not cash checks for people they do not know, even on the say-so of good customers.

WELL, AT LEAST NOBODY GOT SHOT

In Texas, two delivery men drove to the defendant's house to swap out some bedroom furniture that the defendant's stepdaughter had rented from the rent-to-own store. On the way to the bedroom to pick up the old stuff, both men noticed a .30-30-caliber rifle leaning against the wall. The rental guys removed the old furniture and asked both the defendant

and the stepdaughter about her brother, who was a skip on another transaction. Both parties denied any knowledge as to the whereabouts of the brother and insisted that none of the brother's rented property was in the house. The defendant invited the delivery guys to have a look around if they wanted.

The delivery men then informed the stepdaughter/customer that her account for the bedroom furniture was 10 days past due and that, if she could not bring the account current, they would not deliver the new furniture, which was, in fact, in the truck. The stepdaughter replied that she did not have any money, while the defendant picked up the .30-30, aimed it at the delivery guys and ordered them to deliver the new furniture before he started "putting holes in things." One of the delivery guys got permission to call the store and the store manager told his employees to deliver the new furniture then beat a hasty retreat. The delivery guys did just that, all at gunpoint, and were allowed to leave.

The defendant was arrested for the offense of deadly conduct, and, after a jury trial, was convicted and sentenced to 90 days in jail and a \$1,000 fine. The defendant appealed, arguing that his use of deadly force was justified under the circumstances. In affirming the conviction, the court of appeals told him it was not justified. The court noted that there was no discussion, no negotiation, not even any verbal threats by the defendant before he went for the rifle.

LESSON: It is still the Wild West in parts of west Texas. The store manager and delivery guys all remained calm and exercised good judgment—not always the easiest thing to do when staring down the barrel of a rifle held by an angry man. Have you talked to your employees lately about how to act when unavoidably involved in a doorstep confrontation?

DUMB AND DUMBER

The defendant was an 18-year-old rent-to-own employee in Illinois with a ninth-grade education. He was hired as a delivery person and was friends with the store manager who had hired him. During the store manager's tenure, there had been numerous thefts of cash and furniture from the store. The defendant knew of his friend's involvement in these thefts, but kept quiet. One day, perhaps feeling the heat, the store manager proposed giving the defendant a VCR from inventory in exchange for which the defendant would burn down the store to cover up the evidence of the thefts. The defendant agreed to the scheme!

Early one morning, the defendant doused the store with gasoline, lit it and left. The fire department responded to the blaze and an assistant fire chief was killed when a roof and wall collapsed on him as he attempted to open a door to get to the fire. Days later, the store manager made good on his deal and gave the defendant a VCR.


Eight months later, the defendant confessed to the crime. The store manager was convicted of murder and sentenced to 24 years in the penitentiary. In a separate trial, the defendant was convicted of aggravated arson and, likewise, sentenced to 24 years. (The sentencing range for aggravated arson in Illinois is six to 30 years.)

The defendant appealed, arguing that mitigating factors—his age and the fact that he had no prior criminal record—outweighed the aggravating factors, one of which was that the defendant, “by the duties of his office or his position, was obliged to prevent the particular offense committed.” The defendant argued that he had no office or position in the company. The appeals court agreed, noting that “he had no managerial or supervisory authority. Nor does it appear that he was assigned duties to guard the business, pre-

in it. The driver went into the store for 10 minutes and when she went back outside, lo and behold, the van was gone. Immediately, the store notified the police that the van was missing.

At 1 a.m. the next night, the police stopped the van because of a bad brake light, ran a license-plate check, discovered that the van was reported stolen and arrested the defendant, who was driving the vehicle. The defendant had a revoked driver’s license and a crack pipe on the center console in the van.

The defendant’s alibi was that he was at a party at a motel and was chosen by the group to make a beer run. The defendant had no car at the motel, so he “rented” the van from another partygoer for \$50. After he got the beer for the party, he intended to use the van to drive to another town to visit a woman. The defendant admitted using the crack



IT IS STILL THE WILD WEST IN PARTS OF WEST TEXAS. THE STORE MANAGER AND DELIVERY GUYS ALL REMAINED CALM AND EXERCISED GOOD JUDGMENT—NOT ALWAYS THE EASIEST THING TO DO WHEN STARING DOWN THE BARREL OF A RIFLE HELD BY AN ANGRY MAN.

vent fires, report crime or otherwise provide security.” The court sent the case back to the trial court for another sentencing hearing.

There was a dissent. The dissenting judge wrote, “[Whatever the office or position], it is fundamental to the employer/employee relationship that an employee not spread gasoline around the employer’s store, light a fire and leave. An employee has an absolute duty to his employer to prevent his own misconduct.” The dissenting judge went on to note that the law recognized certain kinds of employee conduct as aggravating factors: “soliciting his employer’s customers for himself, enticing co-workers away from his employer or appropriating his employer’s personal property.” The judge suggested adding to this list, “burning down the employer’s place of business.”

TEST: Who is stupider: a) the defendant; or b) the court of appeals judges? LESSON: What we learn from this case is that there is *stupid* stupid and *highly educated* stupid loose in the world. Try not to hire—or elect—either kind.

THE KEY TO PREVENTING VAN THEFT

In the middle of a weekday afternoon in a small town in Tennessee, a rent-to-own delivery driver parked the company van at the loading dock in the back of the store and left the keys

pipe at the party, but denied that it was his, saying that it belonged instead to the owner of the van. When arrested, the defendant had no money on him.

After a jury trial, the defendant was convicted of grand theft, possession of drug paraphernalia and a second offense of driving with a revoked license. He was sentenced to six years in the state pen, but appealed the sentence as too harsh in light of his having post-traumatic stress disorder from combat duty in Iraq, as well as suffering from depression and bi-polar disorder. He testified that he was not in treatment and instead was “self-medicating.” The appeals court affirmed the conviction and the sentence.

LESSON: You never know who may be wandering around behind the store—or in front of it, for that matter. Don’t leave your keys in the car, not even for a minute. *Ever!*

TELL THEM WHO YOU REALLY ARE

A Florida rental company decided to hire an employee on a contract basis to collect hard accounts. The employee used an alias, “United Rental Recovery,” on the phone and in correspondence as he pursued the skips and stolens. He called the plaintiff at her work, where she answered telephones for a busy car dealership. He told her that he had a warrant for her arrest for grand theft, because of a debt that she owed to the

rent-to-own store. Surprised, she exclaimed, "Arrested!" loudly in the showroom and everybody heard her. She requested that the collector fax her the documentation; he faxed her a "request" for a warrant for her arrest. The plaintiff asked for time off from work immediately and spent the rest of the day and night talking to the police and lawyers, where she learned that no warrant was outstanding. She later testified that her children—ages 4, 7 and 9—were listening to her on the phone as she talked anxiously to the police and lawyers and her kids asked her if she was going to jail.

The faxed letter indicated that she owed \$700 and cited that infraction as a third-degree felony punishable by up to five years in prison or a \$5,000 fine.

The plaintiff testified that for the next two months, she was afraid to answer the telephone and that she quit answering her home phone altogether. She feared that if she was arrested, she would lose custody of her children and possession of her home. She sued for statutory damages under the federal *Fair Debt Collections Practices Act*—failing to disclose the actual identity of the collector—and for actual damages stemming from her humiliation and emotional distress. The defendant did not appear at trial and the court awarded the plaintiff \$22,000 in actual and punitive damages.

LESSON: It does not pay to be less than candid when collecting—and it may cost you a bundle.

SKIPS AND STOLENS ARE NOT WORTH MUCH. WHO KNEW?

The plaintiff, a publicly traded debt-buying company, purchased several thousand charged-off accounts from a rent-to-own company—the defendant—for a few million dollars. Although the calculations are not in the record, one might suppose that the plaintiff paid a nickel or less on the receivable dollar, thinking that it could put its ace collectors on those accounts and harvest some big returns.

Not surprisingly—to rental dealers, certainly—the ace collectors failed miserably and were unable to accomplish what the rental company itself had already demonstrated that it could not do. Chagrined at having made a bad deal, the plaintiff sued the rental company for breach of contract and fraud. The plaintiff expressed great surprise that when it mailed letters to skipped rental customers, they all came back "undeliverable." When collectors with this company called the telephone numbers in the customers' files, either the numbers were wrong or the phones had been disconnected.

The trial court ruled in the rental company's favor and the appeals court affirmed the ruling. Here's why: The contract stipulated that the "[Plaintiff] acknowledges that the Assets [rental agreements, customers files, computer records, etc.] may have limited or no liquidity and [Plaintiff] has the

financial wherewithal to own the Assets for an indefinite period of time and to bear the economic risk of an outright purchase of the Assets and a total loss of the Purchase Price of the Assets. [Plaintiff] acknowledges that the Assets may be Unenforceable Assets."

Elsewhere, it also read that "the assets are being sold 'As Is' and 'With All Faults'.... [The rental company] makes no representation as to the number of Unenforceable Assets which may be included in the sale."

Finally, there was this language: "[Plaintiff] has relied solely on its own investigation and it has not relied upon any oral or written information provided by [the rental company]... and acknowledges that no employee or representative of [the rental company] has been authorized to make and that [Plaintiff] has not relied upon, any written statements other than those specifically contained in this Agreement."

There was another provision that gave the plaintiff 150 days after closing to flag unenforceable assets and the rental company agreed to replace each account so flagged with another bad account in their system. The plaintiff quickly discovered that the replacement accounts were no more collectible than the original bad accounts and abandoned the effort to seek replacement accounts, seeking relief in court instead. The plaintiff got none.

LESSON: Rent-to-own companies know what skips and stolens are worth. If they can't get the money or the television back, nobody can.

HONOR THY FATHER AND THY MOTHER—IT'S A COMMANDMENT

The plaintiff's son was a rent-to-own store manager in South Carolina. His refrigerator went out suddenly and he needed an immediate replacement to avoid losing a lot of food. He applied for an employee rental-purchase deal, but all employee deals had to be approved by the regional manager, who was unavailable as the food sat spoiling. The son did not want to violate company policy, so he filled out a rent-to-own agreement in his parents' names to be used on an interim basis until the regional manager got to town and could approve his employee deal. The store delivered the refrigerator and the son's wife signed the delivery receipt with her name and her mother-in-law's name.

The son did not inform his parents of their seemingly temporary involvement in his refrigerator agreement. They were former customers of the rent-to-own store and, at the time of the refrigerator transaction, had filed a Chapter 13 bankruptcy proceeding, which was pending. Ten days after the refrigerator was delivered, the regional manager made it to town, approved the employee deal for the son and the agreement made out in his parents' names was marked "can-

RentDirect Members
Comprise over 60% of all
Stores in the U.S. and
Canada with Revenues
in Excess of
3.4 Billion Dollars



RentDirect
Nationwide™

**Tap Into
The Power!**

For more information contact:

James MacAlpine at 336-722-4681

or email jamesm@nationwidegroup.org

or visit our website - www.gorentdirect.com

RentDirect Is A Division of the Nationwide Marketing Group

**We Invite You
To Join America's
Largest Buying
Organization
with More
Services and
Resources Than
Any Other Group**

- Over \$12 Billion In Group Buying Power
- Save as Much as 15% on Purchases
- 40 Warehouses Coast-To-Coast
- Largest Selection of Top Brands
- Custom In-Store Video Programming
- Free Advertising and Marketing Support
- 24/7 Web Based Communication System
- Store Fixtures and Sign Displays
- Exclusive Financing Programs
- Free Sales Training Tools
- Attend PrimeTime! The Industry's Largest Member Conference and Buying Show
- **Never an Attendance Fee!**



Over 3000 Members Strong!

APRS Associate Member since 2004

celled." Computer records in the store noted that the refrigerator was "returned by customer request."

Some time later, the parents learned of the deal and sued the rent-to-own company for a slew of violations, including: the *Fair Credit Reporting Act (FCRA)*, claiming that the bogus agreement had dinged their credit and the company had not played by the law's rules; the *Truth in Lending Act (TILA)*, for disclosure violations in their bogus rental agreement; South Carolina's *Unfair Trade Practices Act (UTPA)*, because the agreement with their names on it was bogus; and their common-law right of privacy. The rent-to-own company sued the store manager and his wife for conversion and breach of fiduciary duty.

A bankruptcy judge ruled that the rent-to-own company did not violate the *FCRA*, because it was not a credit-reporting agency, nor did the bogus agreement affect the parents' credit. The rent-to-own company did not violate the *TILA*, because it was not a "creditor" as defined in the law, nor are rent-to-own transactions "credit sales." There was no evidence of identity theft by the company and, if there was any identity theft, it occurred when the son's wife signed her in-law's signature. The rent-to-own company did not violate the state *UTPA* statute either, because the isolated incident of temporarily having a bogus agreement in the system with the parents' names on it was unlikely to be repeated and, therefore, had no impact on the public interest. The rental company did not wrongfully appropriate the parents' good name and right to publicity, either, because it did not profit from the momentary use of the parents' names on the rental agreement.

The judge threw out all of the parents' claims because they were unable to show any damages at all from the bogus agreement: "...the Court cannot find a scintilla of evidence of harm to the debtors..." In the record, the son is listed as "a former employee of the rent-to-own company."

LESSON: Do not put other people's names on rental contracts—not even your parents, not even for a little while, not even if the meat spoils and especially if they are bankrupt and looking for some easy money, thanks to an aggressive, but misguided, lawyer. They will not get the money and you will not get to keep your job.

NO MATTER HOW WELL YOU THINK YOU KNOW YOUR BUSINESS PARTNER, GET IT IN WRITING

In Alabama, the plaintiff, a veteran rent-to-own employee, approached the defendant about going into business together and opening their own RTO store. The plaintiff would provide the sweat—running the store—and the defendant would provide the equity and finance the operation. The plaintiff wanted a 50/50 deal, but the parties eventually shook hands on

a 25 percent/75 percent deal, with the added agreement that the plaintiff could earn another 2 percent interest in the partnership each year for five years, up to a 35 percent interest in the company. The parties never put anything in writing.

The defendant started writing checks and the plaintiff leased space and proceeded to get the doors open on a new rent-to-own store. The plaintiff and his wife both worked full-time in the store, from the opening date, with the defendant's full knowledge. Each drew a salary. Three months before the store opened, the defendant incorporated the business, making himself the sole shareholder. The defendant told the plaintiff of the incorporation, but explained that he was doing it for tax purposes and that the plaintiff need not worry.

The plaintiff and his wife operated the store for the next 10 months. There is no evidence in the record as to the store's performance. During that time, the plaintiff's wife rented some furniture and appliances from the store for their house.

After 10 months, the defendant came into the store, accused the plaintiff of embezzling money and ordered him and his wife to leave the premises immediately. The defendant fired the plaintiff and his wife and then filed a criminal complaint against the wife for "fraudulent leasing." The wife was arrested, but soon thereafter, the matter was presented to the grand jury and it refused to indict her. The criminal charges were dismissed.

The plaintiff then sued the defendant for fraud and breach of contract. His wife sued the defendant for false arrest, malicious prosecution, slander and false imprisonment. The defendant counter-sued, alleging breach of a non-compete agreement and conversion of money and equipment from the business. The first trial ended in a hung jury. At the second trial, the jury found in favor of the plaintiff and his wife and awarded him \$110,000 and her \$30,000 in damages.

The defendant raised a host of issues on appeal and the case eventually made it all the way to the Alabama Supreme Court. One of his arguments was that one witness' answer to a question about the defendant's reputation in the community was inadmissible and prejudicial—the witness had stated that, "from all indications that I had from those who had been in business dealings with him, it was not the most favorable." The Alabama Supreme Court agreed that the trial court erred in admitting that testimony, but that it was not finally prejudicial, as there was plenty of other evidence to support the plaintiff's claims. The court affirmed the money judgments.

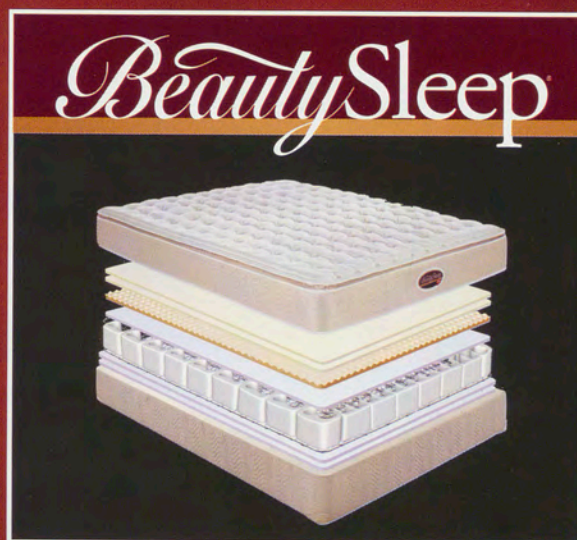
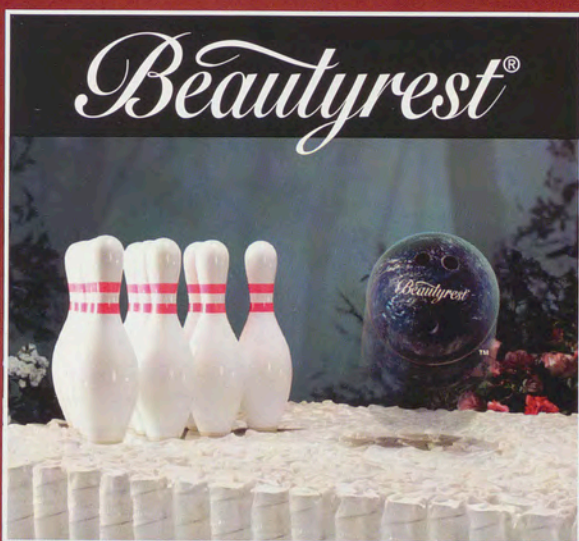
LESSONS: Be careful with whom you do business. Partnerships are like marriages. Good ones are made in heaven; bad ones end up in hell. And do you *really* need reminding to get it in writing? It is simply foolish not to do so. *

Ed Winn III is APRO's general counsel—and he'll provide more lessons in the next issue. His e-mail address is edwinn@muvmlaw.com.



WHY SIMMONS®?

- Product and plant training available
- Regulations expert at your service
- Increase your keep rate
- Nationally recognized brand
- More Steel
- Only 4 set minimum order
- 16 plants Nationwide
- Less Movement
- Better Conformability



For more information, contact Benjamin Crowder,
 Director Military and Rental: 404-435-1846

APRS Associate Member since 1997



WHAT INFLUENCES IMAGE?

Rent-to-Own's Image: Part III | By Richard May

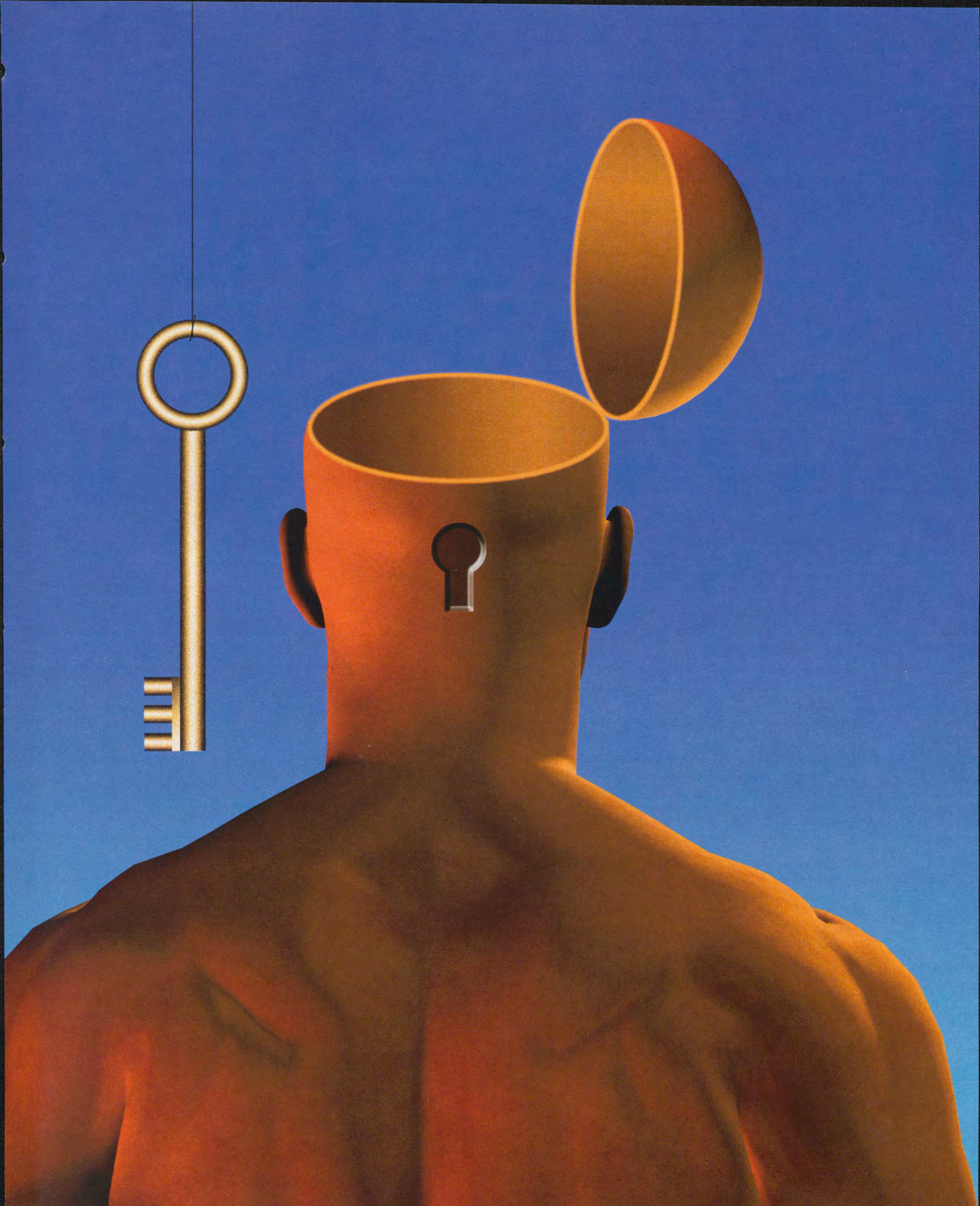
In this issue, we conclude our three-part examination of rent-to-own's image. First (*RTOHQ: The Magazine*, September–October 2010), we reviewed the results of APRO's latest *Potential Rent-to-Own Customer Survey* and addressed the marketing image of our business—how we are perceived by customers and potential customers. Next (November–December 2010), we offered some public relations do's and don'ts. Now we look at the association's broader image-enhancing strategies and address how “influencers”—those who create and can alter public opinion: legislators, the media, economists, analysts and the like—perceive rent-to-own. Our existing customers, in general, love the business. Potential customers barely know that rent-to-own exists and, according to surveys conducted over the past two decades, they think rent-to-own is a “rip off.” But what do public opinion makers think of rent-to-own?

APRO's campaign to polish the industry's image in the eyes of public opinion makers began as a reaction to legislative attempts to dismantle rent-to-own. As we recalled in the past two issues, the U.S. Congress wanted rent-to-own eliminated from the business landscape in the 1990s. Many media outlets—both in print and on television—echoed the call for the industry's demise. They commenced sensationalist investigations, wrote catchy headlines (“RTO=Rip Them Off”) and promoted consumer groups' negative view of rent-to-own. In 1993, APRO created its first public relations committee to shore up this tarnished image and prove the value of the rent-to-own transaction. It was, and continues to be, a challenging goal.

In building a sustainable rent-to-own industry, passage of rental-purchase state laws was a crucial first step, but consumer advocates touted such legislation as “loan-shark laws,” bought and paid for by lobbyists. It's one thing to be able to

exist legally; it's entirely something else to prove your worth in the court of public opinion. If the public opinion pendulum veered too far in opposition to rent-to-own, state laws could be overturned or usurped by an anti-RTO federal law.

In the 1990s, Congress and various members of the media were working to shift the court of public opinion against the industry, telling the story of rent-to-own with a decidedly negative slant. The RTO industry needed to tout its value to the consumer to counter the charges being levied against it. Those best suited to testify on behalf of our industry were, and are, our customers. Customers helped convince legislators that rent-to-own was a worthwhile business and Congress listened—not every member of Congress, but enough to keep rent-to-own on the map during that tumultuous period. Still, Congress wasn't the only hurdle in shifting the negative opinions of rent-to-own toward a more positive image.



Opening Doors to the Media

Satisfied customers convinced Congress to back off from its pursuit to rid the world of rent-to-own. If Congress has been persuaded to acknowledge both sides of the RTO issue, winning over the hearts and minds of those in the media has been a more difficult and enduring challenge. Like all successful business men and women, those in rent-to-own aspire to control all aspects of their business, but with the media, such control is impossible. You can pay to tell your RTO story—it's called advertising—and you get what you pay for; but the media is a different animal. It gets to choose what stories it wants to hear and what stories it wants to tell—and when it comes to rent-to-own, in the past, most often the stories the media told were critical.

So, as we related in the previous article, why deal with the media? Isn't it best to avoid the calls, to put a clipboard in front of your face when a reporter and cameraman walk into your store? And by all means, don't be proactive and actually contact anyone in the media about your business! When you have no control over the outcome, the risk is not worth it. The problem with that "logic," though, is that the media are going to tell the story anyway. Thus, in the 1990s, the industry's policy toward the media began to change. A new strategy was developed: answer every media call, agree to interviews and store visits by reporters and consumer groups. Do not just answer them, but do so with a smile, open arms, open doors and the facts about how rent-to-own really works.

APRO's public relations leaders—including Ernie Lewallen, Gary Romine, Shannon Strunk, Geron Vail, Sidney Burton and Larry Carrico—have defended and promoted this open-door media policy, and it has improved the industry's image to public opinion makers ever since. The open-door policy, however, is not fool-proof. A few years ago, APRO was very accommodating to an inquiring reporter from the *Buffalo News*, but regardless of how APRO members responded to him, the published articles sought to further tarnish rent-to-own's image, twisting and distorting rental dealers' responses along the way. In such cases, the best you can do is learn from the experience—hold the reporter at arm's length, with the motto, "burn me once, shame on you; burn me twice, shame on me."

While we have no control over what the media reports about the industry, we do have control over how we respond. For the past two decades, it is estimated that APRO's open-door media policy has stifled 85 percent of the potential negative stories. Today, the majority of news stories reporting on rent-to-own are balanced; a small percentage skew either predominantly negative or predominantly positive (although lately, stories have been leaning more toward the positive). Three years ago, then-APRO President Larry Carrico persuaded the association to go beyond simply reacting to the media with an open-door policy. He urged APRO's public relations department to "push" positive news, generating press releases and e-mail blasts

that promoted all things positive about rent-to-own, including charity drives, store happenings, customer-appreciation events and the like. This "push" garnered positive reports for rent-to-own on MSNBC, the Associated Press news wire and in dozens of newspapers across the country.

Rent-to-Own Meets Academia

Another case of uncontrolled outcomes involves debate over whether or not APRO should assist independent researchers seeking to publish academic papers on rent-to-own. The issue arose in 2001 when two University of Massachusetts finance professors approached APRO looking for rent-to-own transaction data to include in an academic research paper they were writing. There were contentious discussions among APRO's leadership whether or not to help the professors in their efforts. Gary Romine, APRO's public relations committee chairman at the time, went toe to toe with RTO industry lobbyists who advised against any industry participation. Romine promoted APRO's participation and won the argument. Thus was born an enduring relationship between rent-to-own and academia—one that has proved fruitful in enhancing our image among the public opinion makers.

The research papers written by professors Michael H. Anderson and Raymond Jackson—*A Reconsideration of Rent-to-Own*, published in 2001, and *Rent-to-Own Agreements: Purchases or Rentals?*, published in 2003—confirmed what rent-to-own dealers already knew. Analyzing hundreds of thousands of transactions, the data showed that rent-to-own is, first and foremost, a lease. Publishing this "revelation" in prestigious academic journals—papers that are vetted to make sure the research is sound—made for a more compelling rent-to-own story, especially to members of Congress, the media and the courts. This academic research is now some of the most powerful public relations ammunition in APRO's arsenal.

In another academic paper, *Understanding the Asset-Limited, Income-Constrained (ALIC) Consumer*, published in 2007, Clemson sociology professors Jim Witte and John Mitteltaedt cited rent-to-own as a logical choice for the asset-limited, income-constrained consumer in America. Their premise is that such customers choose, desire and enjoy rent-to-own because it fits their socio-economic lifestyle. Recently, U.S. Representative William Lacy Clay (D-Missouri) cited the ALIC consumer article when asking fellow members of Congress to support his RTO-friendly legislation.

In 2008, the *William & Mary Law Review* published an article by Jim Hawkins, a law student at the University of Texas, who defended the reasons why rent-to-own should exist as a lease. In *Renting the Good Life: A Law and Economics Research Paper*, he debunks consumer groups' legal arguments that rent-to-own should be regulated as a sale. Hawkins' paper

was cited in newspaper articles and has served as additional enhancements of the rent-to-own image.

In 1999, the Clinton administration, at the behest of consumer groups, ordered the Federal Trade Commission to study rent-to-own customers. APRO leaders were concerned because the FTC is a regulatory body with jurisdiction over all kinds of consumer transactions, including rent-to-own. The FTC issued a report that was favorable, overall, to the industry and concluded that the government should be careful when regulating rent-to-own because customers know, understand and appreciate the transaction. Not only did a federal regulating body verify that rent-to-own should exist, it also demonstrated that opening doors to let the light in is better than hiding in the dark. Among other findings, the FTC noted that the barriers to entry into the rent-to-own business were low and that the industry is a competitive one, undermining the argument that RTO prices are artificially high.

Recently, business author Gary Rivlin contacted APRO regarding a book he was writing about the under-banked in America. He wanted to learn more about rent-to-own and was grateful for our candidness and willingness to help him with all of his requests. APRO referred him to dealers he could interview in New York and Texas. Periodically during the writing of his book, he contacted APRO headquarters for research and contact information. Rivlin's book, *Broke USA: From Pawnshops to Poverty, Inc.: How the Working Poor Became Big Business*, premiered with a lot of national promotion, but the book barely mentions rent-to-own. Several weeks

prior to its publication, Rivlin contacted APRO to inform us that he was not going to publish a rent-to-own chapter in the book. He said it didn't fit his criteria. In a radio interview, Rivlin stated that rent-to-own didn't warrant the close scrutiny other industries should be given. Rent-to-own customers, he said, are satisfied and know full well how the transaction works.

Charity Begins...at the Office

One public relations initiative that has been the icing on RTO's image-improvement-campaign cake is the industry's charitable endeavors. As was the case with rent-to-own's cooperation with academia, so it was when industry leaders sought to launch a national charity campaign—that is to say, the debate among APRO strategists was heated. Some said it would be a waste of money. Others argued that it would come off as nothing but a mere publicity stunt and would backfire with the public and the media. Others were for it, “but only if it helps government relations”—in other words, first and foremost, make sure that members of Congress learn all about our good deeds. Finally, the majority decided that it was simply the right thing to do.

In 1997, APRO leaders chose to endorse Habitat for Humanity as the industry's national charitable campaign. Building houses seemed a perfect and natural fit. APRO donated 100 stoves to the annual Jimmy Carter Build in Houston, Texas. The association also helped coordinate contributions

SHAPING IMAGE: WHAT INFLUENCES THE PUBLIC OPINION MAKERS?

There are five key strategies for shaping the industry's image in the eyes of those who affect public opinion:

- 1 **State Legislators.** In 1983, there were no positive state rent-to-own laws on the books. In 2011, there are 47.
- 2 **Congress.** In 1994, following an investigative hearing in the U.S. House Banking Committee, legislation was introduced to run rent-to-own out of business. In 2002, positive rent-to-own legislation passed the U.S. House of Representatives. In 2010, 126 House members co-sponsored industry-supported legislation. More than 100 House co-sponsors is

considered a significant threshold to cross.

- 3 **The Media.** In 1994, *The Wall Street Journal* published an article about rent-to-own with headlines “The \$5,000 VCR” and “Couch Payments.” In 2009, *The Wall Street Journal* published an article reporting how rent-to-own serves a valuable need during the credit crisis. Dozens of news stories followed, featuring rent-to-own as a credit-free alternative.
- 4 **Academia.** In 1997, there were dozens of negative studies and reports criticizing rent-to-own used in legislative debates, media campaigns and court cases. In 2011,

there are nine independent academic studies positively reflecting how rent-to-own serves the economy and customers. Now, these studies are used in legislative debates, media reports and court cases.

- 5 **The Community.** Before 1996, the rent-to-own industry as a whole did not participate in a nationwide charity initiative. In 2010, APRO charitable campaigns contributed hundreds of thousands of dollars to Habitat for Humanity, Computers for Kidz, the Congressional Black Caucus Educational Foundation, the RTO Disaster Relief Fund and created its first permanent Educational Scholarship Foundation.

to Habitat builds across the country, culminating in the donation of hundreds of thousands of dollars worth of refrigerators, ovens, money and manpower to the cause.

In 2000, APRO's relationship with Habitat for Humanity hit its high mark in Austin, Texas. Under the leadership of Gary Romine, the association's public relations committee chairman at the time, the industry sponsored and built its

students in the Cleveland area. The notes conveyed their appreciation for the new computers they'd received, courtesy of the rent-to-own industry. The notebook was presented to Cleek by the son of late Congresswoman Stephanie Tubbs Jones in front of hundreds of attendees at the Congressional Black Caucus' silent auction, including members of Congress and their families. Jones had been a vocal critic of rent-to-

Rental dealers have been enthusiastic about participating in charitable causes. They do it out of sense of compassion and kindness—not to solicit public glorification. Yet, these events have created some very positive press nationwide.

own APRO Habitat for Humanity house in seven days. It was a moment of unity for the industry and showed that a charity can be as beneficial and meaningful to those giving as to those who receive. (Special accolades go out to APRO member David P. David who spent hours in a HasMat-like suit in 101-degree Texas humidity while he textured the inside of the house. David is considered APRO's volunteer of the century for sacrificing his body and suffering severe heat exhaustion in the service of the industry and Habitat for Humanity.)

Here again, though, was a public relations initiative with a degree of risk, where the circumstances and outcome were not fully in our control. Some Habitat for Humanity affiliates accused the rent-to-own industry of participating in Habitat builds as a cloaked campaign to recruit new customers. While the hundreds of families who benefitted from the industry's participation were eternally grateful, rent-to-own leaders rightfully felt betrayed.

Some charitable initiatives have had a more enduring impact. In 2001, Shannon Strunk, APRO's public relations chairman at the time, proposed a permanent educational scholarship fund, one that would award college scholarships every year. Recently, APRO's Educational Scholarship Foundation reached its goal of \$100,000, which enables awarding multiple scholarships each year. The recipients of the scholarships must be APRO employees or their children—a charitable initiative that strengthens the backbone of our industry: rent-to-own employees.

APRO's Education Foundation also contributes to the annual Congressional Black Caucus Spouses Foundation. In 2001, APRO members began donating products and money for the CBC's annual silent auction. The donations raise money for student scholarships throughout the country. In 2009, APRO became the official sponsor of the foundation's silent auction with a \$50,000 contribution. APRO's 10-year participation in the CBC's silent auction was recognized last year when then-APRO President Tiger John Cleek was presented a notebook of handwritten thank you letters and pictures from

own, but now her family told the audience that they are “forever grateful” to the RTO industry.

APRO's Education Foundation also includes the “Computers for Kidz” program, which launched in 2008. APRO dealers and state associations contribute computers to deserving junior high and high school students.

Rental dealers have been enthusiastic about participating in charitable causes. They do it out of sense of compassion and kindness—not to solicit public glorification. Yet, these events have created some very positive press nationwide and demonstrate to an ever-widening audience that the rent-to-own industry wants to help.

Last but not least, there is one academic paper that APRO had no control over, nor knowledge of, until years after its publication. In 2001, the association learned that its public relations responses to the congressional threat in 1993 and the media blitz that followed have been chronicled as a college textbook case study for business students, thanks to a paper, *The Rent-to-Own Industry*, written by Rice University professors Doug Schuler and Gerry Keim. Each year, Schuler assigns graduate students to study rent-to-own from 1993 to the current year. By doing so, Schuler hopes to demonstrate to students the importance between a business' public relations efforts and its government relations.

How does the rent-to-own industry's image stack up when it comes to public policy makers? It's been a long and tough journey that continues and evolves—but, we can honestly say, it's one for the textbooks. Business students across the nation now study how APRO members helped write the chapter on how to manage an image crisis. We are getting better with the public relations message every year. More people know about rent-to-own than ever before and what they know is mostly good these days. ✧

Richard May is APRO's public affairs director.

heat up rentals

and help cool your customer's energy bill

With versatile furniture that looks great, and stays on-rent.



TRIB
Space # 1306

*Source: Energy Information Administration and Alliance to Save Energy

ClassicFlame
DECORATIVE ELECTRIC FIREPLACES

TRESANTI

durafLame

With nearly over 55,000 products rented in 2010, it's easy to see the value in our award-winning furniture.

Tresanti media cabinets turn messy family rooms into beautiful home entertainment centers.

Our electric fireplaces and Infra-Red Quartz Heating products can beautify any home and at the same time reduce overall energy costs through Zone Heating.*

TWIN-STAR
INTERNATIONAL

www.twinstarhome.com

APRO Associate Member since 2007

100% WINDOWS

Software for RTO, Retail & Cash Advance
Purchase as low as \$899 Lease only \$75 per month!



FREE DEMO

FULL-FUNCTIONALITY

- 100% Windows Vista / XP Compatible
- Rent-to-Own / Rent-to-Rent / Retail Installment Financing / Cash Advance
- POS / Inventory Management / On-Screen Collections
- Network / Home Office Versions
- Data Conversions from other programs

ADVANCED FEATURES

- Recurring ACH Payments
- Integrated Credit Card Processing
- Barcoded Inventory Control
- Customizable Laser Agreements
- Automated Outgoing Messaging
- Document Scanning & Imaging
- Integrated Time Clock



Online Rental Payments & Integrated ACH, VISA, MC, Amex & Discover Processing!

RTO Pro Software
Affordable Solutions
(800) 351-6299 www.rtopro.com

APRO Associate Member since 2000



AN ECONOMIC FORECAST: RECOVERY BRINGS OPPORTUNITIES

BY PHILLIP M. PERRY

2011

What lies ahead in 2011? If you're like most business owners, you're ready for a rebound in sales after two years fighting the recession dragon. But maybe you're dogged by a common question: How will the unsettled economy affect the success of your merchandising programs? Here's some good news: You are now operating in an economic environment that is, slowly but surely, on the mend. "The recovery will start to ramp up in 2011, then really expand quite strongly in 2012 and 2013," according to Sophia Koropecyj, managing director of industry economics at Moody's Analytics, a research firm based in West Chester, Pennsylvania (www.economy.com). Most economists concur with that assessment. Today's economy is like a patient in convalescence—it needs more time to return to full health, but at least it's no longer on life support.





Consider the most common thermometer of economic health: gross domestic product (GDP)—the yearly total of goods and services produced in the United States. In a healthy economy, this measurement of general business activity increases at a robust pace. “We estimate that GDP will grow at 2.7 percent for 2010 when numbers are finalized,” Koropecykj says. That number represents a growth rate that is virtually flat considering that it comes off a GDP decline of 2.6 percent in 2009. The good news is that GDP is expected to grow by 3.1 percent in the coming 12 months, according to Koropecykj. That’s a much healthier number since it’s calculated from a decent previous year figure. To put these numbers in perspective, the annual GDP increase for an economy in average growth mode is 2.5 percent.

RETAILERS REBOUND

Retailers in particular should experience a better 2011. “We are expecting better performance in almost every segment of retailing,” says Scott Hoyt, senior director of consumer economics at Moody’s. Hoyt expects core retail sales—which exclude volatile auto and gasoline sales—to increase some 3.6 percent when 2010 numbers are finalized. While that figure looks good on first blush, note that it comes off a dismal decline of 1.9 percent in 2009. But the future looks better: In 2011, retail sales should rise 4.2 percent. To put all these figures in context, average annual core retail sales growth has been running at 4.6 percent in recent times.

STRONG PROFITS

Some current factors are especially conducive to a rebound. Perhaps the most important is the healthy state of corporate profits. “Medium and large companies have been very profitable over the past 12 months, thanks partly to low interest rates, minimal hiring and no wage pressures,” Koropecykj says. Coming off a pretty flat 2009, corporate profits are expected to increase by some 28 percent in 2010, by 4 percent in 2011 and a healthy 14 percent in 2012.

These enterprises are accumulating lots of extra cash, earning close to zero percent interest. “They are well positioned to expand both hiring and capital investments,” Koropecykj says. That would have a stimulating effect on consumers and retailers. So far, though, companies large and small are refusing to invest in the future due to a number of concerns that linger—including the negative effects of the

unstable housing market, the European debt crisis and the unsettled nature of federal laws in many areas such as taxation, health care and the environment. Perhaps the most important concern is the low level of consumer confidence. The public’s faith in the future is critically important for a healthy market place, since consumer activity represents 70 percent of the economy.

Here, unfortunately, things are not so good. “Consumers are majorly depressed,” Hoyt says. “Consumer confidence has been at levels characteristic of a deep recession for more than a year.” That’s inconsistent with what one might expect, given the fact that the recession officially ended in 2009 and sales at retail stores have been improving. Why the gloom? The current recovery has not yet been accompanied by an uptick in employment. By late 2010, unemployment was running at 9.6 percent, according to Moody’s. That figure, up slightly from the 9.3 percent of 2009, is actually expected to increase in the coming months.

“Once job creation kicks into higher gear, people on the sidelines will perceive the labor market as more hospitable and will start applying for work,” Koropecykj says. She expects unemployment to average 9.9 percent for 2011, eventually easing down to 9.5 percent late in the year. The rate in 2012 is expected to average 8.3 percent.

Weak employment numbers are enough to keep consumers restrained. “When people hear the unemployment figures, they are not going to tell anyone they are happy,” Hoyt says. Additionally, consumers have lost massive amounts of wealth in their homes and stock portfolios and are making very little money on their savings because of low interest rates.

HOUSING WOES

Consumers are also concerned about the continuing glut of homes. “The housing market is still performing quite poorly and is not expected to stabilize until later in 2011,” Koropecykj says. “The big problem is the huge inventory of unsold homes.” Housing starts are expected to total 590,000 when 2010 numbers are finally tallied, up from 550,000 in 2009. They are expected to rebound to 830,000 in 2011. While that figure looks like a huge improvement, Koropecykj points out that “it’s not really a boom historically. Housing starts were averaging 1.6 million before the recession. The 2011 rebound represents some renewed activity in select under-supplied markets.”

“AT SOME POINT, CONSUMERS ARE GOING TO SAY ‘I HAVE STARTED SAVING, MY FINANCES ARE IN BETTER SHAPE AND NOW I NEED TO REPLACE MY CAR AND BUY SOME NEW THINGS THAT I HAVE BEEN AVOIDING.’ THEN DEMAND WILL BE BACK—AND IT WILL BE DRAMATIC.”

A related problem, equally serious, is that existing home owners won't benefit from increased value in their properties for the foreseeable future. The median price for existing home sales is expected to be \$162,800 in 2011. That's actually a decline from the \$171,400 average for 2010, despite the fact that existing home sales are expected to rise to 5.9 million in 2011 from the previous year's 5.2 million.

Why the disparity? "Many foreclosed homes are still going on the market and being sold at big discounts," Koropecykj explains. "Sales of foreclosed homes do affect the selling prices of other houses." Stable or dropping home values make consumers feel less flush and that has a negative effect on spending.

HOLDING BACK

Until consumer confidence rebounds, companies with money to spend are not only closing their purses, but also are shying away from taking on more debt. This reluctance to borrow comes at a time when the recession-based credit freeze has largely thawed. "Banks are now open to lend and the money is available, but demand from entrepreneurs is down," says Walter Simson, principal of New York City-based Vantor Consulting (www.vantorllc.com). "Banks are telling me they are having trouble finding people who want to take business risks."

Shoppers, for their part, also have become shy about borrowing money. "Three years ago, people were spending their home equity at retailers," notes James Dion, president of Dionco Inc., a Chicago-based retail consulting firm (www.dionco.com). "Then, all of a sudden, that money disappeared. Also, credit card issuers have tightened up credit lines. People who had \$2,000 limits before [the recession] might only have \$900 or \$1,100 now. As a result, the use of credit cards has dropped dramatically in favor of debit cards and cash."

READY TO SPEND

In the longer term, consumers refinancing their mortgages will end up with more cash to spend as a result of lower debt payments. This trend is being fed by low interest rates and minimal inflation, two conditions that economists expect to remain through 2011.

When will a robust rebound happen? When consumers decide that they have reset their balance sheets sufficiently. "At some point, consumers are going to say 'I have started saving, my finances are in better shape and now I need to replace my car and buy some new things that I have been avoiding,'" Simson says. "Then demand will be back—and it will be dramatic." *

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

STRATEGIES FOR AN IMPROVING YEAR

The economy is struggling out of recession. Consumers are trickling back to stores—and retailers can pave the way to a successful 2011 by controlling inventory levels and capitalizing on new technologies.

Maybe you've already established a solid foundation by trimming inventory over the past two recessionary years. "[Business owners] who got burned in 2008 have cut their buying to reduce the number of duplicate products and SKUs (stock-keeping units)," says retail consultant Bob Phibbs, Coxsackie, New York (www.retaildoc.com). Keep up the good work by managing inventory levels to reflect what you expect in the second half of 2011 and the back-to-school seasons.

And technologies? "Mobile is the big thing," says James Dion, president of Dionco Inc., a Chicago-based retail consulting firm (www.dionco.com). "You cannot ignore the sheer number of smart phones out there and the number has increased as a result of the Christmas season. This gives the consumer huge amounts of information and the [businesses] huge amount of opportunities."

Example #1: QR (QUICK RESPONSE) CODES. These small dotted squares are being printed on everything from advertisements, brochures and web pages to in-store displays. "Customers who take pictures of QR codes with their smart phones are taken to websites with product information, coupons or special offers," Dion says. For more information, visit www.en.wikipedia.org/wiki/QR_Code.

Example #2: SHOPKICK. Customer targeting reaches the micro level. This technology emits a high-frequency signal that identifies the exact location of a customer in your store and offers relevant coupons and sales information. For more information, visit www.shopkick.com.

Finally, don't forget the basics. "Hard as it is, stay optimistic," Dion says. "When the customer comes through the door, make sure your people have smiles on their faces and always say that business is great. Then the customer will feel good about buying [or renting]. The worst thing you can have is doom-and-gloom at the store level."

Energy Experience TALENT

 **PREMIER**[®]
RENTAL-PURCHASE

The People You Know and Trust



*The Premier Companies has been among the top 10 fastest growing young franchises in America for the past two years. * It was a right idea.*



By Trooper Earle
President/CEO,
The Premier Companies

When an idea comes along that is right, and it is accompanied by the energy, experience and talent to carry it off, it can grow very quickly.

That is what happened with Premier Rental-Purchase, now a multi-brand company that has pushed into new markets that compliment rent-to-own and include home furnishings, automotive and cash services.

The Premier Companies has been among the top 10 fastest growing young franchisers in America for the past two years. It was a right idea. BUT it also was accompanied by tremendous energy from those early dealers who saw the potential of and need for a franchising organization that put them first and offered support for their individual dream, not a mandate on someone else's dream.

Premier replaced traditional franchising controls with a flexibility that appealed to both dealer and franchisor, and it has taken tremendous energy to facilitate the needs and carry out the ideas generated by a group of very talented and experienced rental-purchase operators. That energy, experience and talent from both dealers and Premier staff have resulted in one incredible network of entrepreneurs who are as eager to see the success of their fellow

dealers and support structure as they are their own enterprise, because in the end the success of individuals feeds the success of everyone else.

This is how it works at Premier. And the result is a dynamic and evolving organization that continues to grow in number and depth of services. That is the Premier of today.

Marketing, human resources, legal advice, accounting, and other important services comprise a rich buffet of options for dealers as part of their franchise agreement with Premier. And the list continues to grow as dealers work with us to determine how best to meet their needs so we can offer an array of services from which to choose. Those on the executive team who have been down the road as owner-operators are dedicated not just to getting someone's doors open and lights on, but we also are committed to helping them become and remain successful, whether it is through a single or multi-unit operation. We are here for them.

Here is what some of our dealers have to say:

JOHN MARTIN: You get the advantage of having the group buying power through Premier but you can run your franchise as your own business.



TRINI RUBIO: I am an operator. I don't want to be burdened with the administrative tasks of owning a business. I want to be hands-on with customer service and spearhead the training for my employees. I also want the freedom to implement the vision I have for my company. Premier's support allows me this privilege and, I believe, is one of the reasons for my success.



JOHN MILLER: It was a good fit for me. Premier has been very supportive all the way through. They wanted me to be successful and trusted my instinct about the right time and didn't push me to expedite things. I use a lot of the vendors that Premier recommends. For me to research and find someone on my own is too time intensive and exhausting. Having the vendors there and in line has been really convenient.



JOHN GEORGE: What drew me to Premier was that I knew people in the business who were successful as Premier dealers. Premier guides you through the process and helps you look at the business in a totally different way.



MIKE SHULER: I made the decision after speaking with Trooper that this was my calling – to be an entrepreneur. Trooper explained all of the benefits provided by Premier such as the human resource services, legal counsel, accounting support, and the lending assistance that is available. I spoke to numerous Premier dealers who had walked down the road with Trooper, and I was convinced. The common statement throughout was 'you will love being on your own. It's indescribable compared to working for a big corporation.' So we signed on."



RON SEMELBERGER:

Premier's business model works in all aspects of the business. From walking through the model with Trooper and our accountant, to establishing our back-of-the-house payroll and human resources concerns with the Premier Rental-Purchase Management Group, to working through the finances with Premier's finance staff, to receiving support from everyone at Premier's offices, we have found Premier has given us what we expected and more as we put this business venture together."



JOHN SPRAYBERRY:

I wanted to treat customers a little differently than I could as an employee with my former company. I wanted to make my own decisions. Premier helped a lot with our business plan and pointed us in the right direction.



CANDIE GUSTAFSON: The only way I could establish myself in a comfortable work environment, doing what I love and giving the service and respect that my customers deserve, was to start my own company.



DAVE JONES: As business owners, we have the freedom to offer new products and product lines (like wheels) and that is a component of customer care. Premier has played a role in our success. They laid the groundwork for us and made it easier going forward from the beginning.



MATT BAKER: Premier dealers can pick and choose what they want to do as an operator and not have to take a whole package of services they may not want. Premier did a phenomenal job getting information to me. Compared to competitors, they have a better program in place. I wanted to own my own business and Premier has given me the opportunity to do that.



STEVE FOX: Probably the No. 1 reason Premier was our choice was the flexibility it offered us as entrepreneurs in our selection of products and pricing. We didn't want to be stuck in a lock-step operation. That's not for us.



MARK TIMMINS: I needed to get out of the corporate world. Premier had the best franchise package, and I have been absolutely satisfied so far. The best part has been them letting me run my business the way I want to run it to do well. I have been able to get back to the one-on-one relationships with my customers that I couldn't have in my last position.



JIM FORKER: It was time to venture out on my own and secure a future that I could control, not leave it up to someone else. I want to make my own millions instead of making millions for other people. Premier has made being an entrepreneur very easy.



When an idea comes along that is right, and it is accompanied by the energy, experience and talent to carry it off, it can grow very quickly.

PREMIER[®]
RENTAL-PURCHASE

The People You Know and Trust

THE NATIONAL OFFICE OF PREMIER IS
LOCATED IN WILLIAMSBURG, VIRGINIA.
ALL PREMIER STORES ARE INDEPENDENTLY
OWNED AND OPERATED.

Who's Who in Rent-to-Own Services

These vendors and distributors provide a variety of services to the rent-to-own industry: APRO associate members (*), APRO advertisers (+) and/or APRO Trade Show exhibitors (^).

Accounting Services

Kirkpatrick, Sprecker & Co. LLP *

Contact: Jim Hubbard CPA
316/685-1411
jim@kscpa.com
www.kscpa.com

White, Soward & Claassen LLC *

Contact: Michael S. White
316/265-4877
MWhite@wacpa1.com

Whitsell and Company PC *

Contact: Daniel G. Whitsell
817/461-0041
cpa@whitsellandcompany.com
www.whitsellandcompany.com

Advertising and Promotional

Adpro Advertising & Printing **

Contact: Rick Delcamp
479/331-2526, ext. 26
rick@adpro-ads.com
www.adpro-ads.com

Bryce Co. **+

Contact: Bryan Collins
800/880-9434
bryan@brycejewelry.com
www.bryceawards.com

Central File Marketing **+

Contact: Alan Benson
414/365-9000
al@centralfileinc.com
www.centralfileinc.com

Color Ad *

Contact: Daryl Oldenkamp
888/264-6991
daryl@gocolorad.com
www.gocolorad.com

DBD Communications **

Contact: Bob Williams
614/588-0237
bwilliams@
dbdcommunications.com
www.DBDCcommunications.com

G&G Graphics and Promotions *

Contact: Gene Pharis
678/947-3700
gene@gggraphics.com
www.gggraphics.com

I.C.E. ^

Contact: Michael Garceau
603/347-3005
mgarceau@icesigns.com
www.icesigns.com

Imagery Marketing Group **+

Contact: Marty Smith
314/835-0004, ext. 302
martys@
imagerymarketinggroup.com
www.imagerymarketinggroup.com

Impact International Marketing *

Contact: Kathryn Felke
866/414-1391
info@iimgroup.com
www.iimgroup.com

Inform Print & Promotions **+

Contact: Chet Pensak
888/786-3676
stfware@bellsouth.net
www.shopinform.com,
www.rtoforms.com,
kingofpromotions.com

The Niche Connection **

Contact: Tom Nitzsche
513/777-0123
tnitzsche@cinci.rr.com

PensRUs **+

Contact: Henry Morgan
718/317-5013
henry@pensrus.com
www.pensrus.com

Practical Promotions ^

Contact: Terry Cahill
931/839-2425
terry@PracticalPromotions.com
www.practicalpromotions.com

Printing Etc. **

Contact: John B. Levens
504/455-1756
jlevens100@aol.com;
ej@printingetc.us
www.turnmailintoprofit.com

RTO TV *

Contact: Rick Linton
314/835-0004, ext. 302
rickl@imageryadv.com
www.rtotv.com

Vontoo Inc. **

Contact: Dena Bjortomt
317/218-8286
dbjortomt@vontoo.com
www.vontoo.com

Automobiles

South East Auto Dealers Rental Association Inc. *

Contact: John Garner
504/241-0211
jggarner88@hotmail.com
www.seadraonline.com

Buying Groups

Nationwide Southwest Rent To Own Division **+

Contact: Dennis L. Willich
972/650-0770
denniswillich@nationwidesw.com
www.nationwideswretailsite.com

RentDirect Nationwide **+

Contact: James MacAlpine
336/722-4681
jamesm@nationwidegroup.org
www.gorentdirect.com

TRIB Group **+

Contact: Dennis Shields
770/451-4302, ext. 1#
dennis@tribgroup.com
www.tribgroup.com

Financial Services

Crest Financial *

Contact: Clint Cowley
888/245-6111
ccowley@crestfinancial.com
www.crestfinancial.com.com

ETax Partners **

Contact: Dan Smith
800/899-ETAX (3829)
dsmith@cg1etax.com
www.etaxpartners.com

Moneris Solutions Corp. *

573/489-0148
www.monerisusa.com

Progressive Finance *

Contact: Brent Wilson
877/898-1970, ext. 301
jake@progfinance.com
www.progfinance.com

Whiteco Commercial Funding *

Contact: Bill White
972/288-4344
bwhite@whiteproperties.com

Franchise Opportunities

Aaron's Sales & Lease Ownership **+

Contact: Todd Evans
678/402-3411
todd.evans@aaronrents.com
www.aaronrents.com

Buddy's Home Furnishings *

Contact: Tom Homberger
813/623-5461
thomberger@buddysrents.com
www.buddysrents.com

ColorTyme Inc. **+

Contact: James P. Deering CFE
972/403-4905
jdeering@colortyme.com
www.colortyme.com;
www.rimtye.com

J.D. Byrider Systems Inc. *

Contact: Steve Wedding
317/249-3040
steve@jdbyrider.com
www.jdbyrider.com

Rent-n-Roll LLC, dba RNR Custom Wheels and Tires *

Contact: Larry Sutton
813/977-9800
lsutton@rnrrwheels.com
www.rnrwheels.com

RIMCO Custom Wheels and Tires *

Contact: Greg Tanner
678/402-0015
greg.tanner@aaronrents.com
www.rimcofranchise.com

The Premier Companies *+

Contact: Trooper Earle
757/645-0884
troop@premierrents.com
www.thepremiercompanies.net

Insurance

Benefit Marketing Solutions *^+

Contact: Susan Matthews
972/285-1355
smatthews@
benefitmarketingsolutions.com
www.benefitmarketingsolutions.com

RTO Insurance LLC, a subsidiary of Integrated Insurance & Risk Management *^

Contact: Robert P. Scott
309/686-3737
roberts@iirm.com
www.iirm.com

RTO Systems Inc./

Walter Clark & Associates *^~

Contact: Jeanette Beardsley
CPIW, AIS
559/781-3466
jeanetteb@wlcins.com
www.wlcins.com

Legal Services

Martinec, Winn, Vickers and McElroy ~

Contact: Edward L. Winn III
512/476-0750, ext. 111
edwinn@mwwmlaw.com
www.mwwmlaw.com

Mail Services

Adpro Advertising & Printing *^

Contact: Rick Delcamp
479/331-2526, ext. 26
rick@adpro-ads.com
www.adpro-ads.com

Blue Global Media *^

Contact: Rene Rodriguez
480/365-0335
rene@blueglobalmedia.com

Central File Marketing *^+

Contact: Alan Benson
414/365-9000
al@centralfileinc.com
www.centralfileinc.com

Musical Instruments

Ingram Micro

Consumer Electronics Division *^

Contact: Sue Palermo
480/422-5523
suzanne.palermo@
ingrammicro.com
www.ingrammicro.com

National Educational Music Co. *

Contact: Ken Maehl
908/232-6700, ext. 230
kpmahl@eclipse.net
www.nemc.com

On-Hold Messaging

Adpro Advertising & Printing *^

Contact: Rick Delcamp
479/331-2526, ext. 26
rick@adpro-ads.com
www.adpro-ads.com

The Niche Connection *^

Contact: Tom Nitzsche
513/777-0123
tnitzsche@cinci.rr.com

Security Services

Affiliated Construction Specialists *^+

Contact: Randy Zielinski
248/969-9600
randy@affiliatedcs.com
www.acsgrids.com

APP-Asset Protection Products *^

Contact: Mike Gerwe Jr.
831/286-8686
mgerwe@app-protects.com
www.app-protects.com

PCRental Agent-Designerware *+

Contact: Ron Koller
407/575-3192
Ron.Koller@DesignerWare.com
www.rtorental.com

Skip/Trace and Consumer Information

Teletrack Inc. *

800/729-6981, ext. 3
webinfo@teletrack.com
www.teletrack.com

Store Fixtures and Displays

Amcase *

Contact: Marsha Davis
888/396-9060
marsha@amcase.com
www.amcase.com

DAC Products Inc. *^

Contact: Chris A. Hodges
336/699-2900, ext. 1827
chodges@dacproducts.com
www.dacproducts.com

Tax-Refund Services

Drake Software *^

Contact: Regina Gill
828/349-5700, ext. 4216
regina.gill@drakesoftware.com
www.drakesoftware.com

PTS Financial Tax Services *^+

Contact: John Blair
770/262-5609
johnb4623@aol.com
www.ptstax.com

Training and Speaker Services

ContactPoint LLC *^

Contact: Audri Wadsworth
435/674-6643
awadsworth@
contactpointsolutions.com
www.contactpointsolutions.com

Trucks

Asbury Automotive Atlanta LLC, dba Nalley Motor Trucks *^+

Contact: Michelle Dunning
404/886-1793
micki777@aol.com
www.nalleytrucks.com

Emerald Transportation Solutions *

Contact: Noah Chalkley
678/333-6915
noahchalkley@comcast.net
www.emeraldcommercialleasing.
com

Truck Skin *^+

Contact: Joe Lapekas
231/932-0287
joe@truckskin.com
www.truckskin.com

Wage-and-Hour Consulting

Harry Weisbrod Associates Inc. ~

Contact: Brian Farrington
817/429-8011
btfd@aol.com

Warehouse and Delivery Supplies

RES Accessories *^

Contact: Michael E. Gerwe Jr.
800/444-7304, ext. 210
mgjr@resacc.com
www.resacc.com

Web Site Design and Development

High Touch Inc. *^+

Contact: Wayne Chambers,
Jason Smith
316/832-1611
wayne@hightouchinc.com,
jasons@hightouchinc.com
www.hightouchinc.com


Imagery Marketing Group *^+

Contact: Marty Smith
314/835-0004, ext. 302
martys@
imagerymarketinggroup.com
www.imagerymarketinggroup.com

Advertisers

APRO University:

Rental Training Online	4
Coaster Fine Furniture	Back cover
ColorTyme Rent-to-Own/ RimTyme Custom Wheels and Tires.....	9
D&H	Inside front cover
GE Consumer and Industrial.....	Inside back cover
High Touch/RSSS.....	3
Premier Companies.....	38 and 39
Rental Information Systems	42
RentDirect Nationwide	25
RTO Pro Software	33
SED International.....	11
Serta.....	7
Simmons.....	27
TRIB Group.....	43
Twin-Star International	33




**BE A PART OF THE VOICE OF
THE RENT-TO-OWN INDUSTRY
ON CAPITOL HILL**

Your voice is needed now more than ever in Washington, D.C. Plan to attend APRO's 2011 Dave Egan Legislative Conference, May 3-5. The congressional meetings held during the conference play an integral part in protecting your right to do business. Since 1980, APRO has been the source for defending against attacks by misinformed consumer groups and their powerful friends in Congress. Meet us May 3-5 to be part of rent-to-own's unified voice.

Register for the conference online at www.rtohq.org;
or contact Jeannie Hutchison at 800.204.2776, ext. 108;
jhutchison@rtohq.org.

L'Enfant Plaza Hotel: 202.484.1000
APRO room rate: \$249
Reservation deadline: April 8




**Rental
Information
Systems, Inc.**

800-863-7394

powerful...integrated...software solutions

for the rental-purchase industry



Measuring the performance of your stores has never been easier!

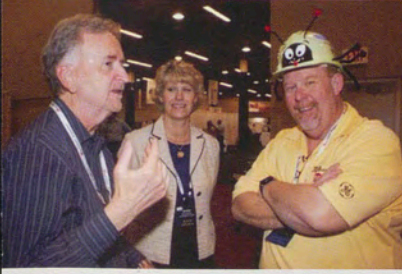
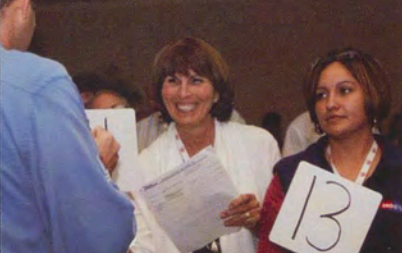
Having access to timely, accurate statistics is critical to the success of any organization. **The RAM System** software suite empowers your management team with quick visual reporting, allowing them to make those important decisions that keep you ahead of the competition!

Call us to today to learn how **The RAM System** can help you measure your success!



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

APRO Associate Member since 1987



ENJOY SOME **TRIB**GROUP **R & R**

Rebates & Relationships

Rebates of over \$2,000 per store earned in 2009!
Always friends to call for help and RTO ideas!

TRIBGROUP **BRAND SOURCE**
THE RENTAL INDUSTRY BUYING GROUP

APRO Associate Member since 1983

Photos courtesy of APRO



Runnin' on Empty?

The store is stuck on stagnant. Everybody knows it. Traffic is light; new customers are even lighter. BOR shows a slow creep downward, like the morale in the store. Past dues are creeping the other way. It's been months since anybody made a bonus and the place just looks and feels, well, tired.

The home office isn't happy. *Quelle surprise!* At the store level, the thinking goes: If only they would spend some money on new merchandise, we would rent it. If only they would spring for some new and improved advertising—some advertising with some pop, for a change—we would see some new faces, for a change. If only they would finally move this store from this lamentable location to some place closer to the highway where there is some traffic, people would know we were here and would come give us a try. If only they would spring for some new carpet and paint, everybody would feel a little more motivated. If only...

Even though unsolicited, here is some advice from a not-so-ivory tower: "Look in the mirror." This advice is borrowed from one of the minions in the home office, a veteran rent-to-own dealer who knows a few things about rental stores, since he has run a bunch and visited a bunch more.

It's not the merchandise. It's not the advertising. It's not the location. It is, alas, the person looking back at you in the mirror every morning when you shave or put on make-up, or both.

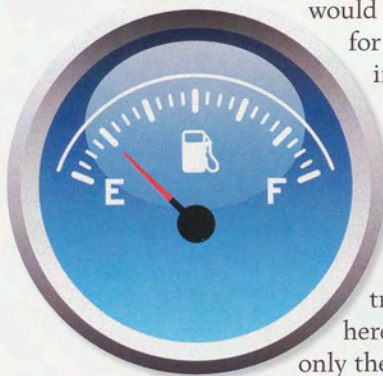
Rental stores do not run themselves, unless it is into the ground. Rental stores need leadership. That is *your* job, by the way. They need someone to inspire the troops to rent and collect, both challenging enterprises under the best of circumstances, and to do so with commitment and zeal, in spite of less-than-wonderful merchandise, less-than-compelling advertising and a less-than-class-A location.

It is easy and convenient to launch blame up toward the home office or down toward the woe-fully incompetent staff that you, after all, hired. Human beings are generally loathe to take the blame for any damn thing and it is no different in a rental store. It is so much easier and more comforting to point the finger elsewhere—anywhere else, really, but into the mirror.

Rent-to-own is a daily-grind sort of business and certainly not the only one. One buy-here/pay-here car company chain requires its sales people to make 40 calls a day, six days a week, to keep the cars moving. Circuit City, back in the days before its demise, used to have daily pep rallies before the store opened to get employees motivated and in the mood to sell, sell, sell.

If you were once good at what you do, then deep down you know what it takes to inspire the troops and raise the intensity level in the store. If you cannot summon that kind of will and energy any more, then do not be surprised if those indifferent and inattentive people in the home office give you an opportunity to be great somewhere else, someday soon. *

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

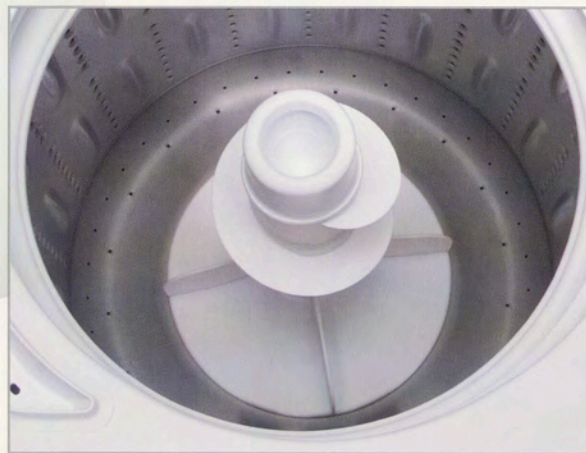


Savings you'll clearly see!



Model GTWN4450MWS

This ENERGY STAR® qualified washer with PreciseFill offers a choice of five water levels, so it uses the perfect amount of water for each load and saves your customers money. The clear glass lid makes it easy to see the HydroWave™ wash system in action as it gently washes clothes. And, the convenience of five wash and spin combinations makes washing any type of load simple.



imagination at work



Contact your Rental Sales Manager for product and pricing information

Paula Allison
800.782.8093

Paul Eichberger
800.782.8097

Fax
866.238.6595

APRS Associate Member since 1992

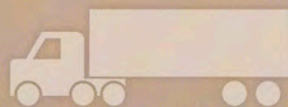
COASTER[®]

Fine Furniture



TRANSITIONAL

Life has many stages and Coaster is ready to grow with you. Our wide range of furniture is perfect for any need and age group.



ON DEMAND

Coaster carries all of the inventory so you don't have to! Our 7 nationwide warehouses make it convenient for you to retrieve your purchase.



UP TO DATE

Coaster has a complete selection of furniture for every room available in a variety of styles from modern and contemporary to traditional.



Check out our new 2011 Rental Catalog

For more information
contact Larry Furiani
at ext. 1149 or
Linda Marie Rada
at ext. 1190

Coaster Company of America

12928 Sandoval Street, Santa Fe Springs, California, 90670 | (800) 221-9699

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

www.coastercompany.com

APRO Associate Member since 1997