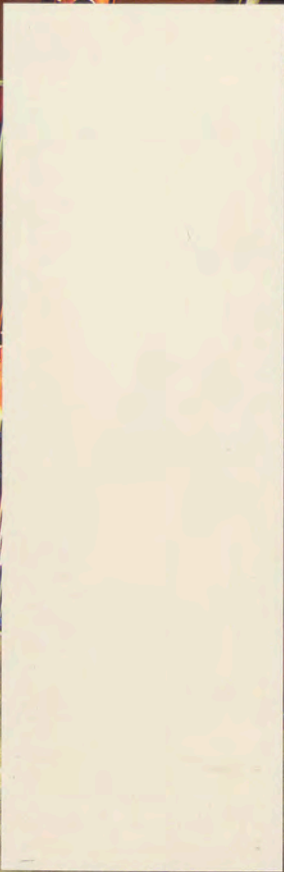


RTOHQ

The Magazine

Big Show in Little Rock

APRO's 2011 Rent-to-Own
Convention and Trade Show
The Peabody Hotel and
Statehouse Convention Center
Little Rock, Arkansas
July 11-14



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Let's Get Radical

In this, our annual convention edition of *RTOHQ: The Magazine*, we present detailed information about the association's upcoming Rent-to-Own Convention and Trade Show, July 11-14 in Little Rock, Arkansas. I hope that you will pay close attention to our offerings this year. I'm sure you will find this to be the best planned and most important convention for the rent-to-own industry ever. Our "family reunion" theme says it all—we have a very rich and successful history as an industry, but to continue this tradition, it is important that everyone in the rent-to-own family come together annually to build for the future.

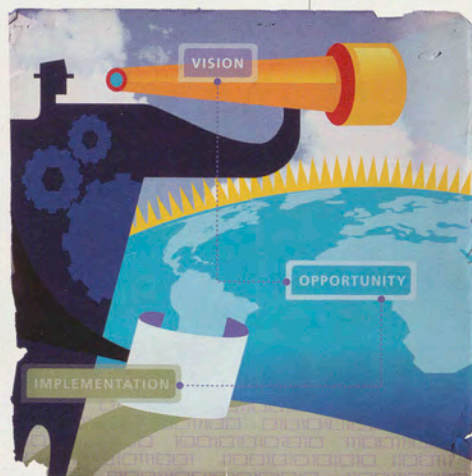
In an effort to build for that future, we're packing this year's education program at the convention with some top-flight business mavericks who will help you meet the challenges of tomorrow—renowned marketing experts, starting with Bill Taylor, our keynote speaker. Taylor is the co-founder of *Fast Company* magazine, has published numerous essays and CEO interviews for the *Harvard Business Review* and management columns for the *New York Times*. His new book, *Practically Radical: Not-So-Crazy Ways to Transform Your Company, Shake Up Your Industry and Challenge Yourself* will be the basis of his speech. The first 100 companies to register for the APRO 2011 Convention will receive a copy of this revolutionary book. Register now and receive your copy before the event. Taylor's keynote address will set the tone for the rest of the convention. You can find out more about him on page 22.

Jill McDonough has provided marketing counsel for companies such as GE Lighting, Heinz, SC Johnson, ConAgra and even the NFL. Drawing on the results of eight rent-to-own potential-customer focus groups held in four cities this year, she will provide APRO Convention attendees with a specialized marketing plan aimed to help tap into the millions of potential customers who have been so elusive. In response to our San Antonio focus group event held on March 29 and the marketing plan that will be derived from this research, rental dealer William Mc-

Crae says, "For those who care [about your company's future], you gotta be there in Little Rock."

Another key marketing topic important to all of us is store design. Martin Roberts of Martin Roberts Design specializes in setting the scene that best motivates consumers to buy/rent in your store. He will be in Little Rock to share decades of experience in store design, space planning, visual merchandising and brand identity. Roberts' client list is extraordinary, including Tumi, Barnes & Nobel, Linens 'n Things, Thomasville Furniture, McDonald's, Marriott International, K-Mart, Walmart and dozens more.

If you tried to acquire this level and quality of business information any place other than at the APRO Convention in Little Rock, you would have to spend thousands of dollars. So register for rent-to-own's big event now and invest in your company's future! APRO's Little Rock Family Reunion is the best return on your dollar you will ever make.

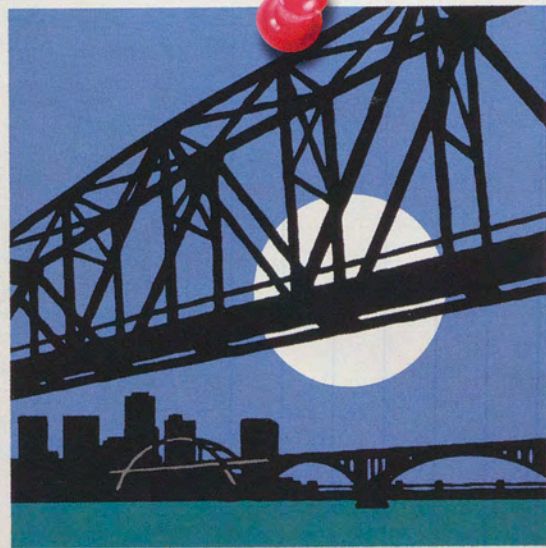


Bill Keese

APRO's executive director
bkeese@rtohq.org

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**Your Invitation to Attend APRO's 2011
Rent-to-Own Convention and Trade Show**
by Shelley Martinek and Neil Ferguson

Make your plans now to attend APRO's rent-to-own family reunion—the industry's don't-miss event of the year—July 11–14 in Little Rock. This show has it all: opportunities to network, save money, visit a fabulous American city and take home valuable resources to help your business. Check out all the new features and benefits that await you this summer in La Petite Roche.

29 : Rent-to-Own Family Matters, Part II by Kristen Card

We continue our series of profiles on family-run rent-to-own businesses, spotlighting kin who work together to keep the industry thriving, generation after generation. In this issue, meet the Fryes, Tinneys, Floyd-Mitchells and Rhonda Weatherford, who, with the help of her sons, keeps the legacy of her father, Don Cecil, alive.

38 : As the Rental World Turns, Part II: More Lessons Learned From Some Thought-Provoking Circumstances by Ed Winn III

APRO's general counsel offers another passel of legal cases that, in one way or another, involve a rent-to-own store, employee or customer—and sometimes involve all three. While somewhat darker in tone than our last issue's docket, these cases are no less insightful about the interesting world in which you do business.

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RTOHQ

The Magazine

Volume 3, Number 5

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

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

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RTO Matters

APRO to award \$11,000 in scholarships in 2011

APRO will award \$11,000 in scholarships to members of the rent-to-own industry this summer. In 2011, APRO's Scholarship Foundation is giving away more money than it has since the foundation started four years ago, offering five scholarships to APRO-member employees and their children. This higher level of funding was made possible due to an anonymous donation of \$3,000 made in honor of the late Azile Whittlemore Winn, the mother of one of APRO's founders and its general counsel, Ed Winn III.

APRO's Scholarship Foundation has come a long way in its brief history. "We gave away one \$2,000 scholarship in 2008 and now, in 2011, we're giving away five scholarships worth a total of \$11,000. That is truly outstanding," says APRO's Public Affairs Director Richard May. "The Scholarship Foundation is made possible through generous donations from APRO members. With the costs for education these days, the rent-to-own industry is fortunate to be a family that cares about its employees and their children."

The 2011 APRO Scholarships will be awarded as follows: one

\$3,000 scholarship; two \$2,500 scholarships; and two \$1,500 scholarships. The deadline for applying is May 27. Each recipient must be an employee or child of an employee of an APRO-member company in good standing; have a current grade point average of 3.0 or better; and must complete an application that includes an essay addressing why the applicant feels that he/she is the best candidate for the scholarship and also address the value of rent-to-own. Reference letters from college or high school teachers, counselors or mentors may also be submitted, but are not required.

For more information, visit www.rtohq.org/apro-apros-scholarship-foundation.html.

APRO's 2011 Employee and Customer of the Year nominations now open

APRO's Rent-to-Own Employee of the Year and Rent-to-Own Customer of the Year lead by example through their inspiration, dedication and sacrifice on behalf of

their families and communities. If one of your rent-to-own employees, co-workers or customers represents our industry with such honor and character, then be sure to nominate him/her for APRO's 2011 RTO Employee of the Year and Customer of the Year contests.

The APRO 2011 Rent-to-Own Employee of the Year winner and a guest will receive an all-expenses-paid trip to APRO's Convention and Trade Show in Little Rock, Arkansas, July 11-14. The winner will be honored during APRO's General Session and at the Awards Banquet. APRO's 2011 Rent-to-Own



Customer of the Year winner will receive a \$1,000 cash prize. The employee or store owner who nominates the Customer of the Year winner will receive a \$500 cash prize for discovering the customer who best exemplifies an inspiring and generous spirit within the rent-to-own industry.

Both the employee and customer winners will be featured in a video presentation during APRO's General Session in Little Rock, as well as in APRO's publications and on its website, www.rtohq.org. Many past recipients also have been

featured in their local newspapers and on television news programs.

Nominations are due May 15. For more information, visit www.rtohq.org.

Texas focus group provides customer insights

More than a dozen rental professionals from across Texas assembled in

San Antonio on March 29 to hear what customers and potential customers think about rent-to-own. The San Antonio focus group study—sponsored by the Texas Association of Rental Agencies (TARA) and APRO, and conducted by Trenholm Research—involved two groups of participants. The first group consisted of 10 respondents who had no experience with rent-to-own—non-customers. The second group included eight participants who had been rent-to-own customers in



the past or had at least some knowledge of the industry and the transaction.

Attending rental dealers observed the process from a separate room as the focus groups were asked to offer their opinions of rent-to-own, how and why they formed their opinions and—most important with regard to potential customers who had never considered the RTO option—what additional information they would need to consider using rent-to-own.

The results of the Texas study, along with three additional focus group sessions planned for New York, Ohio and Florida, will be part of a first-ever professionally designed rent-to-own marketing plan, which will be made available exclusively at APRO's 2011 Rent-to-Own Convention and Trade Show in Little Rock this July.

"I was surprised at the negative stigma that still lingers about our industry," says Brian Clussman, a Premier Rental-Purchase dealer with five stores in San Antonio. He was one of the rental dealers who observed the focus group responses in person. "It was very informative to see where we need to make improvements. We are definitely going to look at some of our flyers and see where we can make them more educational. We really need to be diligent about education about our transaction if we want to broaden our market."

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Call for entries: APRO's 2011 RAE Awards recognize the industry's finest advertising

For the past several years, APRO's Rental Advertising Excellence Awards program—the rent-to-own industry's longest-held advertising awards competition—has been generating tough competition in all categories. The judging has also been elevated to ensure that only the best entries are awarded. This year is no exception as APRO's 2011 RAE Awards will recognize the finest radio, television, print, direct-market, community relations and web-based advertising campaigns created or placed between August 2010 and July 2011. Winning entries will be displayed and broadcast at APRO's 2011 Rent-to-Own Convention and Trade Show, July 11–14 in Little Rock, Arkansas.



Every rent-to-own business has its own style and marketing ideas, but not every rental dealer has the same resources with which to spread the good word about his or her business. APRO's annual RAE Awards program offers rental dealers the opportunity to compete on the same level with their peers by dividing the judging into two categories: ads produced in-house and ads produced by advertising agencies.

Last year, APRO initiated a new award designation: "Best of Show." Each entry receiving a gold-level award is eligible to be chosen as "Best of Show: In-House" or "Best of Show: Agency." Another developing category in the RAE competition is the award for the best community relations program, which encompasses food drives, donations and volunteer projects undertaken by rent-to-own companies.

Early entry fees are \$35 per entry for APRO members; \$70 per entry for non-members. The early-entry deadline is May 13, 2011. Entries that arrive after the early deadline will cost \$45 per entry for APRO members; \$90 per entry for non-members. All entries must be received at the APRO headquarters in Austin by 5 p.m., May 20, 2011. Send all entries to APRO, 1504 Robin Hood Trail, Austin, TX 78703. For more information, contact Tulisha Carson at 800/204-2776, ext. 111, tcarson@rtohq.org. RAE Awards entry forms are available at www.rtohq.org.

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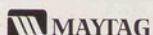
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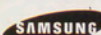
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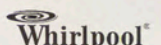


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vice and a no-obligation return policy were points Clussman says he felt could be better marketed in his advertising. Clussman, who has been in the rent-to-own business since 1990, was also surprised at the degree to which respondents indicated they used the Internet for regular shopping research and to make payments. He says that making online payment options available to his customers would be a priority.

APRO board member William McCrae, owner of Buzz's Lease Purchase & Sales, says that attending the focus group was an enlightening experience, providing ideas that he would carry back to his eight stores. McCrae, who is also president of TARA and has been involved in the rent-to-own industry since 1983, agreed with Clussman that better educating the public about the transaction is a key goal.

"As much as the industry has grown and improved in the past 30 years, we have equally as much work ahead," McCrae says. "We're not at the end of the journey, we are at the beginning. We need to find ways to simplify our message—stop focusing on what the features are and talk about what the benefits are, instead."

The specialized marketing plan developed from the focus group findings will be unveiled on July 12 during APRO's Convention in Little Rock and will be free to attendees at the event. "For those of you who care [about the rent-to-own industry], you gotta be at APRO's Convention," McCrae says.

For more information on upcoming focus groups, contact APRO Public Affairs Director Richard May at rmay@rtohq.org, 800/204-2776, ext. 104.

Life-long retailer turned rent-to-own advocate dies

Eugene (Gene) Leach, 80, father of TRIB Group President and past APRO President Lyn Leach, died on February 19 after a long battle with cancer. After graduating from the University of Nebraska, Gene Leach founded Ace Furniture & TV Inc. and later Lincoln Center Furniture in Lincoln, Nebraska.

In the early 1980s, he urged his son Lyn to divert from a planned career at Hallmark Cards and instead join his father in the then-fledgling industry called rent-to-own. "Dad talked me out of working for Hallmark and into attending APRO's second-ever convention in New Orleans," Lyn Leach says. "That's where I met the industry players who really took me under their wings and mentored me, people such as Barry Gambini and the Happes."

Later, the senior Leach provided financial backing, moral support and encouragement for Lyn to open his first of several Ace Rent to Own stores in Nebraska. Ace now has 16 locations. Gene continued to be involved in retail until 1995, when he closed his store and retired.

"I would have never gotten into this industry if it was not for my father," Lyn Leach says. "Period. End of story."

Gene is survived by his wife, Karyl; sons and daughters-in-law, Lyn and Natalie Leach, Jeff and Jeri Leach, Todd and Bridget Weeks; and grandchildren Mindy and Ben Leach, Britany and Jacob Leach, and Ann and Jason Weeks.

RTOCalendar

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.

July 20 and 21

Rent One's Day on the Diamond, Rent One Park, Marion, Illinois. For more information, contact Kris Lowe at 618/242-8448, ext. 218, klowe@shoprentone.com; or visit www.rtohq.org/pdfs/Day_Diamond_2011.pdf.

July 22 and 23

Full-O-Pep's Innovation Expo: Celebrating 30 Years and Beyond—featuring managers' golf tournament, vendor show and company-wide hog roast and picnic, Nashville, Indiana. For more information, contact David P. David at 812/333-7496, david@americanrentals.com.

August 1-5

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

August 18

KLQ Education Foundation's Dan Quinn and James Webber Memorial Golf Outing and Auction, The Golf Club at Hawks Prairie, Lacey, Washington. For more information, contact Bryan Huff, 253/539-0516, Bryanh@quality-rentals.com.

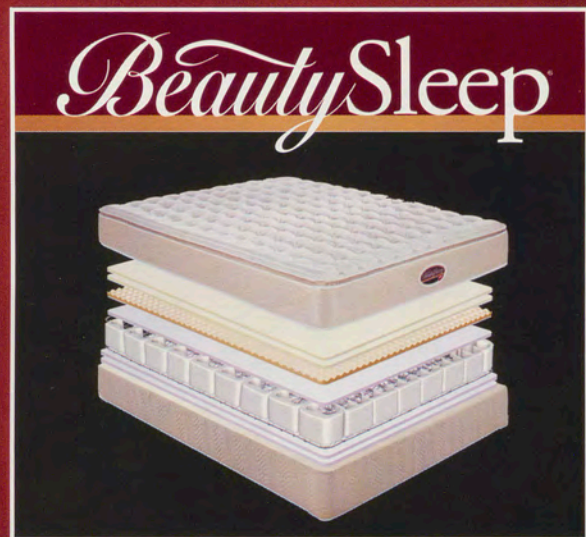
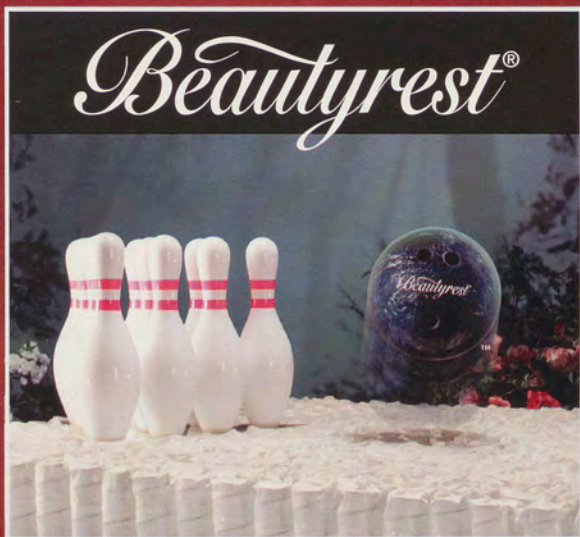
August 20-22

The Premier Companies Dealer Retreat, Grapevine, Texas. For more information, contact John Darden at 434/566-3652, JohnDarden@premierrents.com.



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RentDirect Nationwide Goes PrimeTime!

RentDirect Nationwide held its twice-a-year membership meeting February 20–23 at the Venetian in Las Vegas, where industry leaders updated attendees on the latest legal and legislative issues facing the rent-to-own industry. A buying show was also part of the meeting. Guests included APRO President Robert Briley and APRO's General Counsel Ed Winn III, both of whom addressed the RentDirect gathering. APRO's Richard May and Murlin Evans conducted 13 live video podcasts during the event and interviews are available for viewing at www.rtohq.org.

1: APRO's Richard May interviews Mike Hannon of Funai 2: Regina White, Jeff White and Dan Sharff 3: Michael Novembrino of Curry Real Estate Services chats with APRO's Ed Winn III. 4: RentDirect's Executive Director James MacAlpine, Mark and Mike Talley 5: Randy Braucher, Richard May and Craig Stanley

RNR Custom Wheels and Tires Meeting

RNR Custom Wheels and Tires held its annual meeting January 18–20 in Tampa, Florida. At the awards banquet, winners included 20 stores with \$1-million-plus in annual revenue.

David Benedict was named RNR Manager of the Year, Gulf Coast LLP won the Franchisee of the Year Award, Aaron DeFigers won the Employee of the Year Award and David Harrison received the Mike Kent Pioneer Award.

1: David Harrison accepts the Mike Kent Pioneer Award. 2: Larry Sutton with his mother, Faye 3: Shane Baber, Paul Wood and Shannon Strunk of Gulf Coast L&P accept the award for RNR's Franchisee of the Year from Sutton (third from left). 3: Sutton acknowledges Desiree Rivelli Tatum, president of Out of the Box Media, for her company's efforts—along with RNR's in-house marketing team—that led to winning 12 RAE Awards last year. 5: David Benedict was named RNR Manager of the Year.



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

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TRIB Group's Convention & Buy Fair

TRIB Group's 2011 Convention & Buy Fair was held February 20–22 in Orlando, Florida. Members spent a record \$8 million at the Hot Show and turned in \$20 million in purchase orders during the two-day Buy Fair. During the awards banquet held at the Fantasy of Flight Museum, Dick Eichlin received the Norman W. "Slats" Slatton Sr. President's Award and there was a three-way tie for the Lowrey Shrader People's Choice Award for Vendor of the Year: Jim Thompson of Serta, Brian Duke of O'Rourke Sales Co. and Kelly McClellan of Archbrook Laguna.

1: TRIB Group members visit with John and Courtney Force of the BrandSource-sponsored John Force Racing team. Standing: Kathy Windsor, Lyn Leach, John Force, TRIB Group Executive Director Dennis Shields, Courtney Force, Shannon Strunk and Ernie Lewallen; kneeling: Mike Tissot, Kevin Quinn, Kit Knight and Chris Bolin. 2: BrandSource spokesperson Kathy Ireland with Ernie Lewallen. 3: President's Award winner Dick Eichlin and TRIB Group President Lyn Leach. 4: The Hot Show. 5: Executive Director Dennis Shields (right) presents a globe to Leach, in honor of his service as TRIB Group's president. 6: Leach (left) and Shields (right) present the Vendor of the Year awards to Jim Thompson, Brian Duke and Kelly McClellan. 7: TRIB Group's Buy Fair



Twin Star Hosts a Party in Las Vegas

Twin Star International/Classic Flame held its annual party during the Las Vegas Winter Market, January 24–28. Employees of Florida-based Buddy's Home Furnishings, as well as TRIB Group's Executive Director Dennis Shields (lower right), networked with Twin Star representatives.

Photographs and reporting by Murlin Evans, except where otherwise noted

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

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ColorTyme Revs It Up

More than 300 franchisees, vendors and staff gathered January 23–26 in Frisco, Texas, for ColorTyme’s 2011 National Convention. “Rev It Up,” this year’s theme, “speaks not only to finding ways to increase revenues, but also changing the way you look at things and making the impossible possible,” says ColorTyme’s President and CEO Bob Bloom.

1: David Rogers, Chris Higgs and Mike Do 2: ColorTyme franchisee Richard Pannell, EBRO International, with EBRO’s COO Bill Kelly 3: The Franchisee of the Year Eagle Award went to Ray and Wendy Bird of RJB Leasing Corp., dba ColorTyme; pictured are Luis Padilla, Joe Bird, Maryann Bassma, Chris Bird, Ray and Wendy Bird, Al Coelho and Bob Bloom. 4: Gary Hughes, Peter Landretti, ColorTyme’s Store Manager of the Year Mark Show and Bloom 5: Protect-A-Bed representative Rita Haney (left) at the ColorTyme Buying Show.

Rent One’s Rentastic!

Rent One managers and executive officers convened in O’Fallon, Illinois, February 8–10 for the company’s Rentastic! meeting, featuring company updates, training and an awards banquet.

1: Store of the Year honors went to the Searcy, Arkansas, location run by Lisa Currie, pictured (second from left) with Rent One President Trent Agin, CEO Larry Carrico and Rent One’s Vice President of Information Services Lori McGovern. 2: The Rent One gang’s all here! 3: Harrisburg, Illinois, store manager Jason Castill (third from left) won the President’s Award of Excellence, pictured with McGovern, Agin and Carrico. 4: Dusty Ray (at podium) was named Regional Manager of the Year. Pictured are store managers Mike Fowler, Randy Clark, Gina Shelton, Karen Kemp, Nora Daugherty, Trent Agin (Rent One president), Dusty Ray, Stacy Rye, Deb Carson, Chad McCory and Lori McGovern (Rent One’s vice president of information services). 5: Antoine Lester (center), who runs the Malden, Missouri, store, was named Manager of the Year, pictured with Agin and Carrico. 6: Employee of the Year Jordan Kikpatrick (right) with his regional manager, Elvis Riley

PHOTOGRAPHS BY DEBBIE FLERI (WWW.SHUTTERBUG99.COM)





Serta Program Highlights

- Nationally Advertised Mattress Brand to Drive Incremental Traffic
- Always Free Freight
- Quarterly National Advertising Events
- Only 4 - Set Minimum Delivery
- 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

Serta Gave Away a
FREE Comforter to
RTO Customers in 2011.
What is your supplier
doing for you?

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ALL NEW Serta® Perfect Sleeper® Collection

Serta
perfect sleeper



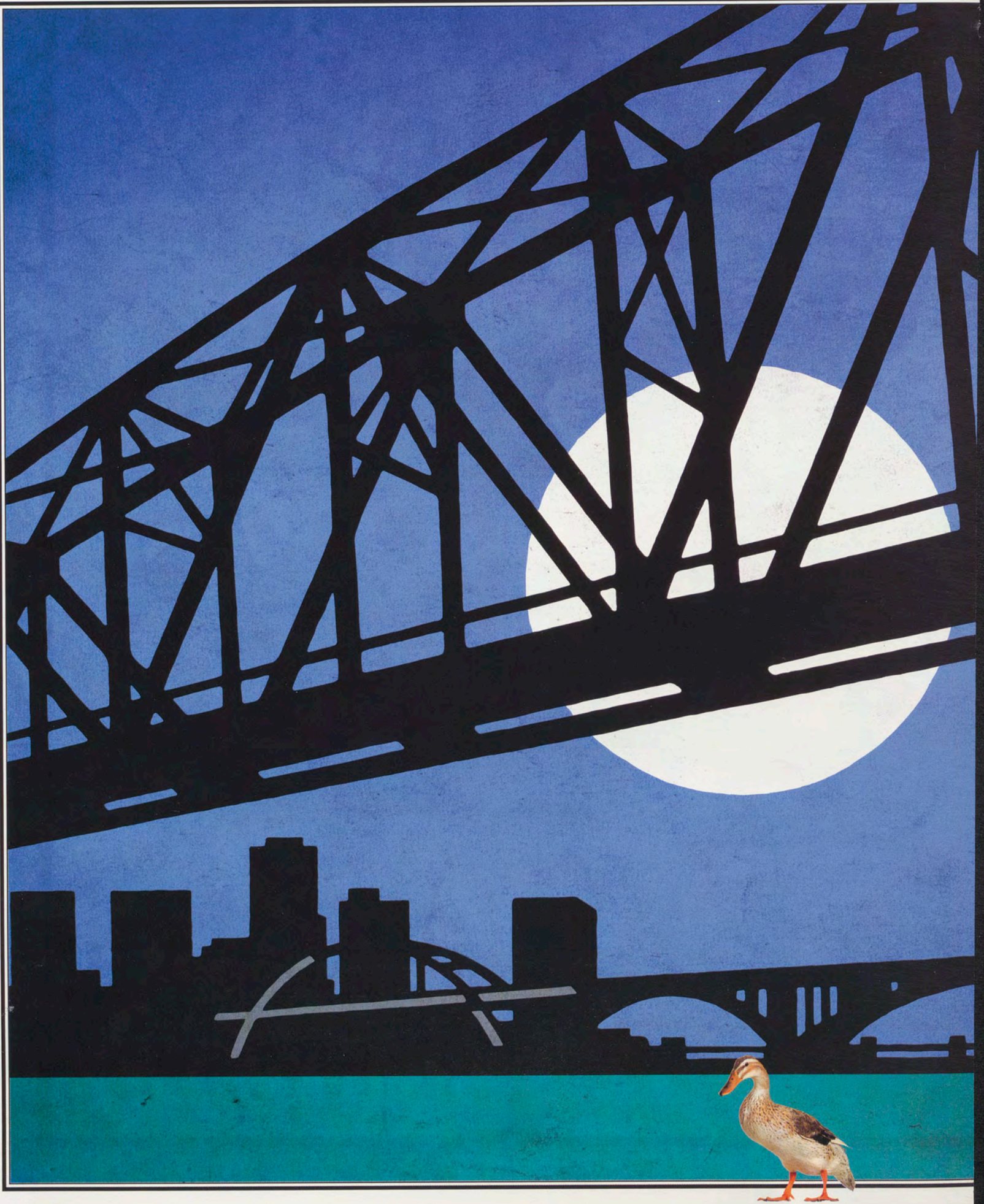
Visit us at www.serta.com or
call us today at 1-866-290-7433.



WE MAKE THE WORLD'S
BEST MATTRESS.™

APR Associate Member since 2009







A RENT-TO-OWN FAMILY REUNION

BIG SHOW IN LITTLE ROCK

APRO'S 2011 RENT-TO-OWN CONVENTION and TRADE SHOW

JULY 11-14 AT THE PEABODY HOTEL AND
STATEHOUSE CONVENTION CENTER

Call it APRO's Big Show in Little Rock. Call it our Rent-to-Own Family Reunion. Call it a golden opportunity to enhance your business with cutting-edge marketing strategies. Call it what you will—but make it your must-attend event this year. We've added several innovative features for 2011: a custom-made rent-to-own marketing plan you won't find anywhere else, a tantalizing mix of social events in one of America's most vibrant and attractive cities and a keynote address that will unveil "practically radical" approaches to how you should be doing business. And, of course, we'll offer all the trademarks that make an APRO Convention and Trade Show your favorite show each year, including our golf tournament at the world-class Chenal golf course; the APRO Trade Show, with specials available only to those who attend; thought-provoking seminars that will inspire and help improve your business; not to mention the year's best opportunity to visit with your favorite colleagues and meet some new friends, too. We're calling it our Rent-to-Own Family Reunion—and you're part of our RTO family, so we look forward to seeing you in Little Rock!

BIG SHOW IN LITTLE ROCK: BE A PART OF THE RTO INDUSTRY'S FAMILY REUNION AT APRO'S 2011 CONVENTION AND TRADE SHOW, JULY 11-14



New for 2011: Innovation in RTO Marketing. Marketing is the most requested education topic from past APRO Convention attendees. This year, we'll present Innovation Sessions, a new format examining marketing based on current research into the minds of potential rent-to-own customers. These sessions will equip you with a customized marketing plan created to help increase your business. APRO's education program assembles top speakers and rent-to-own experts from across the country to provide the information you need to succeed.

APRO's 2011 Rent-to-Own Trade Show. More than 100 exhibiting companies will display the latest products and services specifically for the rental industry and they'll offer specials available only during the APRO Trade Show. The money you will save on these show specials will more than pay for your registration fees—and you can win cash back from your purchases. Place orders at APRO's Trade Show to be entered into a drawing for cash prizes totalling \$5,000! Also enjoy great food and drinks in the exhibit hall with our complimentary lunch and cocktail party on opening day, as well as a fabulous brunch on the closing day.

New for 2011: Golf Tournament at Chenal. For the first time, APRO is offsetting the green fees at a world-class course so that you can play for a fraction of the current rate! Free pre-tournament golf clinic included.

New for 2011: Keynote address by Bill Taylor, a top business speaker and founding editor of Fast Company magazine. In addition to industry updates, APRO's General Session will present a keynote address from one of the nation's top business speakers. Taylor's insights will reset and refocus your vision for your business.

New for 2011: APRO Gala at the Clinton Presidential Center. Social events with great food and entertainment are always a highlight of the APRO Convention and they offer unequalled networking opportunities. Enjoy delicious food and great company at the APRO President's Welcome Reception, Gala Cocktail Party at the new Clinton Presidential Center and APRO's Awards Reception and Banquet, where we'll honor the industry's finest and provide ivory-tickling entertainment by the next best thing to Elton John.

Rental Advertising Excellence Awards. With an emphasis on honing rent-to-own marketing skills at this year's show, consider entering APRO's prestigious Rental Advertising Excellence Awards competition, which recognizes the creative advertising efforts of our industry. The winning entries will be on display in the exhibit hall.

RTO Customer of the Year and Employee of the Year Awards. Past recipients have brought tears to our eyes and pride to our hearts. Be sure to enter your best customer and employee in this annual contest, which recognizes the lifeblood of our industry. Winners will be announced during APRO's 2011 General Session. For details, visit www.rtohq.org.

Monday, July 11

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

Tuesday, July 12

- 7:30-8 a.m. Innovation Marketing Session continental breakfast (sponsored by Coaster Fine Furniture)
- 8-11 a.m. Innovation Marketing Session and Information Exchange Roundtables (sponsored by Imagery Marketing Group)
- 8 a.m.-5 p.m. Registration
- 11 a.m.-12 p.m. Exhibitor lunch and Vendor Advisory Committee election
- 11 a.m.-12:30 p.m. Lunch on your own
- 9 a.m.-5 p.m. Spouse/Guest Luncheon and Tour: Hot Springs' Historic Bath House Row
- 12:30-5:30 p.m. Educational seminars (breaks sponsored by RES Accessories)
- 7-9 p.m. Gala at the Clinton Presidential Center (sponsored by High Touch)

Wednesday, July 13

- 9 a.m.-5 p.m. Registration
- 9 a.m. Pick up ballots for Board of Directors election
- 9-10 a.m. General Session continental breakfast (sponsored by Crosley and TRIB Group)
- 10 a.m.-12 p.m. General Session and Keynote Address (sponsored by GE Appliances and Lighting, Protect-A-Bed and Simmons)
- 12-5:30 p.m. Exhibit hall open (ice cream break sponsored by Ashley Furniture)
- 12-1:30 p.m. Complimentary lunch in exhibit hall (sponsored by LG Electronics)
- 4:30-5:30 p.m. Exhibit Hall Cocktail Party (sponsored by TRIB Group)
- 6:30-7 p.m. Awards Banquet Cocktail Reception (sponsored by RentDirect Nationwide)
- 7-10 p.m. Awards Banquet: "A Tribute To Sir Elton John" (sponsored by RentDirect Nationwide)

Thursday, July 14

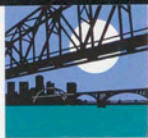
- 8-9 a.m. APRO Vendor Advisory Committee meeting
- 9-10 a.m. APRO Board of Directors meeting and election of officers
- 9 a.m.-2:30 p.m. Registration
- 9 a.m.-2:30 p.m. Exhibit hall open
- 9:30-11:30 a.m. Brunch in exhibit hall
- 12:30 p.m. Deadline for submitting APRO purchase orders for cash drawings
- 1:30-2:30 p.m. Cash drawings (need not be present to win)

Additional Sponsors:

Badges: ArchBrook Laguna; hotel keycards: Affiliated Construction Specialists/ProGuard; Pocket Show Guide: D&H; registration bags: TRIB Group; registration computers: CybertronPC; registration electronics: O'Rourke; Relaxation Station: Benefit Marketing Solutions; RTO Industry Survey: CybertronPC, Ideal Software, Mitsubishi, SED and TRIB Group

The RTO industry is one big family, so come celebrate that kindred spirit at our family reunion during APRO's 2011 Rent-to-Own Convention and Trade Show, July 11-14 in Little Rock. Reconnect with old friends, cultivate new relationships and take home a wide array of resources to enhance your business.





APRO 2011 Social Events

Joe Eason/Tom Kitchens Golf Tournament

9 a.m., Monday, July 11,
Chenal Country Club Golf Course
Sponsored by Whirlpool

Here's your chance to play on a pristine course for a fraction of the normal green fees; APRO is offsetting the cost of one of Arkansas' most elegant and prestigious courses. Chenal Country Club (www.chenal.com/life/country-club.asp) offers two world-class courses designed by Robert Trent Jones Jr., one of the world's leading golf course designers.

Trophies will be awarded to the top five teams, so start practicing your swing! And if you want some pointers, a free golf clinic will be offered from 8 to 9 a.m. on the day of the tournament with professional golfer Gene Bone, currently with Affiliated Construction Specialists/ProGuard.

Space is limited and assigned on a first-come, first-served basis.

APRO President's Welcome Reception

6-7:30 p.m., Monday, July 11
Peabody Grand Ballroom
Sponsored by Serta

Join us in honoring state presidents, APRO PAC and Team APRO contributors, and Congressional leadership. APRO President Robert Briley will recognize all those who have worked hard to protect the rent-to-own industry by being involved in the legislative process over the past year.

Business casual attire. Complimentary bar and light hors d'oeuvres.

Spouse/Guest Tour: Hot Springs' Historic Bath House Row

9 a.m.-5 p.m., Tuesday July 12

Less than an hour from Little Rock, Hot Springs is known

as "America's First Resort." Famed Bath House Row has enticed guests for decades, especially during its heyday in the 1930s.

The tour will begin at Garvan Woodland Gardens on the shores of Lake Hamilton. After the tour and a private luncheon, we'll head to Hot Springs for a walking tour of Bath House Row, including a visit to the Fordyce Bath House Museum and Mountain Valley Water. We'll also have time to visit specialty boutiques, art galleries and antique stores.



This tour is included in the Spouse/Guest registration fee; however, space is limited and you must be registered in advance to attend. Check the appropriate box on your registration form (*see page 27*).

Gala at the Clinton Presidential Center

7-9 p.m., Tuesday, July 12
Sponsored by High Touch

APRO's private evening at the Clinton Presidential Center and Park will include food and drinks, entertainment, camaraderie with colleagues and tours of this unique facility. The center, located on the banks of the Arkansas River, is home to the William J. Clinton Presidential Library and Museum, University of Arkansas Clinton School of Public Service and the Little Rock offices of the Clinton Foundation.

Business casual attire. Complimentary bar and heavy hors d'oeuvres.



Exhibit Hall Cocktail Party

4:30-5:30 p.m., July 13
Sponsored by TRIB Group

Wind down and relax with your favorite exhibitors and fellow rental dealers—a perfect way to close out your first day of business on APRO's 2011 exhibit floor. *Complimentary beer, wine and snacks.*

APRO's Awards Reception and Banquet: "A Tribute To Sir Elton John"

6:30-7 p.m. (Reception)
and 7-10 p.m. (Banquet), July 13
Peabody Grand Ballroom

Sponsored by RentDirect Nationwide

Put on your 1970s rock-and-roll party outfit and your big sequined glasses and join APRO as we "remember when rock was young!" This elegant evening will feature Jeffrey Allen, who has performed as Elton John with Las Vegas' longest-running impersonator show "Legends in Concert." Also, we'll honor the industry's finest during APRO's awards presentations.

Semi-formal or 1970s rock-n-roll evening attire. Open bar during the reception, cash bar during dinner.



APRO Seminars

TUESDAY, JULY 12 AT THE PEABODY LITTLE ROCK CONFERENCE CENTER LECTURE HALL, LEVEL 2

| | | | |
|--------------------|--|--|--|
| 7:30-8 a.m. | Innovation Sessions Continental Breakfast, Pre-Assembly Area, Level 2 (sponsored by Coaster Fine Furniture) | | |
| | CONWAY ROOM | | |
| 8-9:30 a.m. | Innovation Marketing Session: Grab That New Customer Jill Adams McDonough, Prevail! Strategic Marketing and Communications (sponsored by Imagery Marketing Group) | | |
| 9:30-9:45 a.m. | Break (all seminar breaks sponsored by RES Accessories) | | |
| | HARRIS BRAKE ROOM | CONWAY ROOM | WHITE OAK ROOM |
| 9:45-11 a.m. | Innovation Roundtable for Small Companies Moderated by Casey Pristou, Aaron's Sales & Lease Ownership | Innovation Roundtable for Medium Companies Moderated by Mike Tissot, Countryside Rentals | Innovation Roundtable for Large Companies Moderated by Dennis Adams, Full-O-Pep Appliances |
| 11 a.m.-12:30 p.m. | Lunch on your own | | |
| | HARRIS BRAKE ROOM | CONWAY ROOM | WHITE OAK ROOM |
| 12:30-2 p.m. | Developing Future Rent-to-Own Leaders Lyn Leach, Ace Rent-to-Own | Store Makeovers for Increased Rentals Martin Roberts, Martin Roberts Design | Health Care in America: Separating the Reality from the Hype Mitchell Andrews, The Plexus Groupe |
| 2:15-3:45 p.m. | 2011 Rent-to-Own Legal and Legislative Update for Owners Ed Winn III, APRO's General Counsel | Stand Out! Differentiate or Disappear: Branding Your Company for Success Larry Mersereau, PromoPower | Tips for Hiring Top Performers in Rent-to-Own Wayne Outlaw, The Outlaw Group |
| 4-5:30 p.m. | What Every Rent-to-Own Manager Needs to Know: Laws That Affect Your Daily Operations Ed Winn III, APRO's General Counsel | The Media Conundrum: Using Marketing Dollars Wisely in Today's Economy Larry Mersereau, PromoPower | Everyone Wins: Training Rent-to-Own Employees for Success Wayne Outlaw, The Outlaw Group |

APRO's Convention Youth Initiative Award

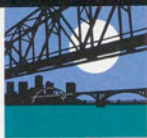
APRO strives to encourage our youth—they're the future of the industry! Students currently enrolled in high school or college who are employed in the rent-to-own industry are invited to apply for a complimentary full registration to APRO's 2011 Convention and Trade Show. Contestants must submit a one-page essay on the topic of rent-to-own. It can

include what you've learned about the transaction and the industry and/or how you feel the industry might fit into your plans for the future.

APRO's Youth Initiative Award will include a full registration to the Convention; travel and hotel expenses will not be included. To apply, send your one-page essay by mail or email and include the following additional information: name, address, telephone number, birth date,

rent-to-own store where the student is employed; supervisor's name, address and telephone number; and the high school or college where the student is enrolled. Entries must be received by June 13. Send to Shelley Martinek, APRO, 1504 Robin Hood Trail, Austin, TX 78703; or email to smartinek@rtohq.org.





Bill Taylor: Practically Radical

APRO'S 2011 CONVENTION KEYNOTE SPEAKER WILL GET DOWN TO BUSINESS

Fast Company magazine's co-founder and a best-selling author will focus on how your rent-to-own business can—and should—unleash big changes in tough times

Chances are, not many people have ever said to Bill Taylor, “Mind your own business.” If you’re an entrepreneur who has heard him speak or read his books and articles, you’d be delighted to have him focus on *your* business. Taylor, co-founder of *Fast Company* magazine, is at the forefront of shaping the global conversation about the best ways for businesses to compete, innovate and succeed. On July 13, during the General Session at APRO’s 2011 Rent-to-Own Convention and Trade Show, he will deliver the keynote address, sharing with rental dealers his insights into how to make your business extraordinary.

Taylor’s keynote will address the themes developed in his latest book, *Practically Radical: Not-So-Crazy Ways to Transform Your Company, Shake Up Your Industry and Challenge Yourself*, a manifesto for change and a manual for making it happen. It’s based on research of 25 organizations that have made deep-seated changes under very trying circumstances. Taylor was given deep access to these organizations—from hard-charging technology companies to long-established non-profits, from hospitals to auto makers to banks—and in Little Rock he’ll unveil their strategies for redefining leadership in turbulent times, ideas from which every leader can learn.

“It’s been fun learning about where the rent-to-own business is going,” Taylor says. “In Little Rock, I’ll talk about where business *itself* is going. I’ll talk about strategy and why it’s so important to rethink and re-imagine how your company does things. I’ll talk about customers and why it’s so urgent for you to connect with them *emotionally*, not just economically. And I’ll talk about leadership and why smart leaders like those in the rent-to-own industry need to understand how to operate in a world where nobody alone is as smart as everybody together.”

Practically Radical is a sequel of sorts to Taylor’s *Mavericks at Work: Why the Most Ori-*

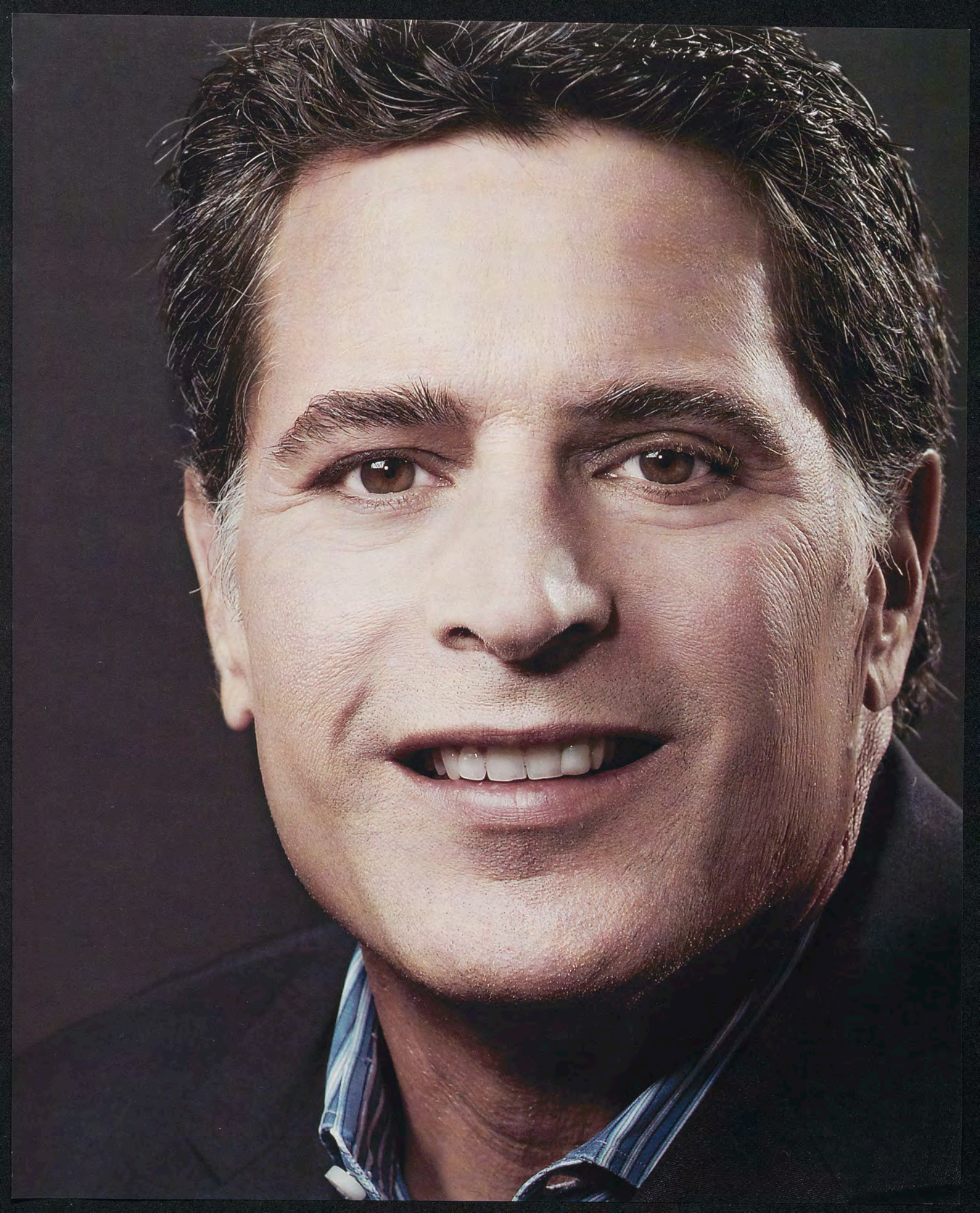
ginal Minds in Business Win, which was published in October 2006 to rave reviews. “I didn’t just read this book, I devoured it!” says Tom Peters about *Mavericks*. James J. Cramer, co-founder of TheStreet.com and host of CNBC’s *Mad Money with Jim Cramer*, says: “If *Mavericks at Work* had come out before I started TheStreet.com, I could have saved my investors (and myself) \$100 million, because I would have been able to take the lessons in the book and apply them every day to my business.”

Just weeks after its release, *Mavericks* became a *New York Times*, *Wall Street Journal Business* and *BusinessWeek* bestseller. *The Economist* named it one of its “Books of the Year, 2006” and other accolades included: “Top Ten Business Book of The Year” (Amazon.com), “Top Ten Book on Innovation and Design” (*BusinessWeek*) and “2006 Picks of the Year in Business Books” (*The Financial Times*).

As co-founder and founding editor of *Fast Company*, Taylor launched a magazine that has won countless awards, earned a passionate following among executives and entrepreneurs and has become a legendary business success. In less than six years, an enterprise that took shape in borrowed office space in Harvard Square sold for \$340 million. In recognition of *Fast Company*’s impact on business, Taylor was named “Champion of Workplace Learning and Performance” by the American Society of Training and Development.

In addition to his new book, Taylor also chronicles his latest research, insights and lessons on a popular blog, *Harvard Business Online*, the digital arm of the *Harvard Business Review*. A graduate of Princeton University and the MIT Sloan School of Management, Taylor lives in Wellesley, Massachusetts, with his wife and two daughters.

The first 100 companies to register for APRO’s 2011 Rent-to-Own Convention and Trade Show will receive a free copy of Bill Taylor’s latest book, *Practically Radical*.





The Lure of Little Rock

A PERFECT LOCALE TO COMBINE BUSINESS AND PLEASURE

In 1722, French explorer Bernard de LaHarpe sailed up the Arkansas River and, upon sighting the first rock bluff since leaving the Mississippi River, called it “La Petite Roche”—the Little Rock

With a vibrant metropolitan area of 500,000 people, Little Rock boasts historic landmarks, an energetic downtown entertainment district, restaurants, specialty shops, museums and plenty of scenic beauty, making it a perfect location for business meetings and family getaways. Here are just a few of the places you should consider visiting while in Little Rock this summer:

In 1957, Little Rock was thrust into the national spotlight when **Central High School** (www.nps.gov/chs) became the site of the first important test of the U.S. Supreme Court's ruling in *Brown vs. Board of Education*, which held that racial segregation in public schools was unconstitutional. Nine black students, under protection of the U.S. Army, entered Central High in September 1957. Today, this national historic site commemorates civil rights struggles and achievements.

The **William J. Clinton Presidential Center and Park** (www.clintonpresidentialcenter.org) is a repository for the official records of the 42nd president. The Clinton Center includes two levels of exhibits featuring photographs, videos, interactive presentations and full-scale replicas of the Oval Office and Cabinet Room.

Downtown Little Rock's historic **River Market District** offers an outdoor farmers' market and indoor shops, with everything from gourmet coffee to fresh sushi. The area is bustling with new restaurants, bars, unique shops and museums.

A short distance from the River Market District is **Quapaw Quarter**, nine square miles of beautifully restored 19th-century homes, MacArthur Park and the Governor's Mansion.

Located in historic MacArthur Park, the **Arkansas Arts Center** (www.arkarts.com) features elegant art galleries showcasing an acclaimed collection, including works by Cézanne, Van Gogh, Jackson Pollock, Georgia O'Keeffe, Rembrandt and Rubens.

Little Rock's **Old State House** (www.oldstatehouse.com) was constructed of hand-made brick in 1836 and served as the state capitol for 75 years. It continues to inspire as a history museum today.

The **Arkansas State Capitol Building** is a smaller-scale replica of the U.S. Capitol in Washington, D.C., and is often used as a stand-in for the real U.S. Capitol in movies.

Take a walk on the longest pedestrian and bicycle bridge in the world. Elevated up to 90 feet above the Arkansas River, the **Big Dam Bridge** (www.bigdamnbridge.com) connects approximately 17 miles of scenic riverside trails and assists in the connection of 70,000 acres of park land.

Heifer International (www.heifer.org) is a humanitarian organization dedicated to ending world hunger and caring for the earth. The **Heifer International Center** reflects the organization's efforts. There, visitors learn about Heifer's mission, the “green” features of the building and the organization's commitment to responsible use of resources.

Don't miss the famous parade of ducks! Each morning at 11, the clan departs their **Royal Peabody Duck Palace** and heads via a red carpet to the ducks' daytime home, a marble fountain in the lobby of APRO's host hotel, The Peabody, where they frolic all day.

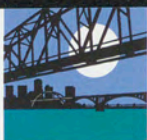
The **Arkansas Inland Maritime Museum** (www.aimm.museum) is home to the USS Razorback, the longest-serving submarine in the world. The museum commemorates America's rich naval and maritime heritage through the preservation and exhibition of historic vessels.

Little Rock's Visitor Information Center is located in **Curran Hall**, a beautifully restored historic home with gardens designed to replicate the 1840s antebellum period. For more information about Little Rock, visit www.littlerock.com. Tours of the city are available through Little Rock Sightseeing Tours, 800/933-3836, www.littlerocktours.com.



1: Inside the William J. Clinton Presidential Center, where APRO will hold its 2011 Gala 2: The Arkansas State Capitol, similar in appearance to the dome in Washington, D.C. 3: Downtown Little Rock's River Market District 4: Central High School, now a national historic site 5: The ducks at The Peabody, APRO's host hotel for the 2011 Convention and Trade Show 6: Heifer International Center, a marvel of "green" technology 7: Little Rock's Old Statehouse, which served as the Arkansas state capitol for 75 years.





We'll See You at The Peabody!

Experience the height of elegance and guest services at The Peabody Little Rock. Enjoy the smile-inducing March of The Peabody Ducks, savor tantalizing cuisine presented with panache and flair at the world-class Capriccio Grill Italian Steakhouse and soothe tired muscles in the hotel's relaxing sauna. Located in the heart of the bustling downtown River Market District, The

Peabody Little Rock offers unsurpassed luxury and well-appointed guest rooms. It boasts a *Forbes* Four Star and AAA four-diamond luxury hotel rating and is conveniently connected next to the Statehouse Convention Center.



Who Says Business and Pleasure Don't Mix?

Take advantage of APRO's 2011 Convention and Trade Show to enhance your business while enjoying some personal time with your friends and family. There are many great sights to see in the Little Rock area, so plan to enjoy some leisure time while you're there. The Internal Revenue Service's rules on business travel deductions are available at www.irs.gov/taxtopics/tc511.html. For more information on Little Rock, visit www.littlerock.com.

Registration in Three Easy Steps

Step 1: TRAVEL. Driving? Flying? Whatever your mode of transportation, one reason Little Rock was chosen for APRO's 2011 Convention is because of its accessibility. If you're flying, be sure to book your flight early to get the best rates. If you are driving, valet parking at the Peabody Hotel is \$21 per day. There is also off-site parking nearby for \$7.50 per day.

Step 2: HOTEL RESERVATIONS AT THE PEABODY LITTLE ROCK. The discounted APRO rate at The Peabody Little Rock is \$129. For reservations, call The Peabody at 800/732-2639—or reserve your accommodations online through the APRO website at www.rtohq.org. For suite information and reservations, contact Shelley Martinek at APRO, 800/204-2776, ext. 109. **Important!** You must book your room in the APRO block at The Peabody in order to get discounted convention registration rates. Your hotel confirmation number will be required on the registration form, so book your room first. The hotel reservation deadline is June 13.

Step 3: APRO CONVENTION REGISTRATION. The APRO member rate for full registration is \$349 for those who book in the APRO room block at The Peabody Hotel. Other registration rates are listed on the registration form on the facing page. The Convention pre-registration deadline is June 24. You may also register online at www.rtohq.org.



For More Information

GENERAL INQUIRIES:
Shelley Martinek
800/204-2776, ext. 109
smartinek@rtohq.org
www.rtohq.org

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

HOTEL ACCOMMODATIONS:
The Peabody Little Rock
3 Statehouse Plaza
Little Rock, Arkansas 72201
Reservations 800/732-2639
or online at www.rtohq.org

CONVENTION CENTER:
Statehouse Convention Center
#1 Statehouse Plaza
Little Rock, Arkansas 72201
800/844-4781

APRO'S 2011 CONVENTION AND TRADE SHOW ATTENDEE REGISTRATION

(APRO TRADE SHOW EXHIBITORS SHOULD NOT USE THIS FORM)

Last name _____ First name (for badge) _____
 Company name _____
 Company mailing address _____
 City _____ State _____ Zip code _____
 Business phone (_____) _____ Fax (_____) _____ Email _____
 Cell phone (_____) _____ Do you give APRO permission to send you text messages during the seminars at the 2011 Convention? Yes No
 Special needs? _____
 Is your company a member of APRO? Yes No Is this the first APRO Convention you will have attended? Yes No
 Attendee type: Rental dealer Non-exhibiting vendor Other _____
 Job title: Owner Executive officer District manager Store manager Account manager Non-management-level employee Other
 What is the size of your company? 1 to 2 stores 3 to 12 stores 13 to 25 stores 26 to 100 stores 101 or more stores
 Spouse/guest last name _____ First name (for badge) _____
 Child (12 and under) last name _____ First name (for badge) _____

APRO'S 2011 CONVENTION AND TRADE SHOW REGISTRATION PRICES (PLEASE CHECK ALL THAT APPLY):

Peabody Little Rock Hotel confirmation number (mandatory to receive discounted registration rates; confirmation number will be verified) _____

| Registration options and prices (APRO's General Session, Keynote Address and Business Meeting is open to all attendees.) | With valid Hotel confirmation | Without valid hotel confirmation |
|---|----------------------------------|-------------------------------------|
| <input type="checkbox"/> APRO Member Full Registration. Includes all functions except the golf tournament and the spouse/guest tour. | \$349 | \$549 |
| <input type="checkbox"/> Non-APRO Member Full Registration. Includes all functions except the golf tournament and the spouse/guest tour. | \$599 | \$799 |
| <input type="checkbox"/> Spouse/Guest (Non-Industry). Includes all functions except the Innovation Sessions, seminars and golf tournament. The spouse/guest tour is included with full spouse/guest registration, but you must be pre-registered to attend the tour. Please indicate if you wish to participate in the spouse/guest tour: <input type="checkbox"/> Will attend <input type="checkbox"/> Will not attend | \$199 | \$199 |
| <input type="checkbox"/> Limited Registration: Non-Management-Level Employees (requires one full registration from same company) Includes APRO President's Welcome Reception, Innovation Sessions (with continental breakfast), seminars, exhibit hall admission (with brunch and lunch) and the exhibit hall cocktail reception. Does not include the golf tournament, spouse/guest tour, Gala at the Clinton Presidential Center or Awards Reception and Banquet. Must have at least one full registration from same APRO member company to qualify. For APRO members only. | \$129 | \$129 |
| <input type="checkbox"/> Non-Exhibiting Vendor: Exhibit Hall Only. Includes APRO President's Welcome Reception, exhibit hall admittance (with lunches) and the exhibit hall cocktail reception. Does not include the golf tournament, spouse/guest tour, Gala at the Clinton Presidential Center or Awards Reception and Banquet. | \$129 | \$129 |

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

- Joe Eason/Tom Kitchens Golf Tournament, Monday, July 11: \$95 Spouse/Guest Luncheon and Tour, Tuesday, July 12
 Gala Cocktail Party at the Clinton Presidential Center, Tuesday, July 12: \$119 (included with the full spouse/guest or may be purchased à la carte): \$79
 APRO's Awards Reception and Banquet, Wednesday, July 13: \$129 Child—all events (12 and under only): \$79

2011 JOE EASON/TOM KITCHENS GOLF TOURNAMENT REGISTRATION:

Registration fee is \$95 per player. Registration deadline is June 24. Space is limited and assigned on a first-come, first-served basis. Space in the tournament cannot be reserved until payment is received by APRO.

Handicap _____ Shirt size: S M L XL XXL Convention attendee affiliation: Rental dealer Vendor Guest/spouse
 Requested team (list three names below; make sure that every team member completes the same portion of his/her form, indicating the same participants):

Rental clubs will be the responsibility of the golfer and will be paid directly to the golf course on the day of the tournament.
 Please indicate if you would like to reserve clubs at \$50 per set—supply is limited: Rental clubs: Right-handed Left-handed

PAYMENT INFORMATION:

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

Credit card number _____ Expiration date _____

Signature _____ Name as it appears on card _____

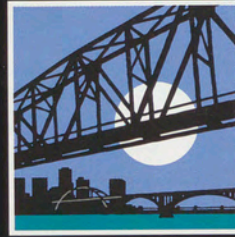
Pre-registration deadline is June 24. Registration will be available on-site. A cancellation fee of \$45 will be charged for any cancellation made after June 24.



MAIL, EMAIL/SCAN OR FAX THIS FORM, WITH PAYMENT, TO:
 ASSOCIATION OF PROGRESSIVE RENTAL ORGANIZATIONS, 1504 ROBIN HOOD TRAIL, AUSTIN, TEXAS 78703
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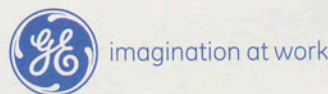
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Rent-to-Own Family Matters

PART II: PROFILES BY KRISTEN CARD

In this issue of *RTOHQ: The Magazine*, we continue our series on family-run rent-to-own businesses with profiles of the Tinneys of North Carolina, Fries of Pennsylvania, Bobbie Floyd and her sons, Chad and Derek Mitchell, of Virginia, and Rhonda Weatherford of Arkansas, who, along with her sons, keeps the legacy of her father, Don Cecil, alive. As we gear up for the Rent-to-Own “Family Reunion” at APRO’s Convention and Trade Show in Little Rock this summer, we thought it highly appropriate to honor the industry’s strong sense of family in our magazine—both literal kin and the proverbial collective that we call APRO.



RENT-TO-OWN FAMILIES, PART II

The Fries

PREMIER RENTAL-PURCHASE, ALTOONA, PENNSYLVANIA, WWW.PREMIERRENTS.NET

The Fries find balancing family, business and the space in-between is perfectly enough

For Sandi Frye, more isn't necessarily better. For example, her involvement in rent-to-own began in 1993 with a simple part-time secretarial position at Rainbow Rentals. While she was happy when the role she played at Rainbow grew—first to full-time and eventually to manager of the Altoona, Pennsylvania store—it was a different story when the company grew big enough to be bought by Rent-A-Center in 2004.

"The transition to Rent-A-Center was culture shock for me," Sandi says. "Rainbow was extremely family-oriented and flexible. With a much bigger company, there was naturally less flexibility—flexibility that I needed as a working mom."

Within a year, Sandi left to open her own Premier Rental-Purchase franchise in Altoona. A Rainbow colleague of several years, Mike Frye, went with her to help; within two years, the couple married, blending their five children from previous marriages into a single family with a single store. Which is not to imply this family-run business was a happily-humming-along venture—like the Von Trapp family renters—immediately.

"We tried to get the kids interested in the store when we were first opening," Sandi recalls. "They wanted nothing to do with it. But as they matured, all of a sudden, they wanted to give it a try. You can't push them into it, because rent-to-own, you either love it or you hate it. But now, they're hooked. They love it—the benefits, the hours, the sort of work they do."

Mike's son, Mike Jr., worked at the family firm as an account manager until last year,

when he left to become an entrepreneur. Sandi's eldest, daughter Ebony, has worked at both Premier and Majik Rent-to-Own. Daughter Nicole, 19, and her Air Force husband both were Premier employees until his recent relocation for boot camp and Sandi's youngest, 15-year-old son Matt, continues to help around the store. Sandi's mom, Winnie, even handled the company's bookkeeping for a while, but now does the store's shopping "mostly for entertainment purposes," Sandi chuckles.

For the Fries, the secret to keeping both the family and the business successful is a clear separation of the two. "Mike and I never discuss work at home—we don't want it to consume our life," Sandi says. "It's always 'business is business' and the same goes for the kids. When we're at work, I'm not your mom, I'm your boss. And whatever the rules are for everyone else are the rules for you. It keeps it fair for all the employees, family or not."

Yet it's almost impossible for a family feeling not to creep in to the way the Fries do business. And from Mike and Sandi's perspective, as long as it's kept in check—not too little, not too much—it can be a good thing.

"When you're shopping in a family-owned store, there's a more personal touch, a warmer rapport," Sandi notes. "We don't take anybody for granted and we try to be compassionate and understanding. When a customer has an issue, we make the extra effort to work with him or her."

"It is more personal," Mike agrees. "And that translates across the counter to the customers. They feel like they're part of the family, too." *

Opposite page: Winnie Thorpe, Nicole Conway, Matt Whited, Ebony Whited, Sandi Frye (holding grandson Cameron Price) and Mike Frye Sr.





Bobbie Floyd and The Mitchells

AARON'S SALES & LEASE OWNERSHIP, DANVILLE, VIRGINIA, WWW.SHOPAARONS.COM

Bobbie Floyd and her sons, Chad and Derek Mitchell, embrace change while never letting go of family-business values

Chad and Derek Mitchell and their mother, Bobbie Floyd, are no strangers to change. Sure, from 1981 to 1995—for 14 years—life was fairly smooth and solid for the Mitchell family. They were settled in Danville, Virginia, with a successful retail-turned-rental TV and appliance store. Kelly Rentals was growing steadily, with a dozen locations in two states by 1995.

And then the bottom fell out. The family's patriarch, Grady Mitchell, died unexpectedly, leaving Bobbie to manage a thriving business while both boys completed college. Luckily, Bobbie had several long-time employees—including the first two she and Grady ever hired—to help. And luckier still, more help was on the way.

"The boys grew up in the store," Bobbie explains. "So when they got out of college, they wanted to come back to the business. You can't put it on your children; they have to choose it. But if they hadn't wanted to come back to it, then I might not have stayed in the business."

Chad and Derek brought youthful drive, fresh perspectives and a sense of renewal to Kelly Rentals. They continued growing the company, doubling the number of stores over the next 12 years and extended their investments into real estate, real estate holdings and property management.

"They've definitely contributed a lot to the business," says Bobbie, now remarried. "They've got lots of great ideas percolating all the time. Sometimes, you need young folks to get you to try different things."

Probably the biggest change the business has undergone was the family's 2009 decision to transition their company to Aaron's Sales & Lease Ownership. For the past two years, they have been busy converting their 25 Kelly's stores to 17 Aaron's locations, while preparing to open up three more locations later this year.

"We were extremely impressed with [the Aaron's] model," Chad says. "We felt like it was the best decision at the time and we've been happy ever since. Growing with a franchise is a little different, but we'll be at 20 stores this year and we intend to keep on growing the business as big as we possibly can."

While the sign above the stores might have changed, the way Grady and Bobbie taught their sons to do business remains—and remains successful.

"We were raised to be honest and I think that goes a long way in business," Derek says. "We were given a good work ethic—we were working at an early age and were expected to get a job, get the job done and do it with integrity. We learned always to take care of our customers and always have the best price. Dad said, 'Do those two things and you'll have customers for life.'"

"When our dad passed, Derek and I both saw a great opportunity in what he and our mom had started and we were both up for the challenge," Chad concludes. "There wasn't any pressure at all—we just saw it as a great chance to carry on what they had begun. I think if he were still living, then he would have made the same choices we have. I believe he'd be proud." ✱

Opposite page: Bobbie Floyd, center, with her two sons, Derek and Chad Mitchell





RENT-TO-OWN FAMILIES, PART II

The Tinneys

RENT AMERICA, FAYETTEVILLE, NORTH CAROLINA, WWW.RENTAMERICA.COM

**The Tinneys
believe in the
power of renting,
working and
staying together
for success**

When APRO holds its annual convention and trade show in Little Rock, Arkansas, this July, it will be a stroll down memory lane—the matrimonial aisle for Larry and Brenda Tinney. “We got married just outside of Little Rock, in one of the state’s oldest brick homes, called the Ten-Mile House,” Larry says. “It was the first stagecoach stop from town and was used by the Union to house prisoners during the Civil War. We definitely want to visit while we’re there.”

A suggestion of vow renewals elicits a chuckle from the couple. “We renew our vows on a daily basis,” Brenda laughs. “Some days more often than others.”

With 46 years of marriage and 31 years in business together, a restatement of commitment does seem rather redundant. From head cheerleader and star quarterback at Athens [Texas] High School to the owners/operators of Rent America, an award-winning, 15-store company headquartered in Fayetteville, North Carolina, the Tinneys have come a long way—together.

“When we started out in 1980 as a ColorTyme franchise, there were a lot of bosses,” Brenda recalls. “And I said to Larry, ‘This isn’t going to work. There’s got to be one boss and that’s going to be you.’ We’re equal partners, but there’s one boss. That’s the way it works; that’s why it works.” The ColorTyme affiliation lasted only three years, but the division of labor between the pair has endured—and has extended to their two children, who also help run the family business.

“Larry has the financial area; our son Darren does operations and marketing; Kay, our

daughter, covers bookkeeping and human resources; and I take care of inventory and accounts payable,” Brenda says, adding lightly, “So Larry makes the money and I spend it.”

Larry and Brenda agree that the biggest benefit of a family-run business is the everyday engagement with their kids—not only the interaction, but also the greater intention beneath it. “We get to be together with some unity and familial purpose,” Larry says. “Working together, pulling for the same results and goals. It’s heartening to know everybody truly cares about what we’re trying to achieve. We’re very blessed to have our family involved.”

And Larry means to stay that way—involved. At 65, he and Brenda have no plans for imminent retirement; they both say they’re having too much fun in rent-to-own to quit now. “My theory is that working keeps you young,” Larry says. “I don’t see myself staying home, which may be much to the dismay of the children. I do see them running the business, but I want to keep working as long as I enjoy coming to work and I can contribute. Folks ask, ‘Don’t you have a boat or a beach house [to retire to]?’ and I say, ‘No, I believe in renting.’”

It’s difficult to tell whether the Tinneys’ strong marriage has helped their business succeed or vice versa. But whichever way you slice it, quips Brenda, “We have a lot in common.”

“At home, we find ourselves talking about work—but at least we have something to talk about,” Larry concurs. “You see lots of couples sit there and stare at each other, but we’re always talking. People don’t know whether we’re talking about love or business—and it really doesn’t matter.” ✧

Opposite page: Larry and Brenda Tinney, center, with their daughter, Kay Davenport, and son, Darren Tinney





Cecil, Weatherford & Cummings

DON'S E-Z PAY, MENA, ARKANSAS

Rhonda Weatherford honors her dad by continuing his legacy of hard work, humility and ownership

“It all originated with my dad, Don Cecil.” More than two years since her father’s passing from cancer, Rhonda Weatherford’s Arkansas drawl is still fresh with grief as she begins the story of her family rent-to-own business.

“He always wanted to be self-employed,” she continues. “He was in the Air Force, he drove a chicken truck, he had a car lot, he built apartments and he did some appliance repair. He really had a dream of being his own boss and running his own business, so in 1982, he opened up a used furniture store. He started out with nothing, but it grew.

“He was a humble man,” Rhonda remembers. “He just wanted to help people—so he let them pay things out, week by week, and the next thing he knew it had blossomed into this rent-to-own thing. People thought he was insane, but it worked. He was really a rent-to-own pioneer.”

Almost 30 years later, Don’s E-Z Pay is still going strong. With Don Cecil’s only child serving as its leader, the company employs more than 25 people at one Oklahoma and three Arkansas locations, with another readying to open later this year. You’d never know Rhonda wasn’t raised behind the rent-to-own counter.

“My dad always worked a lot—worked two jobs at a time while I was growing up—and my parents divorced,” Rhonda explains. “So I never really got to know him then. About 15 years ago, I was working as a nurse when my dad got ill and needed to take some time off, so I began helping him. Well, he was gone for a year, so I just sort of stumbled my way through and here I am now.”

Rhonda took on the massive task of transitioning the company from ledger books to computers and picked up the arts and sciences of hiring, firing, bookkeeping, purchasing, etc., as she went along. But her best learning experience came once her father returned to work alongside her.

“The years we got to work together, we really got to know one another—and it was awesome,” Rhonda recalls. “We got to be like best friends. We could practically read each others’ minds, that’s how our relationship was.

“He always did people right,” she continues. “He taught me [that] when customers come through that door, make them feel special, because they are. Work with them any way you can so that they can obtain ownership of the product, because that’s our business—rent-to-own, not rent-and-pick-up-later. So we go above and beyond to help people own the product.”

Today, Rhonda is proudly passing her father’s wisdom along to the next generation. Her son, Brandon Cummings, currently manages the Mena, Arkansas, store, but will soon be moving up to operations manager once brother Aaron Cummings joins the team to take over the Mena location. A third son, Calvin Cummings, is committed to the Air Force for a few more years, but also intends to come home and become part of the family firm.

“My dad sacrificed so much to make things easier for his customers and for his family,” Rhonda concludes. “He’s left us a legacy and we’re going to take good care of it. I really think Dad’s watching—and he’s probably just pleased as punch.” ✧

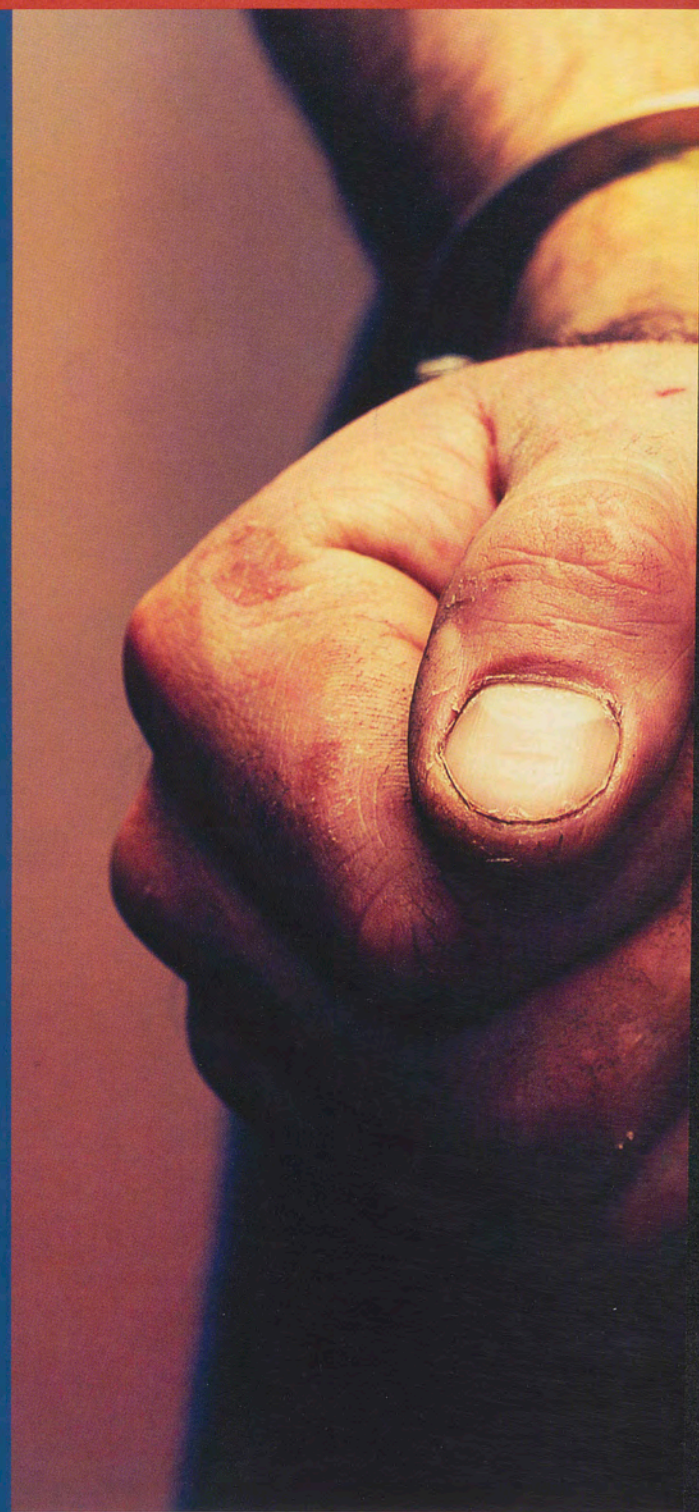
Opposite page, clockwise from top left: Rhonda Weatherford and Don Cecil (1968); Rhonda’s graduation from nursing school (1996); Don, third from left, with his grandsons (Rhonda’s sons) Calvin, Brandon and Aaron Cummings (2008); Don at the store in 1995

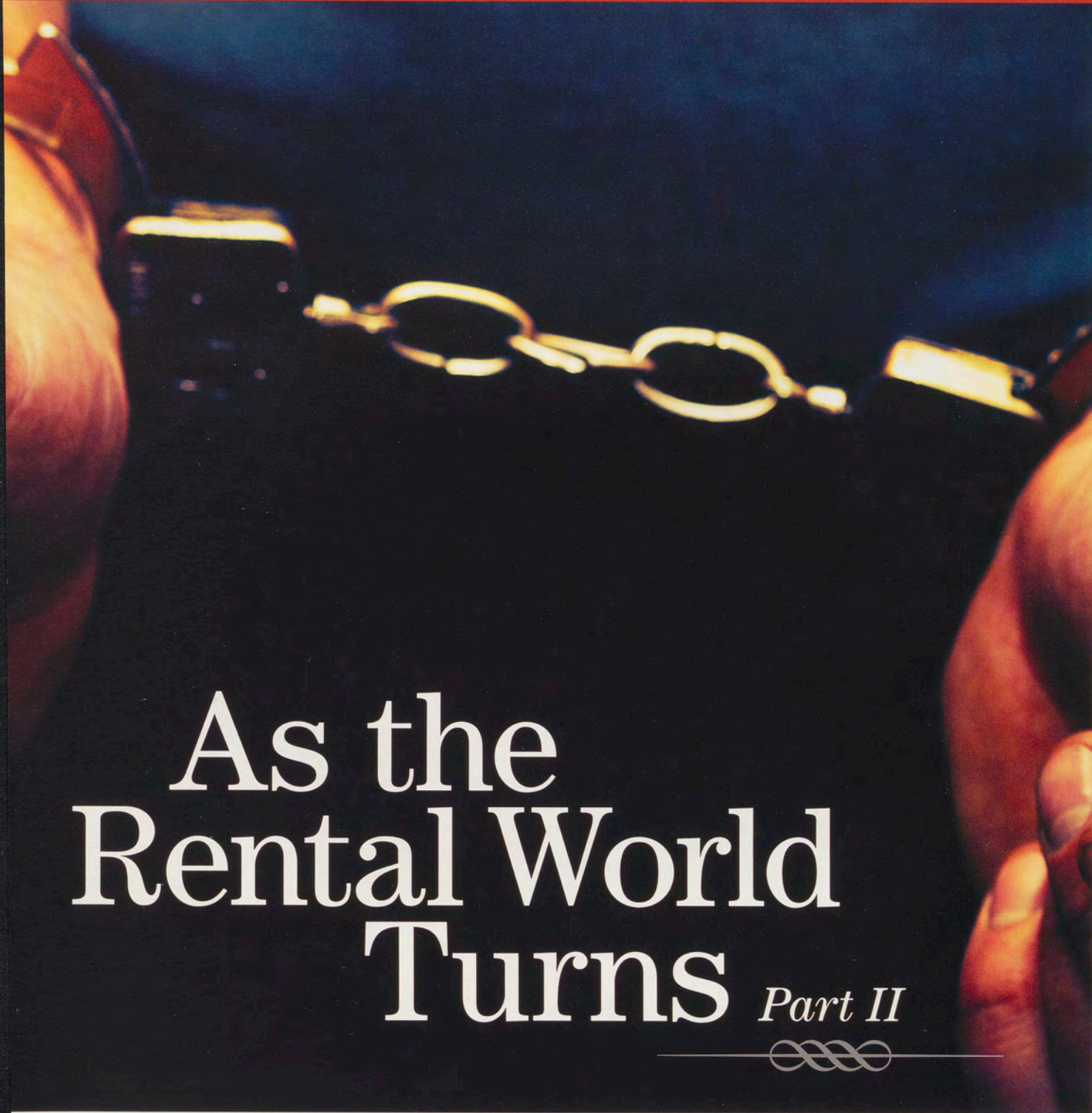


H

ere are more real life cases from the rental world with spellbinding stories of mayhem and madness with lessons for us all. Some of these stories are a little dark. Some of life in the rental store can get that way sometimes. And, remember, these tales come from court records, so there was a real conflict that time and TLC could not make go away. We are in a tough business, and we run up against some tough customers. Happily, most of the despicably tough ones end of up in jail, some for a long, long time. So, take an antacid and read on.

By Ed Winn III



A pair of glasses is suspended in the air, held by a hand on the right side of the frame. The background is dark and moody, with some light reflecting off the lenses and the hand. The overall tone is contemplative and artistic.

As the Rental World Turns *Part II*



More Lessons Learned
from Some Thought-Provoking
Circumstances

A Sofa by Any Other Name... Is it Still a Sofa?

In New York State, Mr. Davis rented a new 10-piece sectional seating group, commonly referred to as a "conversation pit." Davis was renting weekly and, after four weeks (which included timely payments), he decided to rent two used end tables and a matching new coffee table to go with the conversation pit. He entered into a second agreement with the rental dealer. The conversation pit was rolled into this second agreement. Over the course of the next 12 months, Davis made 36 payments, equal to 50 weeks, more or less, on the 87-week agreement. Some payments were timely; some not; some were double and even triple payments. According to the court's calculation, Davis paid \$1,392 out of the total rent-to-own price of \$2,262, or 61.5 percent of that amount. At that point, he voluntarily surrendered all of the property back to the rental store because, as Davis explained to the dealer, he was moving to a new apartment. He also told the dealer that the surrender was going to be temporary and that he intended to reinstate the agreement to get the furniture back once he was settled into his new place.

The store manager testified that given Davis' sporadic payment history, he did not anticipate that Davis would, indeed, reinstate, and so he did not put a hold on the furniture. When the opportunity presented itself, the store manager rented it all to someone else.

Two months later, Davis came back into the store to reinstate his agreement only to learn that his treasured conversation pit was no longer available. The store offered Davis different living room furniture, including a sofa, love seat and chair. Davis refused the substitute furniture and sued.

The court had to focus on the meaning of "substitute merchandise" in the New York rental-purchase statute. The court noted that the condition and quality of the two sets of furniture were comparable. They were of "similar price, durability, workmanship [and] age, and both were in fairly new shape." The court went on to note, however, that the "character" of the two sets was different and that a sofa, love seat and chair are not a "substitute" for a 10-piece sectional conversation pit.

The court acknowledged the need for balance in such situations, stating: "The law must be careful not to hold merchants to too high a standard in transactions like the one at bar. We certainly can't expect rental-purchase dealers to have two of everything or to become warehousemen, holding surrendered goods for the statutory time limit in order to cover every eventuality. The

consumer should not have an expectation that he'll get back the same or nearly the same merchandise he surrendered. So long as the substitute merchandise is of the same quality, condition and character, it satisfies the law, even though it may not satisfy the subjective taste of the consumer. This is a risk that consumer must assume when he surrenders rental-purchase goods."

Inevitably, courts will have to decide what is and what is not acceptable substitute personalty on a case-by-case basis. Is a non-cable-ready television a substitute for a similar, but cable-ready, set? Is an armless chair a substitute for one with arms?

The court considered several different measures of damages and ultimately awarded Davis damages equal to half of what he had paid on the accounts, looking at the statutory buy-out provision in the New York law and concluding that half of all rental payments went for the use of the property and half toward ownership, which Davis was denied.

LESSON: With reinstatement issues, it is supremely important to make the customer happy. The company had probably quit carrying conversation pits in this case and one can only wonder what other items rental dealers will quit carrying over a "lifetime." What will you do when a customer wants to reinstate an agreement for a VCR next week? When Sears does not have what a customer orders out of the catalog, its policy is to step the customer up to the next better product in the line at no extra charge. Be careful with reinstating customers. By the time you pay off your lawyers and the unhappy customer, you will have made a very bad deal if you insist on being too fussy.

To Catch a Thief, You Might Catch a Liar As Well

In Arkansas, Mr. Johnson pled guilty to burglary, theft and felonious possession of a firearm and was given a six-year suspended sentence. The next year, while still on probation, Johnson was arrested for failing to report to his probation officer, failing to pay probation fees and filing a false police report. He was convicted on all three counts and sentenced to serve time in the penitentiary for 20, 10 and six years, respectively, with the sentences to run concurrently.

At the trial, a detective testified that Johnson originally filed a police report swearing that his mobile home had been broken into and burglarized by his uncle and a cousin and that they had taken a radio, washer and dryer, VCR, television and \$10 in cash. Police investigated and found that several items in the trailer had been destroyed.

Later, Johnson approached the detective in charge of the burglary investigation, explaining that he wanted to give a second statement. This time he admitted that he had sold the washer and dryer and had destroyed some of his own property to make it look like some burglars had done it. The rental dealer who had the misfortune of having Johnson as a customer testified at the trial that he had rented the washer and dryer, VCR and television to Johnson and that Johnson was behind on his payments.

Johnson took the stand on his own behalf and testified that his second statement had been coerced by the police and was not true.

On appeal, Johnson argued that there was not enough evidence to convict him on the charge of filing a false police report. The appeals court pointed to the second statement—in effect a confession that Johnson had lied to the police—and affirmed the conviction. Johnson is serving his 20.

LESSON: It does not pay to steal televisions. It pays even less to lie to the police. Johnson has 20 years to figure this out. You figured it out in the time it took to read this article. These days, you can check the criminal records of would-be customers. People on parole for theft might not make good rental customers.

Name the Defendant—and Make Sure You Have the Right One

Mr. Bragg and his girlfriend decided to move in together into an apartment in Georgia. Shortly thereafter, they went to the rental store, one in a six-store chain, to get a washer and dryer for their new place. Bragg was too new to town to qualify for an account and so his girlfriend signed the rental agreement. When the units were delivered, she also signed the delivery receipt. Later that month and before any payments were made on the account, the love birds broke up and Bragg moved to Texas.

The girlfriend made no payments on the washer and dryer, nor did she call the store to come pick up the units. It is unclear why the store did not try to collect from the girlfriend, but apparently no one ever did. One possibility is that Bragg filled out the rental application originally and the store did not have any information on the girl-

friend—although, presumably, someone in the store had a record of the address where the units were delivered.

In any case, since the account was effectively a first-payment default, the company owner instructed the store manager to swear out a warrant for the girlfriend's arrest. For reasons unknown—call it human error, for lack of any better explanation—the store manager swore out a warrant for Bragg instead of the girlfriend.

The store manager stated in his sworn testimony: "I do not remember taking a warrant for Bragg, but while I was manager, I took out warrants on several people. I was not allowed to choose the person to take a warrant for...The [owner] always told me who to take the warrant for. He would have had to tell me to take out a warrant for Bragg."

A year later, Bragg returned to Georgia and—surprise, surprise—in due course, was picked up on the outstanding warrant for theft by conversion of the washer and dryer. The charges were eventually dismissed because of insuffi-

cient evidence (no rental agreement with Bragg's name on it, for example). Bragg then sued the rental company for malicious prosecution. The company's defense was that the store manager—not surprisingly, the former store manager—was acting outside the scope of his employment when he had Bragg arrested, because the instruction from the home office was to have the girlfriend arrested, not Bragg.

The question of whether an employee was acting within the course and scope of employment, in which case the employer is liable for the employee's conduct, or whether the employee was "off on a frolic of his own," acting outside his employment, in which case the company is not liable, is usually a question for the jury, but in clear cases, the judge can decide the issue.

This was just such a clear case. The person who signed the affidavit for the arrest warrant was the store manager at the time. He had company authorization to swear out an arrest warrant for the theft of the washer and dryer. The court, ruling against the rental company, explained: "The fact that [the store manager] disobeyed, ignored or misunderstood [the owner's] instructions to have the girlfriend arrested rather than Bragg is unfortunate, but irrelevant for our inquiry... The undisputed evidence shows that [the store manager] swore out the affidavit for the arrest of Bragg for the sole reason that he thought he was instructed to do so by his employer."

What will you do when a customer wants to reinstate an agreement for a VCR next week? When Sears does not have what a customer orders out of the catalog, its policy is to step the customer up to the next better product in the line at no extra charge.

It did not matter to the court that the rental company did not know its employee had the wrong person arrested, or that the company did not authorize the action, or even that the company disapproved or forbade it. The only issue for the court was whether the employee was attempting to further his employer's business by his actions—and the undisputed evidence is that he was, however clumsily. There was no evidence, for example, that the store manager even knew Bragg or that the store manager had any kind of personal vendetta against him. The store manager had Bragg arrested as part of his job.

The record in this case does not indicate how much the company had to pay Bragg in damages. This is likely because the company settled off the record once the court ruled against it. Nor do we know the details of the arrest—for example, whether Bragg was cuffed in public, whether he may have turned himself in once he heard about the arrest warrant, how long he was kept in jail, etc. When successful, malicious prosecution cases against rental companies—not all that rare, by the way—often result in judgments in the \$10,000 to \$30,000 range.

LESSON: Filing criminal charges of theft against rental customers is always risky business. The paperwork has to be perfect. Eye-witnesses help and, in an industry with relatively high turnover at the store level, they can be hard to find when cases finally come to trial months or even years after the theft. Convictions only occur when there is proof “beyond a reasonable doubt.” If a customer is arrested but not convicted, most of them will sue the rental company. Wouldn't you? Get it all exactly right, assuming that the police will take the complaint, the district attorney will prosecute theft of rental property cases and the customer will go to jail. Get it even a little bit wrong and you will end up writing a check to the customer who stole your television.

A Fanciful Take On the Debate Over Lease Versus Sale

Mr. Jackson rented a two-piece living room suite and a queen mattress and frame in Alabama with a stated cash price of \$1,300 for all items. He made regular and timely payments for three months and then sold the items to a used-furniture outlet a couple of towns away, telling the furniture dealer that the items had been fully paid for and were his to sell. When the rental dealer learned of the sale, he filed a criminal complaint against Jackson alleging second-degree theft of property (the degree of theft relates to the value of the property stolen).

Jackson ultimately pled guilty to the charge and was sentenced to three years in prison. The sentence was suspended and he was given probation for three years. When he pled guilty, Jackson reserved the right to appeal on the “lease versus sale” issue.

On appeal, Jackson argued that his transaction with the rental store was really a disguised security transaction, that title had passed to him before he sold the property and that, since the rental store no longer owned the property, he could not be convicted of theft.

The appeals court analyzed the history of “lease versus sale” cases in Alabama, scrutinized the terms of Jackson's rental agreements, including such details as the rental store's responsibility to pay any personal property taxes levied on the rented items. The agreement was a typical rent-to-own transaction, presumably in compliance with the Alabama rental-purchase statute, although the court did not make reference to that law. After reviewing the terms of the rental agreement, the court affirmed Jackson's conviction and sentence.

LESSON: When you are up against it, you will make any argument that you can—be it logical, fanciful, illogical or otherwise. If the government is paying for your lawyer, there is no harm in trying. It's free and so try they do, rental thieves and others, to stay out of jail. Sometimes it works; usually it doesn't.

Don't Sell a Television You Don't Own to Someone Else

Airman Boddie, a U.S. Air Force security policeman, rented a big-screen television, stereo, couch, chair, two tables and lamp from a rent-to-own store close to the base. Soon he realized that he was over-extended and could not keep up with his payments to the rental store along with his other financial obligations. He painted over the name of the rental store on the television and stereo and sold them. He also attempted to sell the furniture. According to Boddie, his plan was to use the money from the sale of the rental property to pay off his other bills. Then he could continue to pay on his rental account at the rent-to-own store and, if he stayed current, the rental store need never know that he had sold its merchandise.

The plan did not work. Soon after selling the television and stereo, Boddie once again found himself in financial trouble and wrote hot checks, four of them. When he discussed the bad checks with his squadron commander, he explained his scheme with the rental merchandise, an admission that led to his court martial.

At the court martial, Boddie pled guilty to larceny and four counts of writing bad checks. Larceny is defined under the *Uniform Code of Military Justice* as: “the act of intentionally and permanently depriving the owner of the use and benefit of the property or of appropriating the property for his own or another’s use.” Boddie was convicted and sentenced to a bad-conduct discharge, hard labor without confinement and a reduction to E-1.

Boddie appealed his conviction to the Air Force Court of Criminal Appeals and that court reversed his conviction on the grounds that Boddie did not have the required intent to plead guilty to larceny since he intended to pay the rental company the full value of the property he had taken. As such, his conduct amounted to nothing more than a breach of contract.

From that ruling, the prosecuting officer appealed to the Armed Services Court of Criminal Appeals. This court reinstated the conviction for larceny, holding: “The intent to pay for the property taken or otherwise to return its equivalent is never a good defense unless there is a substantial ability to do so; a mere hope, under circumstances disclosing little foundation for optimism that one can replace or pay for the property, will not do.”

There was a vigorous dissent to the decision that began, “This could be an important case in the world of rental debts for the military—important not only for the stability of the law, but for fairness in punishment...” The dissenting judge interpreted Boddie’s plan as indicating merely a temporary rather than a permanent taking of property that belongs to another. The judge pointed to previous military justice cases in which the use of a rental car beyond the terms of the rental contract, for example, did not amount to larceny. The judge noted that there was no evidence in the record of the “fact” of “little hope” that Boddie could successfully pay off the rental store. The judge noted that Boddie had a full-time job and “perhaps he would have continued to make the [rent-to-own] payments with proper management of his paycheck.” Yeah, and maybe Boddie would have become a jet pilot and risen to the rank of an Air Force general, too.

The dissenting judge did not like the rent-to-own business; his opinion reflects this attitude: “Under the [rental agreements] Boddie...over the contract

life, would have paid over twice the retail cost of these items—a good deal for the [rent-to-own store], but a bad one for Boddie.”

LESSON: The military wants its service members to be financially responsible. Woe unto those soldiers who steal rental merchandise, even with the best and most creative of intentions, and also to those who write bad checks. If you have trouble with a soldier, don’t be shy. Go to the base commander. Often, he or she will help.

A Christmas Story Your Children Wouldn’t Enjoy

Twas the night before Christmas eve, December 23, in a Missouri rental store, around 7 p.m., when the store manager sitting in his office in the back noticed two males come into the store and walk straight up to the back counter without slowing down to look at

any merchandise along the way. The store manager stepped up to the counter where the cash register, jewelry cases, camcorders and digital cameras were on display and asked the two men if he could help them. One of the men replied that they were just looking and, shortly thereafter, the two left, again walking straight out without pausing to look at any merchandise.

The next morning, Christmas eve, the store manager got to the store around 7:45 a.m. to prepare for the store opening at 8. Just after the store opened, a young woman came in to look at some furniture. The other employees were in the back and so the store manager began assisting her. When he bent down to examine some scratches on a bedroom set that the customer had pointed out, the customer suddenly ran out of the store. The store manager then saw that the two men from the night before were back. They were certainly the same two. “It just stuck out

like a big thumb,” the store manager testified. “I kept the Shirley Temple curls and big nose and forehead stuck in my brain because I had just seen them yesterday [and remembered] the fact that they were acting kind of weird [when they came into] the store.”

Upon their return to the store, the man with the curls, Mr. Washington, pulled a gun on the store manager and ordered him to the office in the back. The store manager

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against it, you will
make any argument
that you can—be
it logical, fanciful,
illogical or otherwise.
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paying for your lawyer,
there is no harm in
trying. It’s free and
so try they do, rental
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to stay out of jail.
Sometimes it works;
usually it doesn’t.

did as he was told and when the three of them got to the office, Washington ordered him to open the safe and put the contents on the floor, which he did. Washington then told him to give him his wallet and to empty his pockets. Washington put the cash from the safe, some \$1,300, in a bag, as well as the store manager's wallet and cash. The two men grabbed a camcorder and a laptop that were in the office. Then, Washington and his accomplice duct taped the store manager's hands and eyes and ripped the telephone out of the wall. Washington told him not to move and the store manager next heard the cash register ding and then the sound of running feet. In due course, the store manager managed to free himself from the duct tape and call the police.

The store manager told police that he usually made a bank run every morning between 9 and 9:30 with the receipts from the day before. He also told police that the security cameras had been out of order for a couple of weeks and that he had told all his employees of this fact so that they would all be extra alert in the store. The police examined the crime scene but did not turn up any credible leads.

Two months later, the store manager got an anonymous phone call at the store from a woman who told him that she knew who had robbed the store. She told him that it was Washington and another man she named. She said that she knew they had taken a laptop, which they subsequently sold for \$500, and that they knew that the store's delivery drivers did not come to work until 9 a.m. The robbers also knew that the store's security cameras were out of order. The store manager thought that some, although certainly not all, of what the caller told him was the truth because the laptop information had been withheld from the public report on purpose; only the store manager, district manager and police knew about the theft of the laptop.

The name the caller gave as Washington's accomplice was one of the store's delivery drivers and the store manager knew that the driver was not one of the two robbers. The caller told the store manager that the driver had set up the robbery because he was mad at the store manager. The store manager called the police with this new information and then went to the station, where he picked Washington out of a photo line-up almost immediately.

The police initiated surveillance at Washington's last known address, but never saw him. However, two weeks

later, Washington walked into the station and turned himself in. He was read his rights and interviewed by three policemen. He told them that he had been involved in the robbery of the rental store with his cousin (not the store's delivery man) and that they had taken cash and a laptop. He also stated that he had used a fake gun. He wrote and signed the following statement in the presence of the three policemen: "The incident that took place was a robbery, which involved money and a laptop that me and my cousin took. And I am trying to get the laptop back in a week."

At his trial 18 months later, Washington did not testify. However, the store manager and the police officer in charge of the investigation both testified at length. The jury saw the signed confession. The jury convicted him of first-degree robbery and sentenced him to 20 years in the state penitentiary.

Washington appealed, as convicted felons sitting in the pen with nothing to do are wont to do, claiming that the testimony concerning the anonymous phone call was hearsay and should not have

been admitted and that, without the hearsay testimony, there would not have been enough evidence to convict him.

The appeals court patiently explained that in addition to the evidence of the anonymous phone call—which may or may not have qualified as hearsay evidence under state law—there was also the credible and detailed eyewitness testimony of the store manager. Oh, and by the way, there was also Washington's written confession to the crime. In other words, there was plenty of evidence to convict without the evidence of the telephone call, which, under the circumstances, was not prejudicial or, as the court referred to it, "outcome determinative."

The court affirmed the conviction and the sentence. Washington is currently scratching out the days of this sentence on the wall of his cell.

LESSON: When someone pulls a gun on you, do what he/she says. We do not want dead heroes in our rental stores. Hone your instincts for trouble in the store. There is often advance warning that trouble is coming. It's often in the air and you can sense it. Pay attention when things suddenly no longer feel right. And keep the damn security cameras working! How hard is *that*? *

We do not want dead heroes in our rental stores. Hone your instincts for trouble in the store. There is often advance warning that trouble is coming. Pay attention when things suddenly no longer feel right. And keep the damn security cameras working! How hard is *that*?

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

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By Trooper Earle
President/CEO,
The Premier Companies

We believe that it is essential to both short-term profits and long-term progress that we provide the right training tools to our dealers.

Many business owners view employee training and development as an option rather than an essential! Like so many owners they feel and view training as an expense rather than an investment. Not at The Premier Companies!

We believe that it is essential to both short-term profits and long-term progress that we provide the right training tools to our dealers. Therefore, The Premier Companies made substantial investments for custom training and development through online courses at Premier University; *Respect Listen and Respond*.

In today's economy, if your business isn't learning, then you're going to fall behind. And a business grows as its people learn. A business's strongest asset is its employees because they are the ones that produce, deliver and manage their

products or services every day, year in, year out.

The University provides an atmosphere that facilitates learning and enhances performance. It's a resourceful tool to bring success through educational training to each Premier dealer location; *Together We Succeed! With Freedom of Choice* in mind, Premier University allows individualized training programs to fit their location's specifications regardless of where they are located.

Matt Baker became a Premier Rental-Purchase franchisee in 2007. He had been in the industry 16 years when he

read an article about Premier in a RTO industry publication and reached out to Trooper Earle about becoming a Premier franchisee. Matt based his decision to become an owner operator with Premier on flexibility. "I like the idea of running my business the way I want to yet I have all the resources with Premier if and when I decide to use them" comments Matt. "The support and resources Premier has to offer today is phenomenal! I've watched Premier go from one corporate website to websites for all dealers, progression in quarterly marketing kits, and technology going from virtually

nothing to ahead in the industry.” Matt and his store employees have been taking advantage of the training modules in Premier University since its inception. All his employees completed the initial training and they are currently being set up with monthly required training programs. “The employees find this a great tool especially compared to the training text manual I had. The online training and videos are more interesting while assisting the staff to earn their Premier Degree.”



Matt Baker
Premier
Franchisee

Premier University is easily accessible offering many educational modules to select from. This allows a dealer to build a custom program that fits the specific needs of his employees and their location. E-learning benefits employers at all levels by providing the tools and education to elevate their employee's skills, techniques and personal development.

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matically sent out to students with notification of courses currently due, new courses offered and updated course standings. This ensures that employees always know where they are and where they are headed. Once a module is completed, a certificate is automatically created and stored in the employees own personal online profile.

This unique online training program allows employers and employees to clearly and easily see what is expected of them and how to reach their goals. Enhanced reporting and statistical analysis are just a few of the additional valuable tools that Premier University offers.

Every individualized training program starts with a blank slate, and end-



“I like the idea of running my business the way I want to yet I have all the resources with Premier if and when I decide to use them”

less possibilities. Premier University offers an environment where you can build a program that fits your company's needs and offers organizational structure. Premier understands that knowledge is power and we need to cultivate and grow that knowledge through education.

We, at The Premier Companies, also understand that to create a learning culture in your business, you must begin by clearly communicating your expectations to your employees. Then they can take the steps necessary to hone their skills to stay on top of their profession. Every successful training and development program we offer includes a component

that addresses our current and future leadership needs. We recognize that Premier dealers and their employees are our principle business asset!

Gail Bower, Premier Rental-Purchase owner in Arvada, Colorado, was one of the first Premier franchisees to participate in Premier University. She and her husband, Tony went through all the training modules and took the tests for each one soon after Premier



Gail Bower
Premier
Franchisee

University was launched last year. “We haven't had a training program in place so I'm thrilled to have this type of additional support from The Premier Companies,” mentions Gail. “I've always just relied on what I have learned over the years and shared that knowledge with my staff.” Gail believes in continued training and always going back to the basics. She is excited to have the training support to provide to her employees and plans to set up each store position with a degree program in Premier University.

With this investment in Premier University, we have developed a strategic measurement for a business and their employee's success. Premier University is an educational experience our company will benefit from for many years to come!

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These rent-to-own vendors and distributors of furniture and furniture accessories are APRO associate members (*), APRO advertisers (+) and/or APRO Trade Show exhibitors (^).

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tony@macassoc.net
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Perdue Inc. ^

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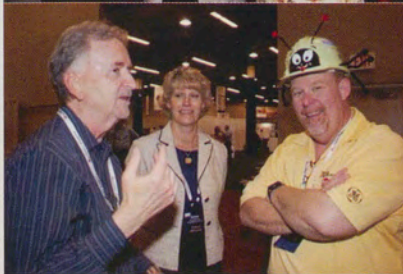
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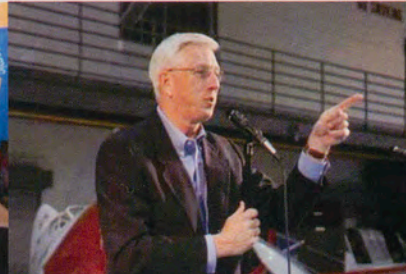
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RTO's 10-Percent Hurdle

The common wisdom is that there are 40 million people who fit the rent-to-own demographic—variously defined, but generally including those with incomes below some threshold; those without credit because they are too new to the market to have established any significant payment histories; those who have damaged their credit by not paying their bills on time; and those with maxed-out credit. The rent-to-own industry does business with about 10 percent of those folks, 4 million or so customers per year. That percentage has been fairly steady over the past several years and inquiring minds want to know why the industry has not increased its penetration further into its demographic.



The answer, alas, will not be found on the last page of this magazine. It remains an important question, an intriguing question, a question whose answer has proven frustratingly and tantalizingly elusive. It is too simplistic merely to say “price,” although price is at play. There are plenty of people within and without the rent-to-own demographic who have an occasional need for some household item that can readily be found in an RTO store: a bed or TV for a visiting relative; an extra fridge in the garage for the holidays; some extra furniture for the summer place that goes back when the season ends, and so on. Compared to the rates in rental yards, rent-to-own rates are two-thirds lower—and yet, by the millions, these short-term rental customers have never darkened the doors of a rent-to-own store and it has nothing to do with price.

It is too simplistic merely to say “stigma,” although stigma is at play. Rental stores were once not especially inviting places in which to shop and that early history of dirty windows seems to linger like a storm cloud over the industry. Today’s rent-to-own stores—gleaming and clean and large and bright—rival anything that retail has got. Perhaps old memories and reputations really do die hard.

There is also the continuing confusion about how rent-to-own works. It would be convenient to

blame the misapprehensions and misunderstandings surrounding rent-to-own on the stupidity of the American public. But, the blame for misunderstanding rent-to-own finally lies where it belongs—on the industry that has both the privilege and duty to explain itself. It is a mildly complicated transaction.

“No obligation” should not be all that tough to explain on the one hand and grasp on the other, but tough it appears to be. There is no use insisting that rent-to-own is just a lease, or for critics to argue that it is just a sale, because, it is, finally, a hybrid transaction and has, or can have, elements of both. We still must confront the alarming fact that one-third of rent-to-own customers do not know that they can cancel the deal at any time, return the property and walk away scot free, credit rating unblemished, with no further obligation whatsoever (and come back later and do more business with that very same store, because they are still valued customers).

It does not involve unraveling string theory to observe what would happen if, instead of attracting one out of 10 potential customers, the industry could get two out of 10. That doesn’t sound like a great leap, after all. We do not have to do business with everybody. However, if we could get to two out of 10, we would double the size of the industry. That might mean another store for some of you. It might mean another several hundred or several thousand for others.

If it were easy, we would already have done it. It is not easy—nor, is it impossible. We start by listening carefully to what people who don’t know about, or who do not like, rent-to-own are saying about it. We learn about those opinions in focus groups and surveys. We shape our messages to speak to and explain away the objections that are raised to trying rent-to-own. It may, finally, take more than a 30-second spot to do this. We try this message. We try that one. It will not happen overnight, but I predict, with some focus, energy and commitment, that it will happen. We did not used to be at 10 percent of our demographic and now we are. *

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

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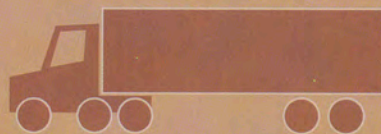
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