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Michael Bennett, Buddy's new CEO has literally come full circle—from Orlando to Orlando—ensuring good things happen to good RTO people.

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*The figures above reflect averages for the 20 top revenue stores (25%) of the 81 stores reporting that opened in 2016 or prior and have been open at least 24 months. These averages are based on a 52-week annual period from January 1, 2018 through December 31, 2018. Of these 20 stores, 9 (45%) had higher total revenue and 9 (45%) had higher operating income. This information has been taken from our item 19 in our FDD. A new franchise owner's results may differ from the presented performance. There is no assurance you'll do as well. If you rely upon our figures you must accept the risk of not doing as well. THIS ADVERTISEMENT IS NOT AN OFFERING. AN OFFERING CAN ONLY BE MADE BY A PROSPECTUS FILED FIRST WITH THE DEPARTMENT OF LAW OF THE STATE OF NEW YORK. SUCH FILING DOES NOT CONSTITUTE APPROVAL BY THE DEPARTMENT OF LAW. © RNR Tire Express. 2019 All rights reserved.

As quickly as the first half of the year seems to pass, the back half always seems to speed by even faster. It feels like we were all in Louisville at RTO World 2019 just a few days ago—connecting, learning, and buying—and now, here we are in the home stretch, getting ready to finish up another great year for rent-to-own!

In addition to some football and pumpkin spice lattes, I hope your fall plans include heading out to one of the upcoming state association meetings—these enlightening and enjoyable get-togethers are a highlight of the autumn season. To get you ready, let's shine a little extra spotlight on **our diligent and essential state associations**.

This year at RTO World, we presented five State Association Awards:

- **Emerging Excellence Award:** Georgia
- **Continuing Excellence Awards:** Illinois, Indiana, Iowa-Nebraska, Kansas, Maryland, Northeast, New York, Northwest, Oklahoma, Tennessee, and Wisconsin
- **Legislative Achievement Award:** Arkansas
- **State Association of the Year Award:** Missouri
- **Presidents' Circle Award:** Florida, Missouri, Ohio, and Pennsylvania

The Presidents' Circle Award is new this year, designed to recognize state associations with outstanding leadership, community involvement, and advocacy. **Advocacy was actually the purpose of creating state associations** to begin with—to develop a network of strong grassroots rental-dealer constituents who could build relationships with their state lawmakers and their Congressional representatives, to help protect and promote their businesses and the RTO industry as a whole.

Advocacy is still the top priority for our state associations and their members. Their efforts to connect with legislators—at state legislative days, APRO's annual Legislative Conference, political events, or by inviting lawmakers for store visits—are crucial to rent-to-own's ability to survive and thrive in today's global marketplace.

Our state associations also provide **important education and information-sharing forums** at the state and regional levels; APRO is currently working to support these efforts by beginning to offer more regional education opportunities over the next few years. And our state associations help **boost our industry's image** with their tremendous community outreach and service.

To help sustain their efforts, APRO provides our state associations with many administrative services intended especially for them, including:

Bookkeeping & Other Services *[included in membership dues]*

- Open and maintain a bank account for state association funds
- Process accounts receivable and payable
- Prepare and mail dues notices
- Manage email marketing to members for state meetings
- Provide legal advice via APRO's General Counsel

Marketing, Membership, & Meeting Services *[fee-based]*

- Distribute New-Member Welcome Kits
- Design, print, and mail postcards or flyers for state meetings
- Create state-meeting registration forms or emails
- Invoice for state-meeting booths and sponsorships
- Register and report on vendors and rental-dealer attendees at state meetings

Our industry's **state-association leadership held an awesome meetup** during RTO World 2019, facilitated by RentOne's Kelly Martin [thanks, Kelly!], and featuring lively discussion, idea-sharing, and problem-solving. And now, state presidents and their board members have a new way to connect the rest of the year—a **Facebook group exclusively for APRO State Association Leaders**. This closed FB group offers a forum for state leaders to exchange information, talk about trending topics, and access a list of speakers available to present at state association meetings [including APRO staff].

As APRO seeks new ways to assist and benefit our state associations and their members, **we also urge all rental dealers to get involved in our industry at the state level**. State associations have been key to establishing a comprehensive network of positive rent-to-own rules and laws across our country, and continue to play a vital role in protecting and promoting a safe, legal environment where RTO businesses can succeed, prosper, and grow!

So a spectacular shout-out to all our state associations, their leaders, and their members: Thank you, and keep up the superb work! And to you all, have a fantastic Q4, and cheers to a terrific 2020!



Jill McClure, CAE
APRO Executive Director

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Read our *Digital Edition* at www.rtohq.org

APRO Safeguards the RTO Industry



The Association of Progressive Rental Organizations protects your business by continuously monitoring all laws, legislation and regulations that affect the rent-to-own industry. Whether it's activity on Capitol Hill, at the Internal Revenue Service, in state legislatures, city halls or local, state and federal regulatory agencies, APRO keeps tabs, informs members and takes action to safeguard the rent-to-own transaction. Over the past three decades, numerous federal bills have been introduced that would have crippled or destroyed the RTO industry, invalidating every state rent-to-own law that currently protects the right to conduct business. In each case, actions by the industry's opponents were thwarted. APRO also monitors state regulations to help ensure that your business is operating in compliance with state laws and offers data on the economic impact of rent-to-own in each state—an excellent resource for communicating the RTO industry's value to the American economy.

Not an APRO member?
Click "Join APRO" on the
www.rtohq.org homepage or
contact APRO at 800.204.2776,
info@rtohq.org



WHAT ELSE DOES APRO DO?

- ❑ Ignites new ideas and innovations at **RTO World: The Rent-to-Own National Convention & Trade Show**.
- ❑ Improves business by providing **unparalleled networking opportunities**.
- ❑ **Keeps members informed** with *RTOHQ: The Magazine*, RTO Today (the association's digital newsletter), *RTO Almanac*, RTOHQ website and industry news alerts.
- ❑ **Awards scholarships** every year to RTO professionals and their family members.
- ❑ Connects members to customers via **ShopRTO.com**.
- ❑ Provides **five-star exposure**, helping members convey a positive message in their communities.
- ❑ Helps develop innovative strategies through **extensive market research**.
- ❑ Offers RTO **legal advice, wage-and-hour consulting** and **commercial insurance** programs.



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Trent Agin

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Gopal Reddy

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Dennis Adams, Michael Bennett, Phillip Bumbry,
Chad J. Fosdick, Joe Gazzo, David Harrison,
Robbie Kamerschen, Shirin Kanji, Jonathan Rose,
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Why RentDirect?

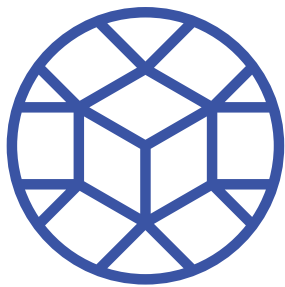
Marketing Asset	Est. Market Cost	RD Member Cost
TV Ad Production	\$2500.00	\$199.00
6 second; 15 second Digital Ad	\$1500.00	FREE w/TV Ad
Website Design-1	\$1999.00	\$499.00
TOTAL	\$5999.00	\$698.00

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RTO MATTERS

Reporting by Valerie Villarreal Announcing the 2019-2020 APRO Leadership

The 2019-2020 Board of Directors, elected on August 6 in front of their peers at the RTO World 2019 APRO Awards Luncheon & Business Meeting, come with a plethora of background and experience. We are pleased to present the teams who will be the 2019-2020 backbone of APRO.

Congratulations to new board members: Michael Bennett, Buddy's Home Furnishings; Phillip Bumbry, Mid-Atlantic-WolfPack, dba Aaron's; and Chad Fosdick, CR Fosdick Ent. Inc., dba Premier Rental-Purchase. Re-elected for another term were board members Dennis Adams, Full-O-Pep Appliances Inc. dba American Rental; Louis Garcia, RTO Advantage Consulting, David Harrison, Rental Concepts, LCC dba RNR Tire Express; Robbie Kamerschen, Aaron's Inc.; and Gopal Reddy, Action Development Corp., dba Aaron's. The following are serving the second year of their two-year term: Joe Gazzo, Bi-Rite Company Inc., dba Buddy's; Shirin Kanji, Impact RTO Holdings, dba Rent-A-Center; Jonathan Rose, RNR of Virginia, LLC dba RNR Tire Express; and Adam Sutton, Rent-n-Roll LCC, dba RNR Tire Express.

The newly elected or re-elected board members, along with those who are serving the second year of their two-year term, elected APRO's executive committee. Chris Kale, Sr. was elected President; Trent Agin was elected First Vice President; David P. David was re-elected Secretary; Terah Vail was elected Treasurer; and Louis Garcia will remain on the board as immediate Past President.

In addition to the advisement of APRO board members, the APRO Vendor Advisory Committee sets the direction and helps with many of the specifics of RTO World—the National Rent-to-Own Convention & Trade Show—while providing an important link between vendors and dealers. Congratulations to newly elected and re-elected APRO Vendor Advisory Committee members: Al Benson, Central File Marketing; Donna DiTrani, High Touch Technologies; Rob Feliciano, Gemini Sound; Gary Jones, Ashley Furniture Industries; Kelly McClellan, L2 Corporation; Greg Skinner, Leopard Mobility; and Lauren Talicska, wowbrands. The following are serving the second year of their two-year term: Bill French, O'Rourke Sales Company; John Blair, PTS Direct Benefits & Tax Services; Michael Helton, Rivero, Gordimer & Company P.A.; David Kaye, Benefit Marketing Solutions; and Marty Smith, RES Accessories.

This year, APRO is also excited to introduce the newly formed APRO Emerging Leaders Council [ELC]. The APRO ELC is a small, active group of member volunteer leaders rising in the RTO industry who help drive new ideas and programs for APRO that benefit the RTO industry as it continues to adapt and transform. Congratulations to its inaugural members: Dale Anderson, III, Jaguar Holdings LLC, dba Eagle Rental-Purchase; Jessica Mahon, Countryside Rentals, dba Rent-2-Own; Sachin Rama, Impact RTO Holdings, dba Rent-A-Center; William Lee Rappold, Summit Capital Partners, dba Rent-A-Center; Adam Stark, Happy's Home Centers; and Matthew Warren, RNR Tire Express. Visit www.rtohq.org for more details and bio's on these new candidates.

BOARD OF DIRECTORS



VENDOR ADVISORY BOARD



Liberty Tax Acquires Buddy's

The acquisition of Buddy's Home Furnishings by Liberty Tax took place this summer propelled by strategic business moves for the company. In an effort to transform themselves from a tax service business to an investment company specializing in franchised and related businesses, Liberty Tax also intends to change its name to 'Franchise Group Inc.'

With more than 330 stores nationwide, Buddy's Home Furnishings is the third largest rent-to-own dealer in the United States. Almost 90% of their locations are franchisee operated. All outstanding shares of common stock will be \$12 per share, as offered by Liberty Tax.

A special committee of independent directors of Liberty Tax unanimously approved the following terms of the transaction:

New Holdco, a newly formed subsidiary of Liberty Tax, acquired all of the outstanding equity interests of Buddy's; equity interests in New Holdco issued to former owners of Buddy's implies an enterprise value of Buddy's of approximately \$122 million; the equity interests issued by New Holdco and the shares of Preferred Stock are exchangeable for shares of Common Stock; the tender offer for all outstanding shares of Common Stock is \$12.00 per share, financed through a combination of debt and equity financing; The Buddy's Loan was extended solely to Buddy's and neither Liberty Tax, nor any of its subsidiaries that operate the existing Liberty Tax business, are obligors in respect of this loan.

Liberty Tax and Buddy's will operate as stand-alone businesses with separate management teams.

2019 Scholarship Recipients

APRO's Education Foundation annually provides scholarships to rent-to-own professionals and their families. For more than a decade now, APRO members have contributed significantly to the Education Foundation's Scholarship Fund, awarding 357 scholarships totaling \$830,750 to help hundreds of students associated with the RTO industry pursue a college degree.



Congratulations to our 2019 APRO Education Foundation Scholarship Recipients!

Florida Rental Dealers Association

- Caitlin Miller
- Brandon Collins
- Nadia Zenteno

Kansas Rental Dealers Association

- Kaitlyn Black
- Hannah Tharp

Missouri Rental Dealers Association

- Holden Pettitt

Tennessee Rental Dealers Association

- Benjamin Estep
- Ethan Garrison
- Samuel Hogan
- Chandler Morel

APRO

- | | | |
|-----------------------------|----------------------|-------------------|
| • Haleigh Adams-Salaberrios | • Gabe Kurtzhals | • Erin Reed |
| • Brianna Anderson | • Gabriel Little | • Layne Richard |
| • Johnny Cleek | • Ronia Loving | • Philip Rineberg |
| • Mary Cleek | • Caleb Mercer | • Nicole Rosa |
| • Thomas Cleek | • Caitlin Miller | • Conner Ryals |
| • Brandon Collins | • Natalie Miller | • Marissa Shutt |
| • Jalynn Felan | • Lakelyn Monahan | • Bailey Tanksley |
| • Jarred Ford | • Javontay Moss | • Brandon Thorson |
| • Ethan Garrison | • Cora Papoccia-Pyse | • Andrea Wallace |
| • Amarah Howard | • Tej Patel | • Myaicia Womack |
| • McKenzie Jacobs | • Makenna Peters | • Nadia Zenteno |
| • Johnny Kube | • Holden Pettitt | |

October 19-23, 2019

High Point Furniture Market Fall 2019, High Point, North Carolina. For more information, call 336/869-1000 or go to www.highpointmarket.org.

October 20-23, 2019

APRO Board of Directors Annual Fall Board and Committee Meetings, Austin, Texas. For more information, call 800/204-2776.

January 7-10, 2020

Consumer Electronics Show 2020, Las Vegas, Nevada. For more information, visit www.ces.tech.

January 12-14, 2020

The Premier Companies National Convention. For more information, contact Trooper Earle at 757/645-0884 or troop@premierrents.com.

January 13-17, 2020

The Premier Companies Celebration. For more information, contact Trooper Earle at 757/645-0884 or troop@premierrents.com.

January 26-30, 2020

Las Vegas Market Winter 2020, Las Vegas, Nevada. For more information, visit www.lasvegasmarket.com.

February 9-12, 2020

RentDirect Nationwide PrimeTime! Vendor Show, Houston, TX. For more information contact Tyra McEwen at 336/714-5096 or tyram@nationwidegroup.org.

February 23-26, 2020

TRIB Group 2020 Meeting of the Minds & Expo, Atlanta, Georgia. For more information, call Dennis Shields at 770/451-4302, ext. 1 or dennis@tribgroup.com or go to <http://tribgroup.com>.

March 16-19, 2020

Rent One Annual Meeting & Vendor Showcase, St. Charles, Missouri. For more information, contact Mark Williams at 618/521-1317 or mwilliams@shoprentone.com.

April 25-29, 2020

High Point Furniture Market Spring 2020, High Point, North Carolina. For more information, call 336/869-1000 or go to www.highpointmarket.org.

Keven Dalke Named Director of Nationwide RentDirect



In July, Nationwide Marketing Group announced that Keven Dalke had been named the new director of Nationwide RentDirect.

Dalke most recently served as director of operations for Rent-A-Center Franchising, Inc., where he supported franchise operations for Rent-A-Center, ColorTyme and RimTyme franchisees across the country. He also spent 10 years as a regional director for both Rent-A-Center and Acceptance Now.

“Having someone of Keven’s caliber on our team is an investment in the future of Nationwide RentDirect and a reflection of this segment’s potential for growth,” says Patrick Maloney, senior vice president of appliances for Nationwide Marketing Group. “With almost 30 years of

experience in the rent-to-own field, Keven brings incredible insight into RTO operations and the industry’s multiple business lines. He will be an invaluable asset for our membership as we continue to grow and transform our RTO offering.”

In his new role, Dalke will work with Nationwide’s rent-to-own members to improve the customer experience while increasing bottom-line profitability.

“I’m excited to support our Nationwide RentDirect members and deliver the tools and programs they need to compete in this increasingly competitive environment,” Dalke says. “By working together, we will build an industry-leading rental division that engages customers and encourages them to return to our members’ stores time and time again.”

Tennessee Rental Dealers Take on Nashville


Members of the Tennessee Rental Dealers Association [TRDA] assembled in downtown Nashville on June 26 and 27 for its annual meeting. The group came together to collaborate on existing operations as well as new collaborations in the rent-to-own industry.

Attendee engagement was high with presentations led by Mike Tissot, owner of Countryside Rentals Inc., and Gary Jones, VP of Sales for Ashley Furniture, covering topics on The Art of Growth and What’s Happening in Rental. The group also met with event sponsors Ashley Furniture, Platinum Sponsor; TRIB Group, Diamond Sponsor; Benefit Marketing Solutions, Climatic Corporation, and Creditor Law Center, Gold Sponsors; and Almo Corporation, Global Trading Unlimited, L2, O’Rourke Sales Company, and Rental Salesworks, Bronze Sponsors.

Active and healthy, TRDA is leading the way among state associations in college scholarship awards through the APRO Education Foundation. With \$15,000 donated last year and \$10,000 this year, TRDA feels very fortunate to have such a great group of member and vendor partnerships.

The 2019 TRDA Annual Meeting closed with the election and announcement of the association’s board of directors that will serve a two-year term. TRDA’s newly elected and re-elected directors are Chris Bolin, president; James Garland, vice president; Eddie Ford, secretary and treasurer; and board members Trent Agin, Carl Coble, and Ryan Schaefer.





WELCOME

APRO Welcomes New Members

RENTAL DEALERS

Advanced Rent To Own
Ray McDowell, East Ridge, TN

Pinnacle Group LLC, dba Aaron’s Sales & Lease Ownership
Bill Jenkins, Morristown, TN

Preferred Sales and Leasing Inc.
Dustin Kirk, Page, AZ

ASSOCIATE MEMBERS

E&S International Enterprises Inc. dba ESI
Richard Engler, Van Nuys, CA

Imagine Advertising
Gregg Stopher, Peachtree Corners, GA

J.W. Terrill (Marsh & McClennan Agency)
Brad Kosem, Chesterfield, MO

Synergy Employer Consulting Services
Jack McCollum, Apollo Beach, FL

Wowbrands
Lauren Talicska, Columbus, OH

www.rtohq.org

MAJIK Offers Program for Employees Seeking Financial Health

Scott Waltman, director of Employee Development at MAJIK Rent-to-Own, spearheaded a group of employees to participate in a nine-week financial health program to help employees move towards a debt-free life through establishing emergency funds, making debt payments, and relinquishing the dependency on credit cards.

Learning how to end a family's financial struggles across generations is one of the most life-changing investments a person can make. Waltman knew this first hand after completing a course called Financial Peace University (FPU). He was so much a believer that he talked to MAJIK owner Dan Fisher about offering a financial health course for all of MAJIK's employees. Dan offered to reimburse the \$69 enrollment fee for those who graduated.

To ensure the MAJIK Rent-to-Own employees were on the path to financial success, Waltman organized video chats, workbook exercises, weekly budget updates, Facebook shout outs, and one-on-one training. "We had 27 people at 10 locations and we worked with them in small teams," shares Waltman.

MAJIK Rent-to-Own employees tackled financial issues by learning how to erase debt, building a monthly budget, and saving for the future. "The course was offered to all employees and virtually everyone who started, graduated," says Fisher. "Scott deserves all of the credit for making this happen."

After the nine weeks, the graduates cut up 29 credit cards, established almost \$50,000 in emergency funds, and paid-off approximately \$60,000 of debt. Additionally, wills were written, 401(k) contributions were matched at 6%, and meal planning tips were given to establish financial longevity.

For more information on how MAJIK Rent-to-Own rolled out FPU, contact Scott Waltman at 717/368-6313, swaltman@majikrto.com.

In Memoriam: Bill White—A President's Passing



One of APRO's pioneers and rent-to-own industrialist, Bill White, passed away on August 23. White built an illustrious career and was known by many as an industry institution.

In 1975, White opened his first Action TV, Stereo and Appliances store in Mesquite, Texas. Within 20 years, he grew the company to a 102-store chain with locations in Arizona, Arkansas, Louisiana, Mississippi, New Mexico, Oklahoma, and Texas. After selling the company to investors in 1996, White founded White Properties, Inc., a commercial real estate and investment enterprise where he often financed RTO companies.

White was an APRO member since its founding in 1980, and his activism didn't stop there. He had been on the APRO board of directors for more than a decade—from 1986 to 1998—and was one of the longest-serving board members in APRO history at that time. He served on the executive committee first as treasurer in 1989 and then as president from 1995 to 1997. He was also a founding member and served as chairman of the board of the Texas Association of Rental Agents [TARA], the Texas state RTO association. White was awarded the 1986 APRO Legislative Achievement Award for his outstanding leadership and commitment toward passage of favorable legislation in Texas. He later won the 1998 APRO Lifetime Achievement Award recognizing his contributions to the industry.

"Bill was a generous, kind and thoughtful man," shares Ed Winn, III, APRO general counsel. "He was an ethical rental dealer and an inspirational leader during his time with APRO—on the board and as President."

It was during White's term as APRO president that the Association began its foray into image building and boosting public relations efforts on behalf of the industry. It was also when the industry finally realized long-sought tax relief with the successful passage of the *Tax Relief Act* in 1997, in which the Internal Revenue Service recognized the rental-purchase transaction as a lease rather than a sale.

Within his community, White was an organizer and board member of the Mesquite National Bank, and in 1987, he was voted Business Person of the Year by the Mesquite Chamber of Commerce.

RTOCALENDAR

April 28-30, 2020

APRO 2020 Legislative Conference, Washington, D.C. For more information, call 800/204-2776 or visit www.rtohq.org.

July 26-30, 2020

Las Vegas Market Summer 2020, Las Vegas, Nevada. For more information, visit www.lasvegasmarket.com.

August 3-6, 2020

RentDirect Nationwide PrimeTime! Vendor Show, Las Vegas, Nevada. For more information, contact Tyra McEwen at 336/714-5096 or tyram@nationwidegroup.org.

August 17-20, 2020

RTO World 2020: The National Rent-to-Own Convention and Trade Show, Tampa, Florida. For more information, call 800/204-2776 or visit www.rtohq.org.

August 30–September 2, 2020

BrandSource 2020 Convention, Grapevine, Texas. For more information, call 817/778-1000.

October 17-21, 2020

High Point Furniture Market Fall 2020, High Point, North Carolina. For more information, call 336/869-1000 or go to www.highpointmarket.org.



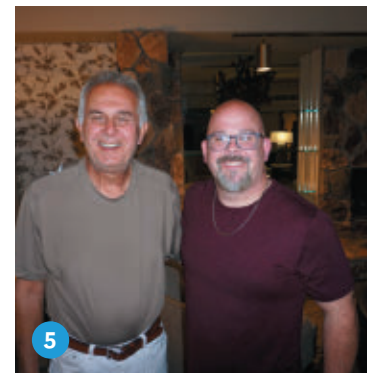
Do you have an industry event that isn't listed here? Send us the dates for your meetings to include in APRO's channels of communications online and in this magazine to news@rtohq.org.

MRDA Makes Special Announcement at Annual Meeting

The Missouri Rental Dealers Association met June 11-13 for its 15th Annual Heartland of America Regional Trade Show and Seminar in Lake Ozark, Missouri. The event's highly anticipated 4-Man Golf Scramble and Bass Fishing Tournament went on, rain or shine, with record-breaking bass caught. The awards dinner was short and sweet as it coincided with this year's Stanley Cup Playoffs (Go Blues!) but closed with the announcement

of new MRDA president Scott Mitchell of All American Rental. After 10 years, the torch was passed from former MRDA president John Cleek, Jr. of Cleek's Home Furnishings to Mitchell. "I am extremely proud of the accomplishments that this association has made. During the time that I have served, we have won four APRO State Association of the Year awards, and seven overall since the award was originated in 1991," shares Cleek. "Scott is a

great person who runs an outstanding family business. He is a man of high integrity and morals and will do an excellent job in taking this association forward." Cleek will remain on the MRDA board of directors and serve as immediate past president. The association won the 2019 APRO State Association of the Year presented at this year's RTO World APRO Awards Luncheon and Business Meeting in Louisville, Kentucky.



- 1: MRDA 2019 attendees kicked off the regional trade show with a President's Party hosted by outgoing president John Cleek, Jr.
- 2: A little rain doesn't keep Tiger Cleek from the dock to weigh in the bass from the annual fishing tournament.
- 3: We see you Bill French.
- 4: Daryl Rhodeman with his wife Ebony Rhodeman with Heather Cleek at the MRDA President's Party hosted by John Cleek, Jr.
- 5: Father and son, Paul and Steve Gibbons.
- 6: Bass Tournament participants.
- 7: Elvis Riley stops by the South Motion booth to visit with Jan Walker and Beth Loden.



8



9



10



11



12



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aPRO For more on these events, visit the APRO website at www.rtohq.org

- 8: National TV Sales & Rental annual group photo.
- 9: Moriah Eberhart, APRO membership manager, spoke at the MRDA Dinner.
- 10: Bass Fishing Tournament first place winners Dan Cole and Steve Braning of National RTO.
- 11: Happy Birthday, Ken Steiner! Attendees sang the MRDA executive director a happy birthday at the annual awards banquet.
- 12: Hey, Junior, where's your helmet?
- 13: MRDA President Scott Mitchell and MRDA Past President John Cleek, Jr.

Full-O-Pep Celebrates 38th Annual Trade Expo

Full-O-Pep Appliances Inc., dba American Rental hosted its Annual Trade Expo and Kent Hoffman Memorial Charity Golf Tournament July 19 and 20 in Nashville, Indiana. This year's attendees enjoyed

an informative trade expo; a golf tournament benefiting Riley Children's Hospital; and social events including a whiskey tour, painting with a twist, a catered dinner, and a day of celebration at the company hog roast

hosted by APRO secretary and recipient of the 2019 Ernie Talley Lifetime Achievement Award David P. David, owner of Full-O-Pep. Read more about David and his achievements on page 39.



1: 2019 Full-O-Pep Employees at 38th Annual Trade Expo.
2: Amy Swain gets some air on the trampoline.



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- ▶ 3: A live band at the annual hog roast kept everyone grooving until the annual fireworks display at sundown.
- ▶ 4: Hot air balloon at the company hog roast.
- ▶ 5: APRO Media Intern JD Palacios is a pro on the mechanical bull.
- ▶ 6: David David and Dennis Adams hang out at the cookout.
- ▶ 7: Corn hole is a must at any social event.
- ▶ 8: Attendees were able to race go-carts around a dirt track.
- ▶ 9: James Hurt, Natalie Smith and Tyler Snow from American Rental Scottsburg store.

A Look Back at the 2019 APRO Legislative Conference

While we are coming off the heels of the RTO World 2019 excitement, let us not forget the industry's most important event of the year—the 2019 APRO Legislative Conference held April 9-11 in Washington, D.C. This year's conference hit its highest attendance in APRO history when there was no RTO legislation pending. The group of RTO advocates

attended more than 150 meetings on Capitol Hill, representing 22 states and Puerto Rico, and included 13 state association presidents. There were so many great moments that we wanted to include an encore photospread of the event in this issue. Take a look now and see more coverage in last month's issue, *RTOHQ: The Magazine* Summer 2019 edition or *RTOHQ.org*.



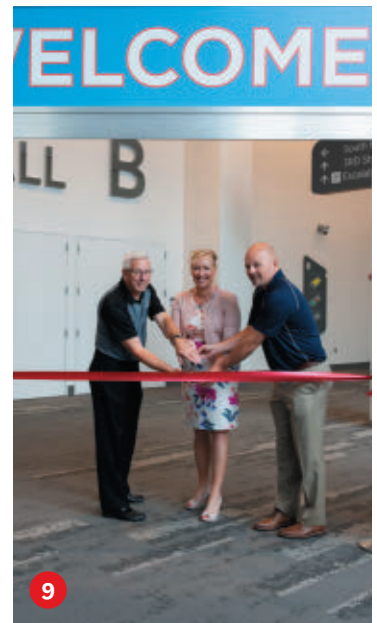
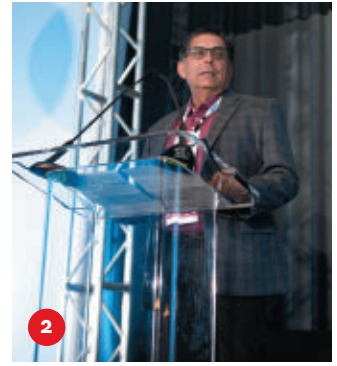
- 1: Casey Pristou, Jill McClure, Gopal Reddy, Congressman Raja Krishnamoorthi, Kevin Milliron, and Robbie Kamerschen.
- 2: Gary Jones and Richard Weinberg catch up at the Welcome Reception kickoff.
- 3: David Kaye and his wife Vivian.
- 4: Special guest Robert Royer, nationally recognized lobbyist and attorney, chats with APRO board members Robbie Kamerschen and Jonathan Rose.
- 5: APRO Executive Director addresses attendees at the First-time Attendee Orientation.



- ▶ **6:** Paul Metivier, Josh Ciesicki, Adam Sutton, Vivian Kaye, and David Kaye meet with Laura C. Forero, scheduler & legislative correspondent for Congresswoman Debbie Mucarsel-Powell (D-Florida, District 26).
- 7:** Bill French and Paul Schaller at the Climb the Hill Pre-party.
- 8:** Shannon and Cynthia Strunk with Jill McClure.
- 9:** Chris Kale, Sr. and Mark Windsor.
- 10:** Tulisha Wendele and Dan Singh at the Legislative Conference Dinner.
- 11:** James MacAlpine and Richard Weinberg.
- 12:** Amy Adams and Kelly Martin enjoy quite the view from the rotunda of the Ronald Reagan Center at the Legislative Conference Dinner.
- 13:** Gary Jones and Mike Tissot.
- 14:** D.C. is APRO General Counsel Ed Winn's happy place!

**RTO**
WORLD19**RTO WORLD 2019:****SUCCESS ACROSS****THE BOARD**

RTO World 2019 was a success across the board as rental dealers and exhibitors from around the country met August 6-8 in Louisville, Kentucky, for the second annual trade show and convention hosted by APRO and TRIB Group. The Bluegrass State hosted the 2nd Annual RTO World 2019 collaboration that once again exceeded expectations hitting record numbers—from an increase in attendance to Hot Show sales reaching just under \$11.5 million—and while we may have left still arguing about whether it's ‘Looavul,’ ‘Looyville,’ or ‘Luhvul,’ we can all agree that RTO World left us feelin’ lucky in Kentucky.



- 1:** APRO Awards Luncheon and Business Meeting Keynote Speaker Kerry Lebensburger's, Chief Revenue Officer of Ashley Furniture Industries, presentation offered a sobering look at the industry, what the future might hold and how to achieve resilience.
- 2:** APRO President Louis Garcia welcomes attendees at the APRO Awards Luncheon.
- 3:** This year's Hot Show hit \$11,446,223 in sales with 26,350 units sold.
- 4:** The whole young professionals gang at the Emerging Leaders Networking Social sponsored by Nationwide RentDirect.
- 5:** With the assistance of auctioneer Casey Pristou, Shots for Scholarships raised a total of \$12,000 benefiting the APRO Scholarship Fund on the trade show floor.
- 6:** One of the many informative presenters, Nancy Friedman, Telephone Doctor Customer Service, spoke at two different sessions this year discussing the do's and don'ts of customer service.
- 7:** Dapper Derby was the theme of the night at this year's offsite party. Hats off to participating attendees!
- 8:** John, Jr., Heather, Mary and Tiger Cleek got down and Derby at this year's offsite derby-themed party.
- 9:** TRIB Group Executive Director Dennis Shields, APRO Executive Director Jill McClure, and TRIB Group President Dan Fisher had the honor of opening the doors to the trade show floor at the annual Ribbon Cutting Ceremony.
- 10:** The Ace Rent-To-Own crew, Frank Rotert, Natalie Leach, Lyn Leach and Brian Eckleberry, cruising the trade show floor.

FEELIN' LUCKY IN KENTUCKY

The industry's biggest event of the year brewed large groups of rent-to-own enthusiasts ready to dive into three action-packed days, which featured business innovations, networking celebrations, product showcases, run-for-the-roses honors, and the most comprehensive education program in the industry. This APRO and TRIB Group collaboration proved successful once again by succeeding expectations that were set high after such a successful inaugural RTO World event last year. A record-breaking Hot Show and trade show at the Kentucky

International Convention Center, an offsite Derby-themed party on Fourth Street Live!, top-notch education sessions and an Emerging Leaders Networking Social lined the schedule for an event that left many looking forward to next year.

"The success of this year's RTO World was made possible by the contribution and efforts of everyone involved," says APRO Executive Director Jill McClure. "Attendees, exhibitors, sponsors, board members, and staff all play an essential role that makes this event shine. We can't wait to do it all again at RTO World 2020 August 17-20 in Tampa, Florida!"



- 1: The Full-O-Pep team broke the record for highest attendance from a single rent-to-own company at this year's convention.
- 2: Old and new friends grab a seat for lunch at the APRO Awards Luncheon.
- 3: Corn hole had many participating in some friendly competition at this year's social events.
- 4: Photo booth fun at the RTO World 2019 party at Fourth Street Live!



- 5: Terah Vail takes her best shot at the Emerging Leaders Networking Social.
- 6: Al Benson and Craig Martin at the derby-themed offsite party at Fourth Street Live!
- 7: The Rent-2-Own team chats with Gidget Simmons at the RTO World trade show.
- 8: Hats were all the rage at this year's derby-themed offsite party.
- 9: RTO World is the family reunion of the RTO Industry. Old friends Larry Sutton and David David share a hug at the APRO Awards Luncheon where David was honored with the 2019 Lifetime Achievement Award.
- 10: David David set up RT Works, an impressive 4,000 square foot retail space, on the show floor to illustrate how a successful RTO store can be designed to maximize sales in all product categories.
- 11: Who is your friend, Vince Ficarotta?
- 12: Dan Knesley and Jeff Klopp
- 13: Tricia Fisher tests the product before making any decisions.
- 14: CordaRoy's Eric Futrell.

A WORLD OF BUSINESS-ENHANCING EDUCATION

RTOWorld promises unparalleled education and this year we're straight waging that the 2019 roster of informative speakers was a WIN. This year's educational experience included some of the most successful, forward-thinking speakers sharing key industry insights to apply and implement into everyday RTO business practices. Two unforgettable keynote speakers—Kerry Lebensburger, Chief Revenue Officer of Ashley Furniture Industries and JD Smith, chief operations officer of Aarons, Inc.—left attendees wanting more at the annual APRO Awards Luncheon and Business Meeting and at the Education General Session. Lebensburger's presentation offered a sobering look at the industry, what the future might hold, and how to achieve resilience. Smith spoke on how his experiences growing up shaped him into who he is today—including several pivoting points from childhood to adulthood such as an encounter with his role model, retired Cowboys football player, Roger Staubach.

The roster of all-star presenters didn't stop there. RTO World education continued with influencers such as Brian Eckleberry of Ace Rent-to-Own who presented his topic

explaining that you will never be as good at promoting your business as you think you are compared to a happy customer. In her presentation, Kelly Martin, of SKC Enterprises Inc., dba Rent One, spoke about the importance of retaining a business' most valuable asset—its people. Mike Tissot of Countryside Rentals Inc. shared his trade secrets in his session titled, *The Art of Growth: Building Your Customer Base*.

For the Owners/Dealers Track sessions, the Kale family presented, *Breaking Barriers: 5 Ideas to Create New Revenue Streams and Retain Key Employees*. Chris Kale, Sr., Rent King, and his sons Chris Kale, Jr. and Jeff Kale of Happy's Home Centers shared ideas for business diversity and how to keep employees engaged, loyal and committed. The Sutton duo, Larry and Adam of RNR Tire Express, presenting together for the first time, defined generations within the workforce and how to leverage the strengths of every employee. Dan Fisher, Joe Luczak, and Scott Waltman, all from MAJIK Rent-to-Own, discussed their strengths in the company's culture and their approach to its finesse. Brian Farrington of Cowles & Thompson provided a wage and hour legal update while APRO's Ed Winn, III, provided his annual legal update. Michael Helton



New to this year's schedule, store managers could attend RTO World as a 'Small Batch' registrant. The Small Batch Managers' Experience included special event invitations, a sneak peek of the trade show expo, and specially designed speaker presentations. Small Batch Experience speakers included Nancy Friedman, Ron Brown, Rachel Casey, Martin "Elvis" Valdez, Adam Sutton, Leonard Alonzo, Kirby Salgado, Jessica Mahon, Owen Pye, and Breanna Ratering.

and Christopher Terrigno of Rivero, Gordimer and Company, P.A., joined Troy Garris of Garris PLLC. They discussed the many topics to take into consideration when an individual is interested in buying or selling an RTO business.



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- ▶ **1:** This year's Peer Group Meetups included sessions for industry newcomers, store managers, marketing professionals, I.T. professionals, district managers, and owners/dealers.
- ▶ **2:** Keynote speaker JD Smith shared his experience on how he accelerated his performance to achieve success and how it can be applicable to any organization or industry.



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- ▶ **3:** The MAJIK Rent to Own team shared its company strategy that grew the business nearly 30% without opening any new stores.
- 4:** Chris Kale, Sr., presents alongside his two sons, Chris Kale, Jr., and Jeff Kale, in their session that shared five ideas on how to create new revenue streams.
- 5:** Brian Eckleberry covered everything you need to know about brand ambassadors and why they are crucial for your company's success.
- 6:** Larry Sutton, Founder and President of RNR, also known as The Reverend of Rent-to-Own, preached RTO at this year's educational sessions.
- 7:** The classroom wasn't the only place attendees had the opportunity to learn. Groups got together to collaborate and exchange ideas between sessions.
- 8:** Lebensburger's presentation offered a sobering look at the industry, what the future might hold, and how to achieve resilience.
- 9:** Mike Tissot's session was a full house. He shared how to create an RTO growth funnel.
- 10:** Kelly Martin's session raised questions on how to create company culture.
- 11:** Troy Garris goes over the steps to follow in buying and selling an RTO company.

APRO HALL OF HONOR: A RUN FOR THE ROSES

APRO's Annual Awards Luncheon honored the industry's finest, inducting them into the association's prestigious Hall of Honor. This year's slate of noteworthy honorees include Phillip Bumbry, Emerging Leader; George and Angie Ramel, Norm Smith Vendor of the Year; Jonathan Rose, Heritage Award; Dan Singh, Steve Kruse Award of Honor; Gopal Reddy, President's Award of Excellence; Mike Tissot, Chuck Sims Rental Dealer of the Year; David P. David, Ernie Talley Lifetime Achievement Award, and John Cleek, Jr. accepting the State Association of the Year Award on behalf of the Missouri Rental Dealers Association. Additionally, Florida, Missouri, Ohio, and

Pennsylvania were recognized in the new Presidents' Circle Award recognizing state associations with outstanding leadership, community involvement, and legislative advocacy. APRO goes the extra mile to keep award winners in the dark until the awards ceremony to add that extra element of surprise.

"I sat there thinking it was quite the coincidence how much the person being described had in common with my life," shares Singh, recipient of the Steve Kruse Award. "As they went on describing the individual, I thought 'hey, I did that too...and also that...wait, this is starting to get weird' and then my name was announced! I was not expecting to win at all, and I'm honored to even be considered."

STATE RENTAL DEALER ASSOCIATION AWARDS

Emerging Excellence Award: Georgia

Continuing Excellence Awards: Illinois, Indiana, Iowa-Nebraska, Kansas, Maryland, Northeast, New York, Northwest, Oklahoma, Tennessee, and Wisconsin

Legislative Achievement Award: Arkansas

State Association of the Year Award: Missouri

Presidents' Circle Award: Florida, Missouri, Ohio, and Pennsylvania



1: Sharon Tomaszewski was awarded the Presidents' Circle Award for her service as President of the Florida Rental Dealers Association.



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- 2: 2019 Ernie Talley Lifetime Achievement Award winner David P. David. Read more about him on page 39.
- 3: APRO board member Gopal Reddy was awarded this year's President's Award of Excellence.
- 4: Mike Tissot took home the Chuck Sims Rental Dealer of the Year Award.
- 5: Terah Vail accepted the Legislative Achievement Award on behalf of the Arkansas Rental Dealers Association.
- 6: Sandi Frye was awarded the Presidents' Circle Award recognizing her service as President of the Pennsylvania Association of Rental Dealers for more than a decade.
- 7: Phillip Bumbry was awarded the Emerging Leader award and is also one of the newest members to APRO's board of directors.
- 8: Award winners Angie and George Ramel, David David, and Amy Brunner.
- 9: John Jr. Cleek was awarded the Presidents' Circle Award and accepted the State Association of Year Award on behalf of the Missouri Rental Dealers Association. Way to go, Cleek!
- 10: Steve Kruse Award of Honor recipient Dan Singh.

RTO WORLD WISDOM

13 Lucky Lessons Learned a la Louisville

RTO World 2019 was a winner by all accounts—full to overflowing with good business, great buys, reconnected buds, and, oh—So. Much. Bourbon. Here's just a tasting of some of the interesting and/or useful information shared:

- 1 The proper pronunciation of Louisville is LOO-a-vul.
- 2 Renting is revolutionizing the world right now. From Airbnb to Lyft to Rent the Runway, America is telling us it would rather rent—which means the window of opportunity for our industry is wide open, and the future is all blue sky.
- 3 APRO's new six-member Emerging Leaders Council is a small, active group of rising leaders in the rent-to-own industry who will serve as an idea incubator and sounding board for the association.
- 4 The very best type of brand ambassador you can have for your business is an organic [nonpaid] social media influencer. Find the people who are already liking, commenting, and sharing your company's posts, and bring them closer with acknowledgement, appreciation, and a sense of belonging.
- 5 A floral blanket made up of exactly 554 roses is awarded to the winning horse of the Kentucky Derby each year, which is why the race is also known as The Run for the Roses.
- 6 Home staging is a growing business, and can be a fantastic fit for partnership with an RTO company. Not only is home staging evolving from a luxury to a necessary service for home sales, but partnership with the right professional home stager can also offer a new revenue resource with shared inventory and labor, and super-easy collections.
- 7 If you're the right kind of leader, it doesn't matter who you're leading. There is a huge difference between *servicing* and *providing service*; be a servant leader by seeking to uncover the true essence of every person you lead.
- 8 Kentucky Fried Chicken founder Harland Sanders began his culinary career by selling hot meals to drivers who visited his service station in Corbin, Kentucky. His simple Southern fare was so good that it earned a mention in Duncan Hines' 1939 book *Adventures in Good Eating*, and earned Sanders the title of *honorary Colonel* from the state's governor in 1936.
- 9 You have greatness within you. To tap into your greatness, you must discover your passionate purpose—the intersecting point between what you love, what you're good at doing, and how you can make money.
- 10 Among the Five Forbidden Phrases of customer service, the first is "I don't know." Replace it with "That's a really great question; let me check and find the answer for you."
- 11 Never start a sentence with "no." There is always another way to say it—find it!
- 12 Louisville is the world's largest producer of disco balls. At one point, the Omega National Products factory produced 90 percent of the country's disco balls.
- 13 Nomophobia is the fear of being without your phone or without a signal.

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RTO POLI

Monitoring legislation that could affect the RTO industry.

By Ed Winn III

It is an old saying, never truer than today: “No man’s life, liberty, or property are safe while the legislature is in session” (Gideon J. Tucker, 1866). It is difficult to avoid politics during these days of acerbic hyperbole being flung daily by each side against the other, even if you are not doing any of the flinging.

The RTO world certainly cannot escape politics, nor should dealers even try, and while political issues facing the industry might not threaten life or liberty, yet, they certainly affect property and one’s ability to accumulate it.

It is late summer, and most legislatures have either gone home until next year or at least are on vacation, and so it is a useful moment to look at the kinds of issues that have percolated at the state and federal levels that either have or would have impacted RTO had they been enacted or will impact RTO if the legislature comes back and passes them. It is a longer list than you might suspect, and know that at times, it has been longer.

Beyond the splash of the annual APRO Legislative Conference, the occasional public hearing on RTO legislative proposals in D.C. (the last one was in 2005), and occasional state RTO issues that arise, there exists—largely behind the scenes—a pool of professionals with sophisticated systems in place to monitor legislative activity that could have an impact on RTO business practices and economics, either affecting everyone federally or dealers in certain states.

It is not just RTO-specific proposals that are being monitored. There are lots of bills introduced that could affect businesses generally, their owners, their employees, their customers, their vendors, or their lenders. APRO keeps an eye

on all bills that could affect rental dealers. Since its inception, the association has had a government relations committee in charge of such activity. Public companies have their own lobbyists and systems. APRO electronically monitors all bills that are introduced that contain any of the key words identified as possibly relating to the business. It has in the past, when the need has arisen, hired its own lobbyists to work on specific legislative issues.

Some state associations are in the game with their own lobbyists on retainer in their state capitals. A few states have their own legislative days, when dealers visit state capitals and representatives to discuss issues of the day. Some of these efforts are on call every single day, including Saturdays and Sundays, to ensure, insofar as possible, no legislative ills befall RTO.

These efforts go largely unnoticed, unacknowledged, and unpublicized by dealers in the day-to-day challenge to “rent and collect.” Even so, it is happening. Here is a peek behind the curtain at the kinds of issues being monitored in order for you to be able to operate your business as safely and profitably as possible.

What has passed in 2019 so far

1. Texas amended its Theft of Services law by declaring that RTO transactions are no longer covered by that law. APRO sent out six separate APRO Alerts apprising dealers of this issue. APRO sent staff to a public hearing last summer before any bills were filed. Rental dealers touched on the issue with legislators in Austin and were able to tweak the original bill slightly, but there is a new law that will curtail criminal prosecution of RTO thieves in the state, effective Sept. 1, 2019.

AND TRENDS



2. Arkansas amended its RTO statute to resolve an ongoing conflict between tire and wheel rental dealers and vehicle lenders who repossess cars or trucks with rented tires or wheels on them. RTO dealers working through the newly reorganized Arkansas Rental Dealers Association negotiated with used-car dealers, including a state representative who was pushing an anti-RTO bill, hired a lobbyist, and were able to amend the state RTO statute and forge a satisfactory compromise between rental dealers and the lenders in possession of the dealer's rental property. Briefly, once notified, lenders must cooperate with rental dealers and allow them to recover their property in exchange for replacement tires or wheels or else pay the dealer for it.
3. Indiana made a number of amendments to its RTO statute. It clarified that while tires and wheels qualify as RTO property, "component parts" of vehicles do not and therefore cannot be rented. Neither can pets. The new law further defines an "Initial Rental Payment" in an RTO kiosk transaction to include any payments made directly to the retailer, which payments must be included in the total RTO price. The Rental-Purchase Dealers Association of Indiana is an organized group with its own lobbyist and negotiates regularly with the Department of Financial Institutions (DFI), the regulatory body with oversight over the RTO industry. Relations with the DFI have historically been good, and the two sides have negotiated 16 different amendments to the Indiana RTO statute over the years.



What has been introduced in 2019, is RTO-specific, but has not passed:

1. North Carolina has introduced RTO-specific legislation that would bring North Carolina law in line with the other 46 states that have RTO-specific statutes. Readers will recall that North Carolina has never had an RTO statute. Rather, the North Carolina Retail Installment Sales Act defines an RTO transaction as a credit sale unless there is a final balloon purchase option price that is greater than 10 percent of the original cash selling price. The balloon was intended to draw a line between the rental part of the transaction and the purchase part.

That has been the law since 1983, and rental dealers have all had an 11 percent final balloon purchase option price since then. Most state RTO statutes prohibit balloon payments of any size, so multistate dealers must have a different business model for North Carolina. No sooner was the bill introduced than it attracted the attention of various consumer advocate groups that have been lobbying for an assortment of price controls added to what is essentially a disclosure bill.

2. Tennessee reintroduced a bill to ensure that used tires meet certain safety standards before they can be resold or rented. The same bill was introduced last year and went nowhere.
3. New York has an assortment of bills in the hopper that would affect RTO, but only one is RTO-specific. That is a bill to remove RTO from the theft of rental property statute, similar to the law that was enacted in Texas and is also the law in Virginia and South Carolina.
4. North Dakota saw a peculiar bill introduced that would require consumers to initial every paragraph in a rental transaction. Mississippi has had a similar requirement all along in its RTO statute, and dealers have been able to accommodate that requirement without incident there.

Indiana is a registration state, and the DFI audits every RTO company and store in the state every year, which doubtless contributes to the perceived need to revisit the state statute so often.

4. Washington state did not amend its RTO statute, but it did amend the state employment laws declaring noncompetition provisions in employment contracts to be void and unenforceable for employees making less than \$100,000 per year and for independent contractors making less than \$250,000 per year. The new law covers RTO companies and every other employer in the state. The new law also renders unenforceable "no-poach" provisions in franchise agreements that prevent franchisees from trying to hire employees from other franchisees or the franchisor. [e](#)

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What has been introduced, has not passed, is not RTO-specific, but would impact the business:

1. While there is an unusual amount of sound accompanied by equal measures of fury, and a number of bills in D.C., the Congress is hopelessly deadlocked, and the only bill with any real chance of passing this term is the "Stopping Bad Robocalls Act," which just passed the House by a vote of 429-3. A similar bill has already passed in the Senate, and the two bodies are expected to present the President with agreed-upon language in the fall. Phone companies will have to adopt call-identification tools and offer free call blocking to consumers. The FCC will have enhanced enforcement powers and higher fines for violations of the law. There were 48 billion robocalls made in 2018. Robocalls to customers who opt in will still be OK. Robocalling strangers will not. The new law should not have much, if any, impact on RTO business practices.

Rep. Waters has introduced the Consumers First Act, a bill that would expand the authority of the CFPB. Sen. Brown has introduced the Arbitration Fairness and Consumers Act, aimed at curbing the use of arbitration agreements in consumer transactions. Sen. Cruz has introduced a bill to do away with the CFPB altogether. Rep. Cohen has introduced the Fair Access to Credit Scores Act of 2019 to allow consumers to get free credit reports. Several other MOCs have introduced similar bills. Sen. Gillibrand has introduced the Protections in Consumer Lending Act, aimed at preventing discrimination in consumer lending transactions.

Sen. Durbin has introduced the Protecting Consumers from Unreasonable Credit Rates Act, an attempt to establish a federal usury rate. Sen. Sanders has introduced the Loan Shark Prevention Act, with a similar goal. Sen. Hawley has introduced the Do Not Track Act to safeguard consumer privacy when wandering around the Internet by establishing a national "do not track" system. Rep. Speier has introduced the Repeated Objectionable Bothering of Consumers on Phones Act (some bills have better titles than others). Sen. Kennedy has introduced the Own Your Own Data Act, designed to prevent the collection of data or information from the Internet. And the list goes on.

The industry is watching 75 federal bills because some bill might get a head of steam and start moving, and there is ever the danger that RTO restrictions get tacked on at the end.

2. There are any number of state Personal Information Protection Act bills pending around the country. Almost every state has one or more such bills introduced. There is huge concern over identity theft and what to do about it, with no real consensus. Legislators want to protect consumers' privacy, but that horse seemingly left the barn some time ago. Technology has run far beyond government's ability to control it, for better or worse. The effort is underway to rein in parts of it. It remains to be seen whether that is possible.

Most of these bills seek to control how companies collect information from consumers, how they use it, how they safeguard it, and whom they sell it to. The bills try to give consumers control over what happens to information they submit over the Internet, among other things, by allowing consumers to get the names of all entities with whom their private information is shared. In addition, companies collecting private information must offer identification theft prevention and mitigation services. Some of these bills are likely to pass. You are still being watched. Be careful.

3. There are several bed-bug bills pending in the states. Those bills put requirements on landlords and other "owners of lodging facilities" to keep their properties free of bed bugs and to be liable for infestations. The danger, of course, is that these bills get expanded to include furniture and bedding providers, which could include RTO dealers.
4. There is activity at the state level concerning wage and hour. There are bills to raise the minimum wage in a number of states. Passage of such legislation would almost certainly affect RTO dealers who have a lot of entry-level positions with wages at or only slightly above current minimum wage levels.
5. There are bills concerning automatic renewal provisions in consumer contracts, basically outlawing their use. These are the kinds of provisions that more typically exist in cable TV and telephone service contracts. Unless you cancel, the contract renews automatically, sometimes for lengthy periods. RTO does not work that way and, in fact, is just the opposite. Unless the RTO customer renews, the agreement expires. Even so, these bills are being monitored to ensure that RTO does not get added at the last minute.
6. There are bills on both coasts to prohibit the use of credit checks in employment. Lots of employers, including RTO dealers, run credit on job applicants. There is evidence that bad credit history goes hand in hand with poor job performance. These bills, if enacted, would take away this assessment tool from employers.
7. Several states have bills outlawing price discrimination on the basis of gender or gender identification. There is

no evidence that RTO dealers are charging females higher rental payments than males or vice versa, but the bills are being watched anyway.

8. There is a bill in New York state labeled Harper's Law that would require all "clothing storage units" 27 inches or taller to be affixed to the wall so that they cannot tip over if children climb on the drawers. Readers may recall that IKEA recalled several million dressers and paid a multimillion-dollar fine over this issue a few years ago. RTO dealers should expect dressers to be regulated in the near future, similar to how stoves have been regulated with requirements to attach them so that they cannot tip over if a child steps on an open oven door.
9. Arbitration and class-action waivers are always popular topics for regulation, and many states have bills pending that would thwart companies' ability to require arbitration in either consumer contracts, employment agreements, or both. These bills are going decidedly against the grain and the U.S. Supreme Court's decided preference for arbitration expressed in at least five different decisions involving consumers.
10. There are bills here and there concerning caps on late fees and extended grace periods. Oklahoma, for example, has a bill that would give a 14-day grace period for late fees in all consumer contracts.
11. There are used-bedding bills in several states that would require companies dealing in used bedding to have procedures and policies in place to ensure the cleanliness of the products being resold. These bills would almost certainly cover RTO dealers. Dealers already have Department of Health regulations in many states that govern used bedding.
12. Some businesses, mainly in big cities so far, have quit taking cash. Now there are bills pending to outlaw that practice, the argument being that it discriminates against the poor, who may not have alternative methods of payment.

These are not all of the bills that have been flagged, read, and are being followed. They number in the hundreds. It is one of the important services APRO provides for you and is how part of your dues money gets spent. When adverse legislation gets going, the association does not have the wherewithal to beat it back single-handedly. Happily, it does not have to. Once a dangerous bill has been spotted and is moving, APRO can rally dealers at the appropriate level, be it in a state or federally, and dealers have always responded with their time and treasure. It may not be a perfect system, but it has been working now for nearly 40 years, and tomorrow you will all be free to open your doors and start renting. APRO members who want more information about any of the bills in this article are welcome to contact the APRO office.

EXTRA
INCOMESIDE
HUSTLE

EVERY DAY, THEY'RE SIDE-HUSTLIN'

From bitcoins to bridalwear, rent-to-own dealers are discovering different avenues to new revenue.

By Kristen Card

Side-hustle. Merriam-Webster calls it “a word on the move,” which means pinning down this newly popular phrase to a clear definition is still a little tricky. This reference source says the term side-hustle means something along the lines of “work performed for income supplementary to one’s primary job.” Oxford Dictionary concurs, defining it as “a part-time job or

occupation undertaken in addition to one’s regular job.”

While the basic notion of “more money” must surely be a driving force behind many people’s decision to engage in a side-hustle, the pursuit can have less-obvious benefits as well. Having multiple income streams feels empowering and lessens the pressure put upon a single business to succeed. Side-hustle revenue can be used to pay off debts, fund travel or other luxuries,

or save for retirement. And a side-hustle can help you learn valuable business lessons you can put to use in your RTO work world.

According to a 2018 Bankrate.com study, more than one-third of American adults have a side-hustle, and side-hustles produce an average annual income of more than \$8,000. Suddenly wondering what sort of side-hustle might work well for you? Read on for some success stories from your rent-to-own colleagues.

Who: **Chad Fosdick**

Where: **North Platte, Nebraska**

RTO job: **Premier Rental-Purchase franchisee**

Side-hustle: **Mr. Appliance franchisee/ community podcaster**



THE COMPLEMENTARY SIDE-HUSTLE

When Chad Fosdick opened his Premier Rental-Purchase store in North Platte, Nebraska, at the beginning of 2014, the town had no local appliance repair business other than self-servicing dealers.

"I knew going into it that it was going to be challenging," Fosdick said. "It was especially frustrating for the first year we were open because we were sitting on warranted appliances in need of repair; the manufacturers were sending certified people from a hundred miles away. I figured if I'm a direct dealer and I can't get serviced, then how is everyone else in town getting serviced? And that's when Mr. Appliance appeared."

Fosdick opened his Mr. Appliance (www.MrAppliance.com) franchise in mid-2015, appreciating how easy it was to get the business up and running without the need for deep industry knowledge or extensive repair training. According to Fosdick, his two businesses share both similarities and differences.

"Our Mr. Appliance customers tend to be better off than the average rent-to-own customers," Fosdick said. "They tend to be homeowners with higher home values, which has actually opened up some doors for us. Many of our Mr. Appliance customers wouldn't normally give us a chance on the appliance-sales side, but we've developed a bridging program for repair customers to stay with us if they decide to buy new rather than fix the old."

One of the biggest challenges Fosdick faces with his repair business is managing warranty work with the big appliance providers. "You get reimbursed very little and very slowly," he said. On the flip side, Fosdick loves the advanced technology his repair technicians get to use. "The tech can walk the customer through how he diagnosed the issue and how he intends to fix it, step by step," he said. "Everything is very detailed and very transparent."

"It really doesn't matter if your business is a candy shop, a motorcycle dealer, an RTO store, or an appliance-repair company. Everything boils down to the relationships you build with your customers, topped with actually knowing what you're doing."

In addition to his Mr. Appliance side-hustle, Fosdick has a secondary side-hustle: a community podcast called "The Fire Audio Experience" (find the Facebook page by searching for "The Chad Fosdick Podcast").

"I've done a variety of interesting interviews," Fosdick said, "including the Executive Director of Nebraskaland Days, some North Platte participants in the Ultimate Fighting Championship, and the owner of a neighborhood whiskey distillery."

Fosdick insists that his podcast is a passion project with no plans to monetize. But with side-hustles you love, you never know how far it might go.

Who: **Jack Humbert**

Where: **Carmel, Indiana**

RTO job: **Byrider Vice President of Development**

Side-hustle: **Byrider franchises for rent-to-own dealers**



THE DIVERSIFICATION SIDE-HUSTLE

Byrider (www.byrider.com)—formerly known as J.D. Byrider—is an Indiana-based automotive dealership franchise celebrating its 30th year in business and, according to Vice President of Development Jack Humbert, seeking to partner up with rent-to-own folks as their side-hustles—or more.

"We currently operate in about 150 locations nationwide, and all but 30 are owned by independent franchisees," Humbert said. "Now we've got an opportunity to grow into an additional 300 U.S. markets, so we're searching for more successful franchisees, and we've seen an abundance of them in the RTO industry."

Byrider and rent-to-own share a common customer pool; Byrider specializes in auto financing for individuals with poor or no credit.

"The Byrider model brings auto sales, service, and financing together in a one-stop shop," Humbert said. "We provide our franchisees with dealership management software and many other support services, but they ultimately control everything about how the business model operates, including securing their own funding in order to finance consumer loans, acquiring,

reconditioning, and selling their inventory, underwriting and approving their customers, and warranting their vehicles post-sale.

"We offer franchisees a lot of autonomy and a lot of earning opportunity," Humbert said. "Financially, running one Byrider franchise is comparable to owning seven, eight, maybe nine other franchises, just to match the same level of earnings."

Additionally, Humbert said a Byrider business is simpler to deal with, both geographically and organizationally, than an RTO franchise.

A few rent-to-own veterans have already invested in Byrider as a side-hustle, a growing number are expressing an interest in diversifying via Byrider, and for many others, Byrider might serve as an optimal post-RTO retirement option.

"Giving our franchise owners comprehensive control over how they run their Byrider business is something our franchisees get excited about and truly appreciate," Humbert said. "With the help of more rent-to-own folks, we hope to spread that enthusiasm even further than ever."

Who: **Sandi Frye**

Where: **Altoona, Pennsylvania**

RTO job: **Premier Rental-Purchase franchisee**

Side-hustle: **Selling bitcoin**



JULIA TSOKUR/SHUTTERSTOCK.COM

THE ADD-ON SIDE-HUSTLE

Sandi Frye had no clue that her business sold bitcoin until a customer walked into her Pennsylvania-based Premier Rental-Purchase store and told her that it was listed online as the closest spot to buy bitcoins.

"We had been using a company called LibertyX as a source for cellphone PINs," Frye said. "We didn't know they also dealt in bitcoin or that our relationship with them included that. So, we actually got into selling bitcoins by default; we had no idea the opportunity existed until someone came in and said it did."

What began as a "huh?" moment has evolved into a lucrative side-hustle revenue stream for Frye, but first, she had to educate herself about her newly discovered product. Here are some fast facts about the cryptocurrency known as bitcoin:

- Bitcoin is a digital currency that is used and distributed electronically.
- Bitcoin can be bought online through cryptocurrency exchanges. You download a bitcoin "wallet," set up an account with an exchange, buy bitcoins using bank transfer or credit card, and they are e-deposited into your wallet.
- Or you can buy bitcoins in-person. You still need a bitcoin wallet, but you can go to a bitcoin ATM, some bank branches, or specific retail stores—like Frye's—to get

bitcoins using cash or a debit card. LibertyX operates the largest network of local stores offering bitcoins.

- No matter how you buy bitcoins, transaction fees apply.

"We've got a few dozen customers who come in on a regular basis to buy bitcoins," Frye said. "It's a rare day that we don't have at least one bitcoin interaction. Some people use it as an investment [a single bitcoin is currently worth more than \$10,000], some use it on gambling websites. But many websites accept bitcoins as currency nowadays; you can use it to pay for Amazon.com purchases."

Frye said her bitcoin buyers are notably different from typical rent-to-own customers; they almost always use cash to purchase bitcoins, and they cover a broad demographic spectrum, from college kids to senior citizens. She said the biggest challenge with selling bitcoins is being alert to the possibility of shady dealings like money laundering or scams.

"You've got to do your due diligence and watch for sketchy behaviors," Frye said. "I make sure the person is knowledgeable about what they're doing and what they're buying, and if it seems off, then we just call LibertyX and let them know, 'Hey, this situation doesn't look right.'"

"Overall, I recommend selling bitcoins as an add-on," Frye added. "It's a two-minute interaction, a cash deal, and you get paid your commission daily. It's an easy way to add a revenue stream to your RTO business."

Who: **Michael Bennett**

Where: **Bluffton, South Carolina, and Albany, Georgia**

RTO job: **Owner, Easy 2 Own Furnishings**

Side-hustle: **Bridalwear stores**



THE SOMETHING-NEW SIDE-HUSTLE

A year ago, I knew nothing about dresses," joked Michael Bennett, rent-to-own veteran and owner/operator of South Carolina-based Easy 2 Own Furnishings (www.easy2ownfurnishings.com). Bennett is no stranger to side-hustles—he has some rental properties and owned a construction company on the side for a few years. But a little more than a year ago, he was chatting with an Easy 2 Own customer when his side-hustle senses tingled.

"My customer was the manager of a local bridal shop, and the owner was going bankrupt," Bennett said. "The conversation piqued my interest, so I checked it out. The owner had two stores—one here in Bluffton and one in Albany, Georgia—and the business numbers all looked good; she had just 'borrowed' from the business more than it was making. She stopped paying sales tax and other things and got herself into trouble. Well, I didn't want to purchase her troubled company, so I just bought the inventory. I relocated the Bluffton store and changed the name to Blush Bridal & Formal Wear. The Albany store stayed in the same spot, but I renamed it Heavens to Betsy Bridal."

Both stores carry a vast selection of bridal gowns, bridesmaid and flower-girl dresses, and formal wear for balls, proms, and quinceañeras, as well as all the accompanying accessories, from tiaras to custom-dyed shoes. Tuxedo and formal-suit rental and accessories are

also available for the groom, groomsmen, ringbearers, or other dapper dates. The shops offer offsite steaming, wedding-dress preservation, and onsite alterations.

"The biggest challenge with the business so far has been cleaning up the mess left behind by the prior owner," Bennett said. "First, I had to make sure everyone—the IRS, unpaid vendors, etc.—was clear that I had nothing to do with that whole situation, and I paid vendors who were owed. And then, of course, I had to make sure my customers were taken care of. Many women had prepaid this woman to order their dresses, and they were panicking because they thought they weren't going to get their gowns. Well, I stepped up and paid for many dresses I didn't collect money for. So, I didn't turn a profit for about the first year, but that's not all that unusual with a new business, and the important thing is that I did right by my customers."

Today, both stores are flourishing, and Bennett not only enjoys going to bridal shows but also can name a dozen top wedding-dress design lines off the top of his head.

"I like seeing people happy," he said. "The wedding-gown selection process can be painful—there's anger and frustration and tears—but when they find the right one, their whole being changes. Not just their face lights up; their whole body radiates. Getting our clients to that purchase point—getting them to say yes to the dress—is worth it every time."

Kristen Card has been a contributing writer for RTOHQ: The Magazine for more than 12 years.



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A HE'S-BEEN- EVERYWHERE MAN

Buddy's new CEO has literally come full circle—from Orlando to Orlando—ensuring good things happen to good RTO people.

By Kristen Card
Photographs by Ashley Canfield

Road warrior. Family man. Zen runner. Team player. People person. Cool customer. These are some of the personas that pop up during a lively and engaging conversation with the new CEO of Buddy's Home Furnishings [www.buddyrents.com]
—and even newer APRO Board Member—Michael Bennett.

Following a rather uneven upbringing, Bennett landed in rent-to-own in 1993, and over the past quarter-century-plus has become one of the rare industry leaders with hands-on experience at all of the country's top four RTO companies: Buddy's, Aaron's, Rent-Way, and Rent-A-Center.

"It provides me with kind of a unique perspective," Bennett begins. "But it doesn't really matter that I've been with so many different brands; I work for people, not for companies. It's not about the sign; it's about the relationships. In the rental industry, you've got to care about your people—whether it's the extended family you work with or the families who are your customers. If you don't genuinely care, then you're dead in this business."

Michael Bennett was born in Binghamton, New York, but grew up mostly in the Atlanta area. His father was an IBM career man who worked his way up from an entry-level job as a runner; his mother was a typist at IBM who became a young mother at the age of 20. According to Bennett, his was a blue-collar family with parents who struggled with money, and with each other. Eventually, they divorced, which produced its own problems.

"My mom was in her early 30s, a single mother with two boys," recalls Bennett. "She had moved far from her family, and then she and

her husband separated. Looking back now, I see all she sacrificed to provide me and my younger brother with an opportunity to succeed."

Bennett was confused and saddened by the new parental figures and pseudo-siblings moving in and out of his post-divorce life, but says ultimately, the struggles of his childhood helped him develop some significant strengths.

"I learned how to overcome and to adapt to life's changes," he affirms. "It taught me to be a problem-solver; I saw problems, and thought, *How do I fix this?* The tough things that happened to my parents taught me to learn from others' mistakes. And I became a guide for a brother four years younger; I learned to lead. It was the separation of my family that began to mold who I am today."

Bennett also credits both of his parents with key qualities instilled in him from a young age—characteristics that later proved to be a boost to him in the business world.

"My dad was extremely entrepreneurial—he always had a side gig to earn extra money," remembers Bennett. "He sold vitamins, log cabins, all sorts of stuff to earn money for his family and try to get ahead. My mom was very structured, and it was that discipline that really taught me the importance of systems."

As a teen, Bennett grew to be a talented athlete, running cross-country and track, and discovering one of his first true loves—basketball.

"Basketball was such a love of mine, but it wasn't so much the sport as the team element that I enjoyed," Bennett clarifies. "I had a great coach, and I was the guy who was the ultimate team player. It wasn't about how many points I scored; it was about how many charges I

could take, how many steals I could make for the team."

As he was approaching his high-school graduation, Bennett's paternal grandmother made a game-changing intervention into his young life: She contacted the athletic director at a college close to her Central Florida home to tell him all about her grandson's talents. He talked with Bennett's coach, and was persuaded to offer Bennett a partial scholarship to Webber International University in cross-country. Bennett moved in with his grandparents and four years later, became his family's first college graduate—graduating with three letter sports [he took up tennis, too] and cum laude honors, along with his degree in business administration.

"For me, college was about understanding that I had to stand up on my own two feet and get to work," explains Bennett. "I realized that you get out of things what you put into them, so I decided to get up every day and work hard."

Bennett's career began with brief gigs in hotel sales management and financial health-care consulting, followed by a few years running his own apartment-refurbishment business before selling it to pay off debts. Searching for his next source of income, Bennett came across a help-wanted newspaper listing for Orlando-based Comcoa, the largest Rent-A-Center franchisee at the time. Bennett got the job, and began at the bottom.

"I came in at the lowest wage possible," Bennett recalls. "I was put into a training program, but started on a truck. I learned rent-to-own from the ground up—from cleaning toilets all the way up to store management, turning around a struggling store, and managing the top store in the state."



RAC corporate bought Comcoa, and Bennett was promoted to multi-unit management in Miami, overseeing seven locations and reshaping an integrity-challenged team. He moved up to a regional position in Gainesville to round out his first decade in rent-to-own.

Bennett was courted over to Rent-Way—the country’s third-largest RTO company at the time—where he became a Divisional Vice President based in South Carolina. But just before Rent-A-Center purchased the company, Bennett made another move.

“I met Brian Kahn, who was Aaron’s second-largest franchisee,” remembers Bennett. “He was searching nationwide for a partner to run the operations side of his business. We met, and 30 days later, we were partners in Rosey Rentals.”

Over the next four years, Bennett and Kahn built a great team and doubled the size of their Orlando-based company. Then, the 2008 financial crisis hit, and the pair decided to capitalize on their successful partnership by selling their business back to Aaron’s corporate. Kahn moved on with his new company, Vintage Capital Management, while Bennett was invited to stay with Aaron’s as a Divisional VP based in Indiana, overseeing much of the northern Midwestern states and Ontario, Canada. But when Kahn decided to try to buy Aaron’s, Bennett decided to take a break from rent-to-own.

“I spent a year reconnecting with my family, getting super-healthy, and just focusing internally, pondering life and what I wanted to do with mine,” Bennett elucidates. “And I realized, once RTO gets into your blood, that’s it. For me, there was no choice but to return to the industry.”

Bennett returned to rent-to-own by returning to Rent-A-Center, moving to North Texas to work in RAC’s AcceptanceNOW kiosk operations. Six months later, Brian Kahn called; Vintage Capital Management had acquired

Florida-based Buddy’s Home Furnishings, and he wanted to reunite with Bennett to lead it.

“I rally behind the banner of the person, not the brand,” reminds Bennett. “And Brian is a phenomenal guy. When he said, ‘This is your opportunity to come back and lead,’ I thought *This is our last stop, and Buddy’s has so much to offer. This is where I need to be.*”

Brian does one thing in his business I’ve seen many people make a mistake with,” Kahn’s partner, Michael Bennett, notes. “Setting people free versus not giving them the autonomy to use the skills they’ve acquired. You train, you develop, you support and encourage, and you let people go make their own mistakes and achieve their own victories.”

This concept, on a grander scale, is what Bennett—who came into Buddy’s as Chief Operating Officer, but recently moved up to CEO—feels Buddy’s is all about. With almost 300 stores across the country and in Guam, almost 90 percent of the company’s locations are operated by franchisees. And Bennett believes franchising is the future of rent-to-own.

“There are so many experienced people in this industry who have been with multiple companies, who have the knowledge and skillset, but not the opportunity to own their own business,” says Bennett. “Buddy’s is made for franchising. Our franchisees need a support structure, and Buddy’s has it all. From site selection and construction assistance to training and development, from IT to POS, from buying leverage to digital marketing, we’ve got it. Financial, legal, payroll support—we’ve got you covered. If you need it, it’s there, and if you don’t, then don’t use it.”

Bennett has been assembling people from his past around him at Buddy’s—including members of company founder Norman Slatton’s family and former Aaron’s COO Ken Butler—what Bennett calls “a remarkable melting pot of terrific talent” with plenty of room to grow.

“One thing I love about RTO is the opportunity to work with exceptional people,” he claims. “And the opportunity to give back. I’ve launched a charity program called Buddy’s CAN—Community Appreciation Network. We reward our top-performing stores quarterly with an allowance they can invest in their community. They can contribute to local organizations, or they can use it to help their employees through tough times. It’s nice to give to causes, but it’s better to take care of the people who are taking care of our business—our employees and customers.”

Michael Bennett often refers to his employees and customers as his “extended” or “second” family. But make no mistake—despite moving them all around the eastern half of the United States, his former college sweetheart and wife of 28 years, Heidi, and the couple’s two teen daughters, Sarah and Anna, always come first for Bennett.

“Many people in this industry will tell you, their spouse sacrifices a *lot* for them to do what they do,” insists Bennett. “My real passion is my core family. Those three are the best thing that ever happened to me; they’re everything to me. They’re why I do what I do, to offer them opportunities in life.”

Michael and Heidi take long walks together and try to spend as much time together as a family unit as possible—enjoying simple pleasures together like relaxing poolside, visiting Orlando’s theme parks, catching a movie at the theatre, or just hanging at home with rescue cat Winchester and Belle the Mini-Goldendoodle. On his own, Bennett still occasionally shoots hoops and plays tennis, and continues to run.

“Running is my religion,” he quips. “I do a 5K at least once a week. It’s my time to escape: I pop in my earbuds and blast EDM [Electronic Dance Music]; it puts me at peace and helps me keep perspective.

“I’m just not a grandstanding guy,” concludes Bennett. “I’m not the guy at the center of the company picture; I’m over on the side letting the people in my organization shine in the spotlight. I know what has made me successful and helped my family get where we are today—all the people who have rallied around my flag over the years. I believe good things happen to good people, so I aim to always do the right thing by people...and they sure have brought my life a whole lot of good.”

Kristen Card has been a contributing writer for RTOHQ: The Magazine for more than 12 years.



A STEADY HAND AT THE WHEEL

For more than 30 years, David P. David has been the plainspoken conscience of the RTO industry.

**By Kristen Card
Photographs by Ashley Canfield**

Each year, APRO recognizes individuals who have dedicated their careers to providing vital leadership to the RTO industry through the Ernie Talley Lifetime Achievement Award. The 2019 Ernie Talley Lifetime Achievement Award celebrates the work of David P. David, who has guided APRO with his steady hand for the last three decades. True to his Midwestern roots,

David's persistent, steady, and unwavering dedication has been the bedrock supporting the RTO industry.

David began his journey in the RTO industry in 1980, opening the first Full-O-Pep Appliances storefront in Bloomington, Indiana, with Jim Hammond, his brother-in-law. David steadily grew the business over the next several decades, adopting the name American Rental as it moved beyond the initial

storefront. Today, American Rental employs more than 300 people in 52 stores spanning five states. David is also an owner of three RNR Tire Express franchises, with plans for further expansion.

With the expansion of his business, David fought to better the RTO industry in the eyes of the general public. He began by organizing the Rental-Purchase Dealers Association of Indiana (RPDA), leading the group for more



For David, his leadership has always been about **removing stigmas associated with rental purchases. Legitimacy and acceptance meant more than just federal legislation.** It also meant an industry where business owners thought first and foremost about their customers and were also involved in bettering the community.

than 11 years as its President. His tenure included the creation of a five-state trade show, helping to bring industry members together to pool their knowledge and share their experiences.

David joined APRO's board of directors in 1989, a role he would retain for the next 20 years. As the longest-serving board member in the organization's history, David has provided leadership in roles as diverse as secretary, treasurer, and president. His long involvement provided continuity as the industry went through major growth and changes throughout the 1990s and 2000s, and David's presence has been vital on APRO's government relations, ethics, public relations, and communications committees.

He briefly flirted with retirement from the APRO board in 2009 after receiving the APRO President's Award of Excellence, sitting out for all of a year and returning to the board in 2010. Instead of stepping back from his industry leadership role, David ramped up his involvement in the following years, culminating with his run for APRO President in 2012, in an effort to bring full acceptance for the industry.

For David, his leadership has always been about removing stigmas associated with rental purchases. Legitimacy and acceptance meant more than just federal legislation. It also meant an industry where business owners thought first and foremost about their customers and were also involved in bettering the community. His priorities as president reflected this belief, working at all levels to educate the public and lawmakers on the RTO industry and building bridges with national charitable organizations.

"I can't begin to tell you how pleased I am to get this award," David said at the RTO World 2019 APRO Awards Luncheon in Louisville, Kentucky. "Back in 1981, I was living in Florida, working as a manager at a car dealership, and I knew I didn't want to do that. My brother-in-law offered me the opportunity to join him in the retail rental business, and I think I made the right choice. I took a \$45,000 pay cut to move back to Indiana, and it was the best thing I ever did in my life. I can tell you that I will continue working for this industry as long as I'm alive because I love it, and it means a lot to me—you mean a lot to me." [@](#)

Kristen Card has been a contributing writer for RTOHQ: The Magazine for more than 12 years.

Who's Who in Other Products

These vendors and distributors provide lawn and outdoor equipment, storage buildings, tools, toys, trucks, and wheels and tires to the rent-to-own industry: APRO associate members (*), APRO advertisers (+), RTO World 2019 trade show exhibitors (^).

Lawn and Outdoor Equipment

Briggs & Stratton[^]

Contact: Chris Winius
414/259-5400
winius.chris@basco.com
www.briggsandstratton.com

MTD Products Inc.[^]

Contact: Dan R. Birch
330/558-7747; fax 330/558-3215
dan.birch@mtdproducts.com
www.mtdproducts.com

Storage Buildings

Green Barns of America*

Contact: Jennifer Marcus
731/483-4930
lori@jagbarns.com

National Barn and Storage Rental Association, dba NBSRA*

Contact: Philip Rudolph
931/635-2244; fax 931/635-2255
watsonbarnrentals@gmail.com
www.nbsra.com

Old Hickory Buildings, LLC*

Contact: Brian Berryman
615/890-8075
nate.bailey@oldhickorybuildings.com
www.oldhickorybuildings.com

Tools

RES Accessories^{*^}

Contact: Michael E. Gerwe, Jr.
800/444-7304, ext. 210;
fax 800/444-7312
mgjr@resacc.com
www.resacc.com

Toys

Peg Perego USA Inc.^{*^}

Contact: Wally Moon
501/944-4056; fax 501/868-7695
wmoon@woodsonbozeman.com
www.pegperego.com

Trucks

Rush Truck Centers - Ford & Isuzu[^]

Contact: Mark Owen
972/571-8661; fax 214/638-6121
owenM1@rushenterprises.com

Wheels and Tires

Friend Tire Company*

Contact: Robert Roller
417/235-7836
robertroller@friendtire.com
www.friendtire.com

Prestige Autotech Corporation*

Contact: Jamie White
214/717-4210; fax 972/522-0866
jamie@prestigeautotechcorp.com
www.prestigeautotechcorp.com

Velocity Wheel NY*

Contact: Carlos Pion
908/222-1929; fax 908/222-1609
velocitywheelny@gmail.com

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TIRES & WHEELS

RNR Tire Express Inside Front Cover
www.rnrfranchise.com

The Cash Price Conundrum

Cash prices for RTO products remain an issue for dealers. Last spring an RTO company settled a lawsuit over cash price calculations and caps on total RTO pricing under the California RTO statute for \$13 million. The California statute, like the RTO statutes in five other states (Hawaii, Maine, New York, West Virginia, and Vermont) caps cash prices at a multiple of the dealer's wholesale cost. The multiple varies according to product category. The specific dispute in the California lawsuit was over how the company was calculating its shipping costs, which the statute allows to be included in the wholesale cost calculation. Specifically, California law defines "Lessor's Cost" as "the documented actual cost, including actual freight charges, of the rental property, to the lessor from a wholesaler, distributor, supplier, or manufacturer and net of any discounts, rebates, or incentives (CA Bus. & Prof. Code, section 1812.622(k))."

Cash prices for RTO dealers are an issue because dealers historically have made so few cash sales of new products. They may move used products for heavily discounted cash prices, but new product is most often rented. Dealers are not trying to meet or beat retail cash prices because that is not, fundamentally, the business they are in.

Dealers disclose cash prices to help customers shop more meaningfully and also because the RTO statutes in 37 states require a cash price or its equivalent in the rental agreement or on a price tag or both. This is not the first time issues over calculating and disclosing cash prices has been discussed in these pages. See Winn, "The Invisible Hand of Government: Fixing Prices in the Rental Industry," *Progressive Rentals (RTOHQ: The Magazine)*, March-April 2002, pp. 29-32); Winn, "The Price Cap Trap in Rent-to-Own," *Progressive Rentals (RTOHQ: The Magazine)*, April-May 2007, pp. 30-33). However, the issue of how dealers are deriving and disclosing cash prices continues to evolve as must the reporting on it.

Most recently, some dealers have been advertising a "cash price" and then right alongside that price appears a "discount



BILLION PHOTOS/SHUTTERSTOCK.COM

price" or sometimes, a "cash and carry price." The second is predictably lower than the first. Calculations relating to the total RTO Price (months or weeks necessary for ownership times the rental rate) are working off of the stated "cash price," thus yielding a higher RTO total price. The problem with this methodology is that the stated "cash price" is not a real one since nobody ever actually pays that price and walks off with the product. All cash-paying customers, whether many or few, are all paying the "discount price." That is what it is there for. The stated "cash price" is an artificial one and neither fits the definition of "cash price" in any of the RTO statutes nor common sense.

The RTO statutes, by and large, define "cash price" as the price at which the lessor sells or would sell the rental property to the lessee for cash on the date of the RTO agreement.

There are slight variations here and there to that definition. Some states want the tax included; others insist that the tax be excluded. A couple of states impose a duty of good faith in setting cash price; a few add the language, "in the ordinary course of business."

Some states have different language for cash price. West Virginia calls the amount the "retail value." Georgia calls it "the estimated fair market value of the leased property." Both states require dealers to use the precise language in the statute. Whatever it is called, it has to be the real cash price, not some pretend cash price at which no transaction has ever occurred.

Now a dealer might have a real advertised cash price of, say \$999.00, and a customer, while shopping might offer the store \$900.00 cash. If the store takes that deal, that is a one-time discount negotiated with that particular customer, and, assuming that there are actual sales at \$999.00, or in any case, just the one sale at \$900.00, that lone transaction that the customer negotiated does not change the dealer's cash price of \$999.00 for disclosure purposes. On the other hand, if everybody who walks in the store is offered the \$900.00 price, then that is the cash price, the inflated price in the advertising be damned.

Cash prices matter in RTO, even though they obviously matter much, much more in retail. Dealers want to pay attention to how they are calculating and disclosing that amount and stay on the safe side of the law.

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*See page 46 of our 2019 franchise disclosure document (item 19-financial performance representation), Byrider Franchising LLC, 12802 Hamilton Crossing Blvd, Carmel IN 46032: top-25% franchise owned locations open 4+ years (2-year annual average) 2017-2018 financial performance. New York disclaimer; this advertisement is not an offering. An offering can only be made by a prospectus filed first with the Department of Law of the state of New York. Such filing does not constitute approval by the Department of Law.
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