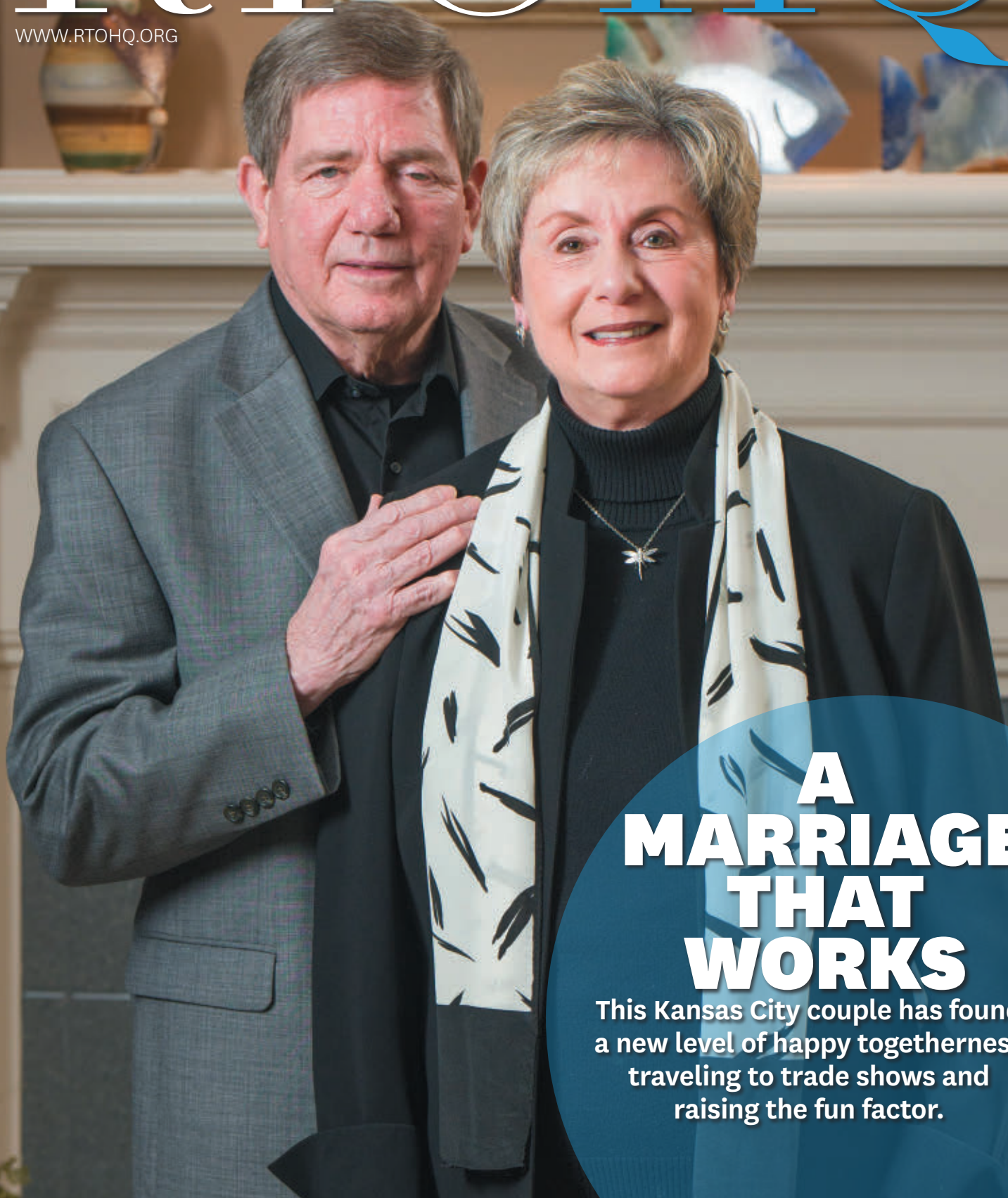


RTOHQ

WWW.RTOHQ.ORG



A MARRIAGE THAT WORKS

This Kansas City couple has found a new level of happy togetherness traveling to trade shows and raising the fun factor.

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

WHAT Else?

MemberNet TV - Connects all of your TV's in store with customized programming at \$35/month plus drop your cable bill.

Exchange - Need just 1 TV? Use our shopping system connected to all of our Distributors to find it fast and at the best price and in stock for immediate shipment.

We work hard every day, for every member, to earn your respect by helping to bring more people into your store and making it just a little easier to run your business.



If you're in a "Buying Group", consider the Marketing Group that also has the greatest buying power!



See for yourself what we offer. We'll take the challenge!

Call Bruce Manning at 919-522-2355 or email BruceManning@nationwidegroup.org

Learn more about Nationwide Marketing Group
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RTO WORLD 19



SAVE THE DATE

AUGUST 6-8, 2019

THE NATIONAL RENT-TO-OWN
CONVENTION AND TRADESHOW
HOSTED BY APRO AND TRIB GROUP

Hold on to your
HORSES,
we're off to...

LOUISVILLE

Now announcing the Small Batch Managers' Track! This new expanded program is specifically curated for store managers. See page 20 for more details.

RTO World Registration will open in late April. Watch for updates on APRO's channels of digital communication: website, www.rtohq.org; bi-weekly e-newsletter, RTO Today; and social media, @RTOHQ.



BRAND NEW!
Small Batch Managers' Track

TUESDAY, AUGUST 6
1:30 p.m. Store Managers' Registration Check-in
1:45-4:45 p.m. RTO Education Sessions
• 1:45-2:30 p.m. 5 Store Managers' Meetup
• 2:45-3:35 p.m. Breakout 1
• 3:45-4:35 p.m. Breakout 2
4:45-6:45 p.m. Hot Show Welcome Reception & Sale
9:00 p.m. Emerging Leaders Networking Social

WEDNESDAY, AUGUST 7
8-9:45 a.m. Store Managers' Expo Pre-show and breakfast
10 a.m.-1 p.m. RTO Education Breakout Sessions

aPRO



Take advantage of maximum exposure by exhibiting at the trade show and sponsoring the industry's biggest convention in 2019!
For more information, contact advertising@rtohq.org.

www.rtohq.org

A Toast to the Closing of the Year



While much of the country is still blizzard-bound, spring has “sprung” all about Austin—our landscape is blanketed in Texas bluebonnets. But if you’re experiencing a touch of temperate-climate envy, then just wait: Come summertime, we’ll be the jealous ones, yearning for cool while you enjoy two-digit temps in the great outdoors!

Speaking of summer, we’re aiming for mild weather in Louisville, Kentucky, in early August—the 6-8th, to be exact—when we all get together for our National Rent-To-Own Convention and Trade Show, **RTO World 2019!** We’re excited to debut our **Small-Batch Managers’ Experience**—an attendance track designed especially for store managers. For a drastically reduced registration fee, managers can participate in RTO World 2019 for a full 24 hours, including customized education sessions, the “hot” show, and exclusive expo hours just for the managers. It’s going to be a can’t-miss opportunity. Registration for RTO World 2019 opens soon—watch for the announcement and check the APRO website for details.

Our website is the home of the rent-to-own industry’s calendar, and springtime dates are filling up. By the time you read this, we will have enjoyed The Summit & Expo hosted by TRIB Group and BrandSource in Nashville, and APRO’s Legislative Conference that launches RTO into full spring swing with cherry blossoms in Washington, D.C.! Both the Kansas and Pennsylvania state associations host their annual meetings later in the month—April 23-24 in Wichita for KRDA and April 30 in Harrisburg for PARD. Here’s hoping our paths cross at one of these exceptional events!

Some other colleagues you’ll want to cross paths with are our APROfile subjects for this issue: **George and Angie Ramel of Progressive Furniture**, and **Lyn Leach of Ace Rent-To-Own**. Whenever I walk into an industry event and I see George and Angie there, I feel instantly at home. They have a natural ease and friendliness about them, enhanced by the sweet chemistry between them. The Ramels are literally in a working marriage—much like Lyn and his wife/vice president of 37 years, Natalie. Lyn is definitely one of our most well-rounded members, still coming up with great ideas to keep his business fresh while also keeping the rest of his life interesting with his participation in his local theater scene.

Also in this issue, our font-of-knowledge-in-residence Ed Winn provides his ever-essential info for RTO professionals; this time around, he tackles **disparate impact** (what it is and how it can affect your business) and **subscription rentals** (how they work and why people use them).

So, regardless of the groundhog’s prophecy, this season is heating up for rent-to-own with places to go, people to see, and things to learn. It looks like 2019 has plenty of potential—let’s get out and make this year a great one!

Registration for **RTO World 2019 opens soon—watch for the announcement** and check the APRO website for details.

Jill McClure, CAE

APRO Executive Director

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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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Lyn Leach is investing in a digital future—and fears for our industry if others don't do the same.



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

RTO MATTERS

Reporting by Valerie Villarreal

APRO President Garcia Inks 41-Unit Rent-A-Center Franchise Deal

APRO President Louis Garcia recently signed a franchise deal to acquire 41 Rent-A-Center (RAC) stores across Maryland, Washington D.C., Virginia and West Virginia. The agreement is the latest in a string of deals from those investing, or re-investing, in the brand as part of its re-franchising initiative to partner operators with franchise investors.

Garcia shares that it was his experience in rent-to-own that influenced his decision to acquire more. “My interactions with dealers and franchisees over the years were highly influential in my decision,” says Garcia. “Independent dealers and franchisees operate differently than a large corporation—there is more focus on a store level and even more than that, on a community level. There is a lot of buzz out there about online rent-to-own that

might affect brick and mortar but in my opinion, the reality is brick and mortar is stronger than ever especially when you view it as a community. When you run a store at a community level, you can be wildly successful, and that’s what we do.”

He considers the multi-unit deal an opportunity to harness his rent-to-own expertise and apply what made his existing stores successful on a broader scale, a task he said he’s excited to take on. “Over the last 14 years, we have built a culture with a sense of community with people first and have seen it be wildly successful. I see that opportunity in this market,” says Garcia. “A unique thing about this acquisition is that I already have stores in these markets that are executing at a high level. They have successful processes and procedure models

you can see in action which is really powerful when you’re converting stores and working to pull them into your own culture.”

“Louis is a seasoned rent-to-own operator and a longtime leader in our industry, and this boom in his business is exciting news,” notes APRO Executive Director Jill McClure. “Louis’ success at the store level is definitely deserving of expansion—congratulations to him and to the 41 storefronts newly under his leadership.”

Garcia is currently focused on his latest acquisition but might still have an itch for more, “You never know, we are open to new possibilities,” he concludes. “Right now the plan is to get everyone on the same page and trained on all of the processes and procedures we have developed over the years.”



Wayne Chambers is Ready to Hit the Trail

After 35 years, APRO Past President Wayne Chambers is ready to trade in his suit and tie for a comfortable pair of boots. Chambers announced in early March he would be stepping down as CEO of High Touch Technologies to become a full-time rancher. As he steps away from the corporate world, Chambers leaves an impressive list of accomplishments.

Starting in Remco in 1975 under the legendary Chuck Sims, and rising to be the CFO, Chambers has been an important force for the RTO industry. He served two terms as President of APRO between 1991 to 1993, then led APRO's defense of the Rent-To-Own industry from the IRS in the 1990s. As chair of the Tax and Accounting Committee, Chambers provided crucial leadership in stopping IRS efforts to reclassify RTO transactions from leases to installment plans.

"But for Wayne's tireless commitment to the cause, the RTO tax issue could easily have gone the other way," notes APRO General Counsel Ed Winn III. "The industry owes Wayne a huge debt." In recognition for his efforts, Chambers received the first APRO Lifetime Achievement Award in 1995.

Since 2005, Chambers has led High Touch Technologies, an IT solutions provider providing software vital to the RTO industry. After shepherding the company through its growth phase, Chambers believes

the time is right for him to shift his focus from the boardroom to his ranch. "I'm ready to spend time with my family and raise cattle full time now," says Chambers, as he eagerly looks to the next phase of his life.

Although he terms his shift from the corporate world to the ranching world a "retirement," Chambers will be remaining active in his community. Chambers will remain on the board of the Greater Wichita Partnership, Wichita Community Foundation, and the National Advisory Council for the WSU Foundation. In addition, he plans to remain involved with his philanthropic efforts with Rainbows United, Kansas Special Olympics, and the Girl Scouts of Kansas Heartland.

"We celebrate Wayne's many accomplishments at the helm of High Touch, and are appreciative of the continued support he's given APRO and the industry throughout the years. He's earned this time to enjoy new adventures and we wish him the best," says APRO Executive Director Jill McClure.



APRO presidents that served in the mid-1990s: Mac Hennigan, Glen Davis, Bud Holladay, Barry Gambini, Dick Grauel, Ted Wilson, Wayne Chambers and Kevin Quinn.

APRO Welcomes New Members

RENTAL DEALERS

DDS Inc., dba Home Store RTO
Daniel D. Sharff, Canton, TX

Transformation Investments LLC, dba Rent It 2 Own It
Mary Humphrey, Springfield, MO

ASSOCIATE MEMBERS

CPR Cell Phone Repair
Ben Davies, Independence, OH

Deep Blue Industries
Cody Topping, Palatine, IL

Garris Horn, PLLC
Troy Garris, Dallas, TX

www.rtohq.org

Maria's Dream Lives On

Tucked in a stone building built nearly 300 years ago, the Avenue Guesthouse and Gallery is a living tribute to Maria Fisher. The Avenue, which combines a bed & breakfast inn, an art gallery, and charity venue, is a fusion of two generations of Fisher family dreams. Longtime APRO members Dan and Tricia Fisher bought the building to fulfill their dream of owning a bed & breakfast and used the opportunity to create a local art gallery and charity space in memory of their daughter Maria.

Maria Fisher, who died in a tragic traffic accident last October, had always dreamed of creating a space to share her passion for art and music with others. The Fishers hope to make The Avenue into a space that carries on their daughter's dream. The building, originally built in 1738, will welcome its first guests during the Lititz Fire & Ice Festival, a celebration of local history and culture. With plans for rotating the art gallery for local artists and charity events raising money for the Maria Fisher Scholarship Fund, The Avenue promises to enrich the Lititz cultural scene for years to come.

Maria was passionate about writing and performing music, playing soccer, as well as creative writing. She had written many short stories and poems, as well as a near-complete novel. Soon, in the form of The Avenue, Maria's dream will bring light to the local arts scene. Maria's absence is keenly felt by her family and friends, but her dream of creating a space for art and music lives on.

To learn more about The Avenue Guesthouse and Gallery online visit www.theavenueguesthouse.com.



IMAGES PROVIDED BY LAURA KNOWLES/LITITZ RECORD EXPRESS.

RTO Peer Support Never Strikes Out

Last fall, the APRO Board of Directors and the APRO Vendor Advisory Committee met for APRO's annual board meeting. In the course of business as usual, a trio of rent-to-own veterans, industry leaders and longtime friends—Al Benson, Larry Carrico and David Kaye—realized they would once again be at the same place at the same time, and soon!

Benson and Kaye, attending an industry event in Fort Myers, FL, were able to take a break to go watch and support Carrico playing baseball for the St. Louis Patriots—a division of the St. Louis Baseball Forever League—at the Roy Hobbs Annual World Series. Carrico, who has been playing baseball for 40 years, is the 60+-division Patriots' catcher. Patriots won, 5-2!



David Kaye, Larry Carrico and Al Benson

In Memoriam: Representative Walter B. Jones

United States Representative Walter B. Jones (R–North Carolina, District 3), a staunch supporter of the rent-to-own industry for over a decade in Washington, D.C., died peacefully at his home surrounded by family on February 10, 2019, at the age of 76. The RTO industry never had a better friend and supporter than Jones in the U.S. House of Representatives.

Representative Jones was the lead sponsor on RTO bills that the industry supported in the U.S. House five different times. In 1997, he sponsored the first RTO bill in the 105th Congress, H.R. 2019—Consumer Disclosure and Rental Purchase Agreement Act. The bill failed to gain traction, so he then introduced H.R. 1634 in the following 106th Congress. H.R. 1634 garnered 51 co-sponsors, more than the previous bill, but still did not make it out of committee before Congress adjourned. Together, Jones and the RTO industry came closest to seeing an RTO law enacted at the federal level in the 107th Congress in 2001 when he introduced H.R. 1701 and shepherded that bill through various committees and finally saw it narrowly passed out of the full House in 2001. Unfortunately, H.R. 1701 was sent to the Senate late in the legislative session, and Congress adjourned before that body could give its full attention to the House’s RTO bill.

In 2003, Jones remained vigilant and loyal to the industry and introduced H.R. 996 in the next Congress. That bill died in committee as the makeup of the Congress was shifting and the Bush administration was coming under increasing criticism over the war efforts. Undaunted, Jones introduced a fifth RTO bill, H.R. 1651, a couple of years later in the 109th Congress in 2005. H.R. 1651, like its predecessors, was fully supported by the industry, but also like its predecessors, failed to make it into law. Once the Obama administration came into power, Jones and the industry both recognized that further legislative efforts for a stand-alone RTO bill would not likely be successful during that administration.

Jones had followed his father’s footsteps into politics early on. His father, Walter B. Jones Sr., was an American Democratic politician from the state of North Carolina who served in the United States House of Representatives from 1966 until his death in 1992. Jones Jr. was first elected to the North Carolina statehouse in 1982 and served five terms in Raleigh, representing Pitt County. In 1991, when his father retired, he ran for his father’s seat in the U.S. House and lost. In 1994 he switched parties, ran as a Republican, and won. His district included the Camp Lejeune Marine base, and he was always a vocal supporter of the U.S. military.

After 9/11 in 2001, he came out strong with support for the Iraq invasion and came up with the effort to rebrand “French fries” as “freedom fries” because of that country’s refusal to support the U.S. military efforts. However, soon after the invasion, Jones concluded that the Bush administration had been less than candid with him and with the American public about the reasons for the attack. He then turned against the effort and became one of the Congress’ most vocal critics on the Right. Over the next several years, he wrote personal notes to some 12,500 service members and their families who had taken part in the conflict.

Jones was always a man of conscience both in his personal and his political life. He converted from Southern Baptist to Catholicism in mid-life, and his religious convictions were always an essential part of who he was. His unwavering support for the military and the RTO industry as well came from his deep personal convictions about those issues.

The rent-to-own industry owes Jones a great debt for his support in D.C. over the years. Rental dealers hope that in time they will be able to find another champion worthy of filling Jones’ very big shoes. Today those shoes are, sadly, empty.



RTOCALENDAR

APRIL 9-11, 2019

APRO 2019 Legislative Conference, Washington, D.C. For more information call 800/204-2776, legcon@rtohq.org; or visit www.rtohq.org/legislative-conference.

APRIL 23-24, 2019

Kansas Rental Dealer Association 2019 Annual Meeting, Wichita, Kansas. For more information contact Angela Strong McCool at 620/663-3556, or angie@mikesrenttoown.com.

APRIL 30, 2019

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

MAY 8, 2019

Illinois Rental/Purchase Dealers Association Legislative Meeting, Springfield, Illinois. For more information contact Kelly Martin at 314/400-6340, or kellymartin@skccorp.com.

MAY 15, 2019

Arkansas Rental Dealers Association Annual Meeting. For more information contact Terah Vail at 479/595-9232, or terah.vail@fandelivers.com.

JUNE 11-13, 2019

Missouri Rental Dealers Association Heartland of America Trade Show and Seminar, Lake Ozark, Missouri. For more information contact Ken Steiner at 573/489-0622, or steineraa@aol.com; or visit www.morentaldealers.com.

JULY 19-20, 2019

Full-O-Pep Annual Trade Expo and Golf Tournament, Nashville, Indiana. For more information call Bobbie Hodges or Amy Bruner 812/333-7496, or bobbie@shopamericanrental.com.

JULY 28–AUGUST 1, 2019

Las Vegas Market Summer 2019, Las Vegas, Nevada. For more information go to www.lasvegasmarket.com.

AUGUST 6-8, 2019

RTO World 2019, Louisville, Kentucky. For more information call 800/204-2776; or visit rtoworld.org.

AUGUST 18-21, 2019

RentDirect Nationwide PrimeTime! Vendor Show, New Orleans, Louisiana. For more information contact Bruce Manning at 919/522-2355, or bruce.manning@nationwide.org.

Frye Named Premier Dealer of the Year at National Convention

A PRO board member and Hall of Honor recipient Sandi Frye was honored by our industry, accepting The Premier Companies' Dealer of the Year Award. Frye received the award at the company's National Convention, held in Miami on January 12-13th. "The initiative and drive that Sandi devotes to the development of her store is inspirational to the entire Premier Team," shares The Premier Companies President and CEO Trooper Earle.



- 1: The Premier group enjoying Miami.
- 2: Premier Companies President and CEO Trooper Earle presents 2018 Premier Dealer of the Year award to Sandi Frye.
- 3: Trooper Earle and Kathy Clusman exchange hugs at the opening reception.
- 4: John Licciardi at the vendor show.
- 5: Trooper Earle, Jill McClure, Larkin Mott and Walt Ulbricht at the welcome reception.
- 6: Benefit Marketing Solutions' David Kaye receives Premier Vendor of the Year award.
- 7: Larkin Mott and Chad Fosdick at the awards banquet.
- 8: Wally Landmesser and Carolyn Miller at the Executive Retreat Summation general session.

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

RentDirect Breaks Records in Las Vegas

RentDirect Nationwide held its bi-annual 2019 Meeting and Hot Show Auction February 10-13 at The Venetian/Palazzo and Sands Expo in Las Vegas, NV. The event, part of Nationwide Marketing Group's "Thrive" Primetime show, saw a 50 percent increase in attendance over last August's event with more than double the sales at its Hot Show Auction. APRO's Executive Director Jill McClure and General Counsel Ed Winn were also in attendance, alongside RentDirect Director Bruce Manning, providing rent-to-own industry updates and legal advice at the event's trade show.

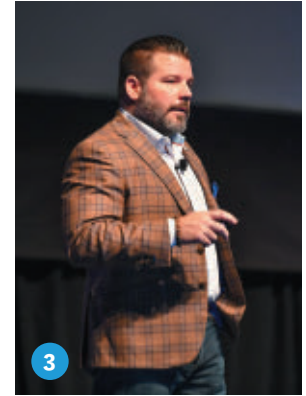
"This year our focus is to showcase our marketing services," says Manning. "Attendees really enjoyed the educational experience and took full advantage of learning more about all that we offer."



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- 1: The event featured a Learning Academy offering more than 100 educational sessions presented by industry experts including Google.
- 2: RentDirect's Hot Show Auction hit more than 50 percent in sales over last August's event.
- 3: Nationwide Marketing Group's President Tom Hickman.
- 4: This year's event emphasized the company's digital marketing services.
- 5: RentDirect Director Bruce Manning.
- 6: RentDirect members take advantage of great deals at the bi-annual trade show.

It's GAME ON for Rent-2-Own

Countryside Rentals, dba Rent-2-Own (R2O), held its annual meeting in early February in Wilmington, OH. This year's "Game On" meeting celebrated the transformation the company embarked on after its "Reinvent R2O" annual meeting last year that paved the way to a new way of doing business and the success that followed. The event included company-wide games, prizes, an awards presentation, a Jeep Cherokee giveaway, and special guest speaker Giovanni Bernard, running back for the Cincinnati Bengals.



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2

- 1: R2O Zanesville, OH, 2019 Store of the Year.
- 2: R2O CEO and President Mike Tissot with parents Darrell and Jane Tissot.

Strunk Named RNR Woman of the Year at Franchisee Conference

Longtime APRO member and Hall of Honor recipient Cynthia Strunk was honored again by her industry, accepting RNR Tire Express' Faye Sutton Award, acknowledging Strunk as RNR's Woman of the Year. Strunk received the award—named for RNR founder Larry Sutton's late mother—at the company's 16th annual Franchisee Conference, held in Tampa January 7-9th. All of RNR's 26 franchise groups attended

the conference, including 180 owners, managers, operators, and staff representing the company's 116 stores in 22 states nationwide.

RNR's Franchisee Conference included a welcome reception, open forums, a vendor show featuring more than 15 wheel-and-tire vendors and the awards dinner, where Strunk was honored among her esteemed peers.



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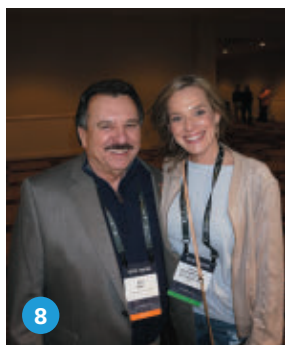
- 1: Cynthia Strunk named RNR 2018 Woman of the Year.
- 2: It's an RNR family affair! Larry Sutton, RNR Founder and President, with his son, Adam Sutton, RNR Executive Vice President, and his family.

TRIB Group Honors David with President's Award

APRO Hall of Honor member and longest-serving director of the APRO board David P. David was recognized for his significant contributions to the rent-to-own industry, accepting TRIB Group's President's Award. David received the award at the Meeting of the Minds & Expo in Nashville, TN. The four-day

event included a general session where APRO Executive Director Jill McClure addressed attendees on the importance of rental dealers attending APRO's Legislative Conference to build relationships with lawmakers, and not allowing critics to define the RTO business. McClure later co-presented the *Women in RTO* breakout

session alongside Impact RTO's Lisa Mitchell. The well-attended and informational session included industry statistics and four actionable items dealers can do now to retain, develop and support women in their companies. To learn more about the session, contact APRO at 800/204-2776 or edu@rtohq.org.



- ▶ **1:** Benefit Marketing Solutions' CEO Brad Denison stressed the importance of APRO's Legislative Conference, scheduled for April 9-11th in Washington, D.C.
- 2:** TRIB Group President Dan Fisher presents David P. David with this year's President's Award.
- 3:** Countryside Rentals CEO and President Mike Tissot goes over product orders with his team on the expo floor.
- 4:** Mark Windsor, Lyn Leach, Todd Homberger, Jill McClure, Chip Guy, and Chris Bolin at the MOTM's offsite party.
- 5:** The Ashley Furniture team: Kevin Gaughan, Gary Jones, Kent Clark, and Mike Kays.
- 6:** APRO Executive Director Jill McClure discusses the benefits of APRO with a potential member at the expo.
- 7:** Daniel Singh and Jen Morellano-Retuyan having a great time before general session.
- 8:** John Blair and Angela Strong-McCool catch up at the TRIB Hot Show.
- 9:** Chris Kale, Jr. warms up his legs for a brisk walk around the expo floor.

“DISPARATE IMPACTS”

By Ed Winn III



IMPACT” YOU



There is really nothing you would rather do, day in and day out, than rent and collect. It's in the blood. You do, at the same time, make efforts to be a good citizen, and you pay as much attention as you can to what is going on around you in the world beyond your 30-mile delivery radius. If the vitriol that permeates national politics these days distresses you, join the crowd. Everybody feels that way, no matter which side they are on.

There is, nonetheless, a national issue worth focusing on, however briefly, because it affects your life and business and it just might change in the near future. That issue is the doctrine of disparate impact.

What is Disparate Impact and Why Should You Care?

Disparate impact is the judicial doctrine that holds people and companies liable for discrimination against someone or some group in a protected class if the behavior or policy, while not intentionally discriminatory, and, in fact, is neutral on its face, has a discriminatory impact. The protected classes include race, color, religion, national origin, sex, marital status, and age. As the culture evolves, there may be more protected groups in the future. Disparate impact has mainly been applied to protect minority races and women. Most of the lawsuits have involved those two classes. However, we can anticipate disparate impact treatment of Americans with Disabilities and those with gender issues.

Application of disparate impact can affect who you hire, fire, promote and otherwise deal with as employees or potential employees, where you live, who your neighbors are, the safety of your neighborhoods, the quality of the schools where you send your kids and other aspects of your daily life.

The Griggs Case

The legal theory first arose in 1971 in a U.S. Supreme Court Case, *Griggs v. Duke Power Co.*, 401 U.S. 424 (1971). In that case, Duke Power had two requirements for promotion to higher paying positions: a satisfactory score on an aptitude test and the possession of a high school diploma. A small class of Black employees sued alleging the company policy discriminated against them because of their race and the Court agreed. The Court held that the aptitude test and the diploma



requirements were not “a reasonable measure of job performance” and that the company had a disparate impact on the employees. This was so because at the time fewer Black males had high school diplomas than White males with an estimation of 12% versus 34% in North Carolina. Also, only 6% of Black males passed the aptitude test versus a 58% pass rate for White males. The Court concluded that the company policy violated the Civil Rights Act of 1964; however, there was no evidence that the Duke policy was intended to discriminate against Blacks. Rather, the policy was doubtless created to help identify the best-qualified candidates for promotions. The Court held that Duke had the burden of proving that the requirements were reasonable measures of job performance and that Duke failed to meet that burden, since a high school diploma is a broad-based requirement and not directly related to job performance.

With the *Griggs* ruling in hand, the Equal Employment Opportunity Commission (EEOC) quickly developed statistical guidelines to prove disparate impact. If the protected class, mainly women and racial minorities, did not have a selection rate of at least 80% of the selection rate for the most successful group, viz. White males, that statistic alone created an inference of discrimination because of the disparate impact of the policy under consideration, whatever it might be—pencil and paper test, lifting requirements, and the like. Once the statistic has been shown, the

burden then shifts to the employer to show a legitimate business justification for the policy. If the employer can make such a showing and courts have been reluctant to accept employer arguments, the aggrieved plaintiff can still prevail by showing a policy that would work in the business and would have less of an impact on the protected group.

Years ago, the RTO industry had to defend at least two class action lawsuits alleging sex discrimination—the disparate treatment of women in the RTO workplace. Those cases both resulted in multi-million dollar settlements and since then the industry has seen many more women hired and overall, the industry is much less sexist than it once might have been.

The Disparate Impact of Criminal Background Checks

Since the *Griggs* ruling, the government has used disparate impact in an ever-widening circle of circumstances, primarily in the employment arena but the concept has been extended far beyond employment. As an example of the expansion of the notion in 2012, the EEOC issued an Enforcement Guidance encouraging employers not to look into the criminal records of job applicants because of the disparate impact on Blacks and Hispanics from such inquiries. The incarceration rates for Blacks is roughly seven times greater than for Whites in the country; for Hispanics, the rate is three times higher than for Whites. The

problem with this policy, of course, is that companies would then be hiring a higher percentage of ex-cons, exposing the companies to internal theft, fraud, workplace violence, and other crimes. The workplace could potentially become less safe. RTO dealers were cautioned about following the EEOC’s Guidance shortly after it was issued. See “Is There an Ex-Con in Your Future?” *RTOHQ: The Magazine*, March-April 2013, page 40.

In a case against The Freeman Companies, a federal district court judge ruled against the EEOC’s guidance and awarded the company some \$1 million in attorneys’ fees and noted acerbically the hypocrisy of the EEOC as that agency conducts criminal background checks on 90% of its own employees. The Guidance suggested that if companies do run criminal background checks, it should delve deeper into the applicant’s background before making a decision. Any number of companies are complying with the Guidance today, recognizing the risks and costs of an EEOC investigation into their hiring practices. It is a fact of political life for employers that they face a Hobson’s choice these days. Run criminal background checks on potential hires and risk the ire of the EEOC or don’t run the checks and risk mayhem in the workplace.

It’s Not Just in the Workplace

The EEOC has sued hundreds of school districts because statistics show that Black students were being disciplined at higher rates

than White students, a disparate impact that proved minority students were being discriminated against by teachers and administrators. The result of the suits has been a relaxation of discipline enforcement overall in schools with noticeable increases in violence against students and teachers as well. One reads daily of the decline of performance and test scores in public schools, not to mention teacher strikes and overall teacher disenchantment with the profession. Disparate impact rulings are one of the reasons for the decline in public school systems, albeit not the only one. The government issued disparate impact mandates in 2014 aimed at the statistics of suspensions and school-related arrests. The current administration recently rescinded that rule, but there was no mention of the disparate impact doctrine, which is presumably still intact. Thus, school systems are still nervous about what rules apply, and if your children are students in large inner-city schools, they are at higher risk of physical violence because of disparate impact.

The statistics upon which the government relied for the guidance showed that Black students were disciplined three times more often than White students. When those statistics were probed, however, the racial gap was found not to have been caused by biased school administrators, but rather by the histories of bad behavior, both in and out of school, of minority students. In 2017, a study by the Centers for Disease Control concluded that minority students' misbehavior in school could be attributed primarily to single-parent families, domestic abuse, and poverty—not discrimination.

Community Safety and Disparate Impact

The government has sued city and local governments and police and fire departments, using disparate impact statistics to demonstrate bias in hiring and promoting fire and safety personnel, criminal court fines, traffic stops and arrests, and other aspects of local criminal justice systems. The result has been an overall decrease in stops and arrests and an increase in crime. Landlords have likewise been discouraged and threatened from using criminal background checks on prospective tenants because the result might have a disparate impact on minorities. That means you may not only have ex-con employees, but you may also have one living next door.

Disparate Impact and Credit

No sooner did the Consumer Financial Protection Bureau (CFPB) come into existence in 2010 than it began to adopt disparate impact applications to the credit world. To be sure, RTO is not strictly speaking, in the credit world, and the CFPB has no jurisdiction over the transaction, but RTO is never very far away from credit. The CFPB and before it, the EEOC, have challenged banks and other lenders over their home loan policies and the impact of those policies on minority borrowers. There are some who argue that the 2007-2008 financial meltdown can be directly attributed to subprime mortgage loans to minorities that were unsoundly made to the tune of billions of dollars and made primarily to avoid discrimination lawsuits based on the disparate impact of the lending policies of the banks.

In 2013, the CFPB cautioned third-party vehicle lenders that they might be investigated for discriminating against women and minorities because of the disparate impact analyses of interest rates and other terms in loans to those protected classes of people. Under Cordray's leadership, the CFPB exacted a \$98 million fine from Ally Financial, the country's largest third-party auto lender, over charges that the company's loan approval rates and finance charges resulted in racial discrimination against minorities, using a disparate impact analysis. The bank argued that the difference in rates was due to differences in credit scores. The CFPB ignored credit scores completely in its analysis, relying exclusively on the race of the borrowers.

When the former CFPB head, Mr. Cordray stepped down, and Mr. Mulvaney stepped in on an interim basis, the Bureau rescinded the guidance, using the Congressional Review Act, a first in the history of the Bureau.

Critics of disparate impact predict that the next line of attack will be at credit scores, themselves. The Federal Reserve Board has found that "the differences in credit scores among racial or ethnic groups are large, with 53% of Blacks scoring in the bottom quintile of creditworthiness versus 16% of Whites in that category." Those critics predict that the credit reporting agencies who merely collect information from the marketplace and disseminate it are in the sights of several government agencies. Representative Sheila Jackson Lee (D-Texas, District 18) has announced her intention to form a new group in the House Judiciary Committee and to use disparate

impact to help compensate Blacks for slavery: The Commission to Consider Reparation Proposals for African Americans.

Conclusion

The current administration is reviewing a proposed executive order that would prohibit the use of "the disparate-impact approach in the enforcement or application of any civil-rights law." Such an order would be one of the most significant decisions coming out of D.C. in decades. Whether it will get the President's signature remains to be seen and if

Application of
disparate impact can
affect who you hire,
fire, promote and
otherwise deal with
as employees or
potential employees,
where you
live, who your
neighbors are,
the safety of your
neighborhoods,
the quality of the
schools where you
send your kids and
other aspects of
your daily life.

it does, it is likely that Congress and the courts will fight back. The future of disparate impact, as is the case with many political issues these days, is very much up in the air. Is it still a viable and important doctrine to be used to ferret out instances of hard-wired discrimination that pervades American life or is it a doctrine that has run its course and should be abandoned? Dealers need to be aware of disparate impact and how it affects their lives. Now they are. @

Ed Winn III is APRO's General Counsel. His email address is edwinn@mwvmlaw.com.



HOLD ON TO YOUR HORSES

WE'RE OFF TO

CHERYL-ANN QUIGLEY@SHUTTERSTOCK.COM



RTO WORLD19

The inaugural RTO World in 2018 was a resounding success as rent-to-own professionals from around the globe gathered in St. Louis for the first-ever APRO and TRIB Group collaboration on a national rent-to-own convention and trade show. The brainchild of the two organizations brought more than 700 members from both organizations for the industry's biggest event of the year and left many wanting more. This year's RTO World, scheduled for August 6-8, at the newly remodeled Kentucky International Convention Center in Louisville will not disappoint!

The RTO Education sessions are in the process of being finalized and will be published in the next issue of *RTOHQ: The Magazine*, and you can expect top-notch, business-enhancing seminars presented by industry experts. In addition to education, RTO World's trade show will offer attendees an opportunity to connect with vendors, purchase inventory, and learn about the industry's newest products and services. Attendees can also expect excellent deals at the RTO World Hot Show.

RTO World 2019 is the perfect opportunity to network with colleagues while enjoying local fare and entertainment. FourthStreet Live! will be the site of this year's offsite party and is Louisville's premier dining and entertainment destination located in the heart of the city. Fourth Street Live! offers something for everyone and is just a short walk from historic downtown hotels, the Kentucky International Convention Center, Waterfront Park, the KFC YUM Center, Slugger Field, and much more.

RTO World's host hotel is the newly redesigned Louisville Marriott Downtown located directly across the street from the Kentucky International

LOUISVILLE!

**Experience the World of
Rent-To-Own at the Industry's
Biggest Event of the Year!**



THOMAS KELLEY/SHUTTERSTOCK.COM

Convention Center and is conveniently connected by a skywalk that will allow visitors to easily commute between venues as needed. The host hotel also offers onsite dining including a Starbucks and Porch Kitchen & Bar serving comfort food and a soulful experience for breakfast, lunch, and dinner.

This year's schedule also introduces a new condensed program specially crafted for store managers! The Small Batch Managers' Experience contains a dozen educational sessions to choose from, a facilitated store managers' meetup, an invitation to the RTO World Hot Show and Welcome Reception, followed by the Emerging Leaders Networking Social, and an

exclusive store managers' sneak peek of this year's tradeshow prior to its official opening.

Get ready for the biggest Rent-to-Own Convention and Trade Show and keep an eye out for registration and hotel reservation announcements on the APRO website, www.rtohq.org; the APRO newsletter, RTO Today; APRO social media channels, Facebook and Twitter, @RTOHQ.

**Looavul. Luhvul. Loueville.
Looaville. Loeyville.
Louisville.**

The Bluegrass State, best known for its sprawling emerald countryside, pristine white fences and majestic horse farms, has certainly earned its place amongst picture-perfect destinations. Beyond the scenery, a stone's throw from Indiana, lies Kentucky's largest city, Louisville.

It's a city teeming with important (some would say life-altering) inventions such as the cheeseburger, the high five, the Happy Birthday song and the Hot Brown, an open-faced, broiled sandwich layered with roasted turkey, cheesy Mornay sauce, tomatoes and bacon (YUM!). It's where the locals can pinpoint a tourist within earshot by their entertaining attempt to pronounce Louisville (LOO-uh vul) as LOU-iss-vill or LOU-ee-vill. These intriguing idiosyncrasies, however, add to the flavor of a city that combines heritage with modernization, and authenticity with creativity, while offering everyone who visits a wide array of entertainment.

The Kentucky Derby Museum (www.derby-museum.org) sits adjacent to one of Louisville's most iconic landmarks, **Churchill Downs Racetrack** (www.churchilldowns.com), where elaborate hats and mint juleps are unofficial trademarks of The Kentucky Derby, the two minute horse race held annually on the first Saturday in May. The museum serves as the exclusive tour provider for the track and allows visitors an immersive experience throughout two floors of family friendly exhibits, rich in history, education, and technology.

Louisville Slugger Museum & Factory (www.sluggermuseum.com) is sure to be a *hit right off the bat*. Begin your experience at the Big Bat, the world's largest baseball bat, towering 120 feet into the sky. Made of steel and weighing an impressive 68,000 pounds, the Big Bat is an exact replica of Babe Ruth's 34-inch Louisville Slugger. From there, visitors can stroll through the factory where the world-famous bats are created, celebrate the extraordinary history of the Louisville Slugger in baseball's past, present and future, and witness bats used by legendary players such as Babe Ruth, Hank Aaron and Derek Jeter (to name just a few). Step into the batting cages, create a bat with your name on it and leave with a miniature souvenir bat. *Swing* by so you're sure to have all your *bases covered*.



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Muhammad Ali Center (<https://alicenter.org>) is located in the heart of historic Louisville and serves as a cultural attraction inspired by the ideals of hometown hero Muhammad Ali. His six core principles of confidence, conviction, dedication, giving, respect and spirituality are woven into two levels of interactive exhibits, multimedia presentations, historical video, images and artifacts. Learn how Muhammad Ali made a significant impact on the world by obtaining greatness and then using it as a catalyst to do great things for

the world and, in turn, inspire others to do the same.

The Big Four Bridge (<https://louisvillewaterfront.com/explore-the-park/features/big-4-bridge/>) is for those who would like to include breathtaking views of the Ohio River, Louisville and Waterfront Park on their bucket list. Built as a railroad bridge in 1895, this now bicycle and pedestrian bridge links Louisville to Jeffersonville, Indiana, offering a two-mile round-trip journey between the states. It



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also features a special LED lighting system that wraps areas of the bridge in vibrant colors, highlighting the beauty and strength of the structure.

Louisville Mega Cavern (<https://louisville-megacavern.com>), a former limestone mine, is now classified as a building (and the largest building in Kentucky at that!) due to its support structures and the fact that it stretches under such an immense span of the city. Used for business, storage, recycling, and tourism, this 4,000,000 square foot structure sits 75-100 feet underground and speaks the love language of adventure gurus everywhere. From the two-hour zipline tour, historic tram tour and guided tours, to the one-of-a-kind ropes course, underground bike park, and annual holiday lights display, the Mega Cavern is a sight to behold.

Old Louisville (<http://oldlouisville.org>) is ideal for those who would like a deeper look into the heritage of Louisville. This urban jewel features the largest contiguous collection of Victorian mansions in the United States, spanning 45 square blocks. Enjoy one of the many art or music festivals throughout the year, or visit the heart of Old Louisville, Central Park, which boasts a regally renovated 110+ year old mission-style building known as Old Louisville Neighborhood and Visitors Center. Take part in a 60-minute guided walking tour, or stroll the picturesque streets lined with restaurants and breweries.

Conrad-Caldwell House Museum (<https://conrad-caldwell.org>) is a historic, Victorian mansion located in the heart of Old Louisville on St. James Court. This masterful example of Richardsonian Romanesque architecture

features all the latest innovations of its day, including interior plumbing and electric lighting. Breathtaking woodwork incorporating seven different types of hardwoods, stained glass windows, parquet floors, beautiful archways, and elaborate stone designs, make "Conrad's Castle" one of the most stunning homes in Old Louisville. Step back in time as you learn more about the era, the neighborhood and the families who lived here through a 60-90-minute guided tour, featuring a massive collection of period items and family pieces across three floors.

Cave Hill Cemetery (www.cavehillheritage-foundation.org), listed on the National Register of Historic Places, is a 96-acre Victorian-era cemetery and arboretum. It serves as the resting place of many prominent figures, including Muhammad Ali, KFC Founder Col. Harland Sanders, founder of Louisville George Rogers

Clark as well as countless veterans from the Revolutionary, Mexican-American, and Civil Wars. Guided tours are available as a way to truly appreciate the lives lived and legacies left behind.

Locust Grove (<http://locustgrove.org>), built in 1790, is a charming three-story brick Georgian and final home of General George Rogers Clark, founder of Louisville. His brother, William Clark, most traditionally recognized for his Lewis and Clark fame, was a guest of Locust Grove as were Presidents Monroe, Jackson, Taylor, and Statesman Cassius Clay. This National Historic Landmark sits on the remaining 55 acres of the estate and features grounds indicative of early nineteenth century frontier America. It is truly an extraordinary example of early Kentucky architecture, craftsmanship, and history.

NULU—“New Lou” (www.nulu.org), the hip East Market District of downtown Louisville, has been named one of the 18 Best Food Neighborhoods in America by “Thrillist.” Contemporary art galleries, specialty stores, antique shops, and a growing number of eateries make NULU a must stop for those who want to see yet another side of this fun (and sometimes funky) city.

Last stop: Bourbon City (also known as Louisville, so you’re still in the right place) is a treasure for any bourbon connoisseur. Packed with distilleries and speakeasies, it’s not hard to find a bourbon experience in Louisville that’s a barrel of fun. If you need a place to start, the **Kentucky Bourbon Trail Welcome Center** located in the **Frazier History Museum** (<https://fraziermuseum.org>) can offer visitors guidance on local distillery tours. Suggestions may include several establishments along Whiskey Row, the historic district dating back to the Civil War and the epicenter of Louisville’s whiskey production until the Prohibition. Whiskey Row was home to whiskey headquarters, brokerages, barrel warehouses, and blending houses, and it is now home to many distilleries offering tours, tastings, shopping, and so much more.

Louisville has it all! Whether your trip takes you to the races, historical landmarks, tourist attractions or up-and-coming restaurants and speakeasies, you’re sure to enjoy your stay in Louisville, Kentucky! [📍](#)

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RTO WORLD 19

SCHEDULE

MONDAY, AUGUST 5

Come early to enjoy all that Louisville has to offer

3-8 p.m. Exhibitor early set-up

4-7 p.m. TRIB Group Board Meeting

TUESDAY, AUGUST 6

8 a.m.-5 p.m. Registration

8 a.m.-5 p.m. Exhibitor set-up

9 a.m.-10:30 a.m. TRIB Group Membership Meeting

10:45 a.m.-11:45 a.m. Peer Group Meetups

- Marketing Professionals
- I.T. Professionals
- District Managers
- Owners/Dealers

12 p.m.-1:30 p.m. APRO Awards Luncheon and Business Meeting

1:45 p.m.-4:45 p.m. RTO Education Sessions

4:15 p.m.-4:45 p.m. Vendor Meeting

4:45 p.m.-6:45 p.m. Welcome Reception and Hot Show

9 p.m. Emerging Leaders Networking Social

WEDNESDAY, AUGUST 7

8 a.m.-5 p.m. Registration

8 a.m.-9:30 a.m. Exhibitor final set-up

8 a.m.-8:30 a.m. RTO Education Continental Breakfast

8:30 a.m.-9:50 a.m. RTO Education General Session

9 a.m.-9:30 a.m. APRO Vendor Advisory Committee Meeting

10 a.m.-5:30 p.m. RTO World Trade Show and Lunch

3 p.m.-3:30 p.m. APRO Board Meeting

7-9:30 p.m. Fourth Street Live Party!

THURSDAY, AUGUST 8

8 a.m.-12 p.m. Registration

8 a.m.-9 a.m. Coffee Talk Continental Breakfast

8 a.m.-12:30 p.m. RTO World Trade Show

12:30 p.m.-1:30 p.m. APRO Vendor Advisory Committee Meeting and Lunch

12:30 p.m.-6 p.m. Exhibitor tear down

BRAND NEW! Small Batch Managers’ Track



Uniquely Crafted

Now announcing the
Small Batch Managers’
Track! This new expanded
program is specifically
curated for store managers.

TUESDAY, AUGUST 6

1-1:30 p.m. Store Managers Registration Check-in

1:45-4:45 p.m. RTO Education Sessions

- 1:45-2:35 p.m. Store Managers’ Meetup
- 2:45-3:35 p.m. Breakout 1
- 3:45-4:35 p.m. Breakout 2

4:45-6:45 p.m. Hot Show Welcome Reception & Sale

9:00 p.m. Emerging Leaders Networking Social

WEDNESDAY, AUGUST 7

8-9:45 a.m. Store Managers’ Expo Pre-show Sneak Peek and Breakfast

10 a.m.-1 p.m. RTO Education Breakout Sessions



A MARRIAGE THAT WORKS

This Kansas City couple has found a new level of happy togetherness traveling to trade shows and raising the fun factor.

By Kristen Card
Photographs by JP Richardson



George and Angie Ramel's *meet cute*** is wholly fitting: They met in their mutual hometown of Kansas City, MO, at a dance at Crown Center, a downtown shopping and entertainment district.

"They used to have concerts down there on Friday and Saturday nights," George—who is the Sales Director of the Rental Division at Progressive Furniture (www.ProgressiveFurniture.com)—begins casually. "And I happened to run into Angie at one of these concerts one weekend."

"He caught my eye, by the way," winks Angie.

"We just got talking, and found that we really have an attraction to and liking for one another," George continues. "So I said, 'Hey, can I call you and we could go out sometime?' and she said, 'Yeah—tomorrow would be terrific.'"

***A meet cute, typically in a movie or TV show, is an amusing or charming first encounter between two characters that leads to the development of a romantic relationship between them.*



I'll have all these orders and different kinds of notes and things, and Angie takes care of it all. **Her strength is taking care of the details, putting everything together in an orderly and timely fashion, entering it all into the computer. She's a tremendous asset.**

In the movie version of the Ramels' three-decades-long romance, the scene might fast-forward to show the couple today, still dancing—West Coast Swing is their specialty.

"We love to dance," confirms George. "We are dancers. If we go somewhere and there's a dance floor and there's music, we'll dance. By the way...."

"No," Angie interrupts, knowing exactly what her husband is about to say.

"Yes, I'm going to tell them," asserts George.

"No," she reiterates firmly. But George is already telling.

"At the Tupelo Furniture Market, back in the day, they used to have a dance contest—and Angie and I won it once. It was a blast."

Both Ramels burst into laughter. And *that* would be the soundtrack to their hypothetical rom-com—the two of them chuckling—because, as they'll mention several times during our conversation, they have fun together. And for the past 10 years, the Ramels have been having fun working side-by-side to serve rent-to-own dealers with a smile (or two!).

George Ramel was born and raised in Kansas City with three brothers. Not surprisingly, the four boys spent a whole lot of time outside, where George discovered a natural athleticism; at school, he played whatever sport was in season. Their father, Frank "Bus" Ramel, instilled a deep love of the outdoors in his sons, teaching them how to fish and hunt; George was even an Eagle Scout. And outdoor activities weren't the only thing George learned from his dad; Bus also owned and operated a retail store, Ramel Furniture and Appliance.

"I got my first sales experience at the age of twelve," remembers George. "I was at the store all the time as a young teenager, helping my dad. I grew up in the business of furniture and appliances, selling alongside my dad."

George went to Central Missouri State University, located in the small town of Warrensburg, and earned his degree in Business Administration, specializing in Merchandising and Retailing. His first "real" job was for Minnesota-based retailer Gambles, where Ramel was a buyer and merchandiser for the company's five 150K-square-foot Kansas City super-stores.

Meanwhile, Bus Ramel had sold his store and was working as a manufacturer's

representative for several furniture producers. One of the companies hired him as their national sales manager, and he was preparing to move to Memphis. He suggested that George take over the rest of his furniture lines, telling his son, "I think it's the way to go for you." George followed his dad's advice, and a few years later, took over the firm's biggest account—Bassett Furniture, the largest U.S. furniture manufacturer at the time.

"Business was good and years passed, and one day, I get a phone call from a guy who says, 'I'm interested in carrying some Bassett products, and I'm in rent-to-own,' George recalls. "At the time, I had never heard of rent-to-own, so I say, 'Who are you?' and he responds, 'We're a little company out of Wichita, KS; we're called Rent-A-Center.' They wanted to buy a high-quality name-brand line to enhance their lower-end products, and thought Bassett would fill the bill perfectly.

"I just fell into rent-to-own," continues George. "It was all brand-new to me, but from that day forward, I was hooked on RTO. Well, as you know, Rent-A-Center exploded, and eventually, it became my only account. I spent years working exclusively with RAC, and getting educated about the business and its potential growth. It was an exciting time."

Then Bassett decided to discontinue its mid-priced lines, to try to appeal to a wealthier customer base. "That just completely wiped me out," George attests. "It eliminated any possibility at all of me selling furniture to RAC."

George spent a few years as the Sales and Marketing Manager of Next Dimension Studios; the company produced large-format, dramatic wall art—perfect for hanging above a sofa, for example—and was selling it like crazy to rental dealers. The position provided something very valuable to George (besides a paycheck): the opportunity to meet and begin building relationships with dozens of rent-to-own owner/operators across the country.

George Ramel went to work as a sales representative for Progressive Furniture around 2009. The firm wanted someone with an inside track on the RTO industry and its players, and George was a perfect fit. He has successfully built up Progressive's rent-to-own business, and three years ago, was promoted to Sales Director of the Rental Division.

Enter Angie. Well, actually, Angie entered George's life at that *meet cute* many years before, while he was still with Bassett. They married three years later and had three children, while Angie worked the entire time as an elementary-school teacher. In 2009, as George was joining Progressive, Angie was retiring from 30 years as an educator.

With some newfound time on her hands, Angie began helping George with some of his administrative tasks and traveling with him to tradeshow.

"I really needed her," insists George. "When she retired, I was really needing help at the shows; there was no way to keep up with it all by myself. My strength is selling—presenting a product in a way that shows the true value of what we're offering to the buyer. The exciting part for me is making something happen. Then I'll have all these orders and different kinds of notes and things, and Angie takes care of it all. Her strength is taking care of the details, putting everything together in an orderly and timely fashion, entering it all into the computer. She's a tremendous asset."

"George really needed some help," Angie concurs. "And honestly, this is such fun; we've made so many friends! I've learned so much from George about the business and working with a fine firm like Progressive. Going to shows is really a pleasure—we can do it together, and it's just a great time, building relationships with all these people."

"Plus, the customers like her better, too," quips George. Again, laughter.

George's contentment with Progressive and talent as a salesman become clear when you inquire about the company; he's genuinely happy to tell you all about Progressive's superior service (the lifeblood of RTO), high-quality goods (solid wood and wood veneers), comprehensive scope of products (full-line supplier with a ton of options), and good folks (Angie pipes up, "They're awfully nice to work with").

As for his sales approach, George views himself as a middleman, charged with ensuring both the seller and the buyer leave the table satisfied.

"I see the sale as a team effort," George explains. "I work not only for Progressive Furniture, but also as a buyer for you, Mr. Rental Dealer. So I will present you with the items I believe will best fit your store, your demographics, your price points, where you want to go. I love putting programs together,

but if I can't provide you with the service and product that will work for you, then I haven't done either of us a favor."

George claims his proudest professional moments to date are being named Rent-A-Center's Vendor of the Year, and Sales Representative of the Year at the Tupelo Furniture Market. He has been an APRO member for more than a quarter-century, and says without organizations like APRO, he probably wouldn't have garnered those awards.

"After all these years, there are still RTO guys I haven't met yet," notes George. "RTO World gives us a chance to show off our products to new customers, all together in a single space, within a compact timeframe; that sort of exposure is invaluable. It provides me with the opportunity to meet new people, open new accounts and build new relationships. And in this industry, that's what it's all about."

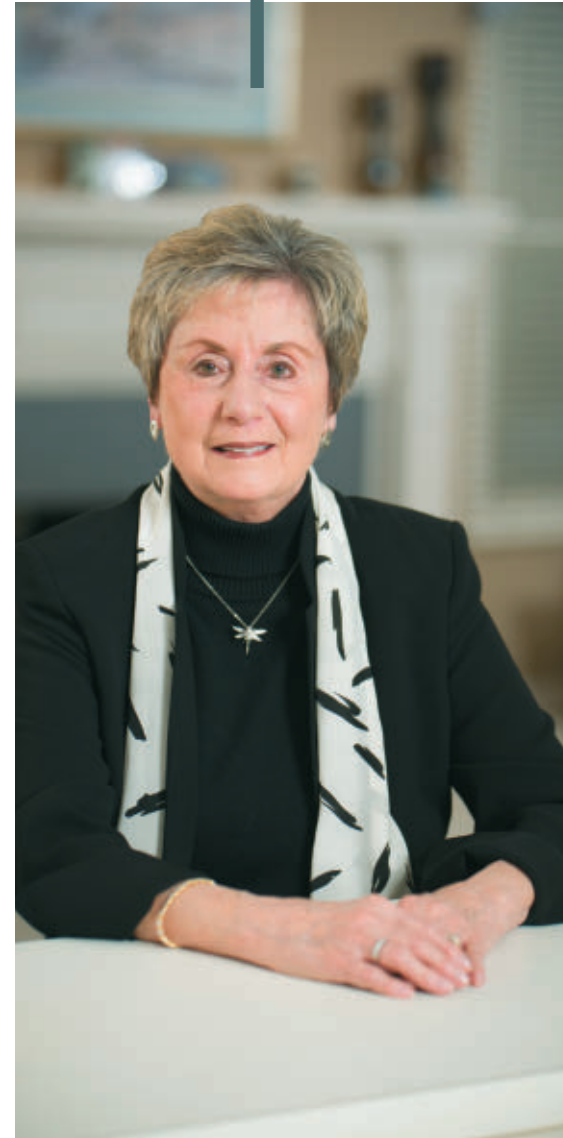
In addition to busting a swing-dancing move whenever the opportunity arises, the Ramels keep a pretty full social "dance card." They're actively involved in their Greek Orthodox Church, where they volunteer, contribute to the Haiti Relief Fund and are strong supporters of Young Life, a nonprofit that fosters Christianity among teens.

George and Angie also enjoy spending time with family—their three children and 12 grandchildren—whenever they can. And the two-some loves to travel for rest, relaxation and recreation; the islands of the Caribbean are a favorite destination. But the Ramels don't require a tropical locale or a Calypso beat to have a great time.

"Truly, one of our favorite things is just getting together with people," George affirms. "We've got a tremendous network of friends, family, neighbors, colleagues, church pals and acquaintances, and we keep busy entertaining and socializing with them."


Yes, the Ramels are definitely a pair of "people persons," warm and amiable, delighting in the company of others. But spend a little time with them, and you realize this convivial couple also doesn't need anyone else to enjoy life; they're having an awful lot of fun just dancing through it with each other.

"It's just a wonderful thing at this time in our lives that Angie and I can not only share our life together at home, but also have a working partnership," concludes George. "For her to



We both
enjoy the business,
and **we both enjoy**
being together,
so it works.

meet all the rent-to-own people I've known and talked about for years and years, and for them to meet her, is just so fulfilling."

"It's just good teamwork," Angie agrees. "We both enjoy the business, and we both enjoy being together, so it works." 

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



SURVIVAL OF THE FRESHEST

With almost 40 years in RTO, this seasoned veteran continues to spice up his business with forward-looking perspectives and innovative programs.

By Kristen Card
Photographs by Matt Elwood

Lyn Leach has been in rent-to-own for 37 years, and he still loves it. Like, really loves it.

The Nebraska native launched Ace Rent-To-Own in 1982 in Lincoln, with a plan to develop the business slowly and steadily, using capital only. Today, the company has 22 stores and about 125 employees in Nebraska and Iowa—none of it accomplished with borrowed money and, according to Leach, all of it providing the absolute best customer service in the industry.

With Ace running like a well-oiled machine and almost four decades of experience under his belt, you might think Leach would be putting the company on auto-pilot and just reveling in his success. But you would be wrong. ‘Resting on laurels’ is not part of Lyn Leach’s professional DNA. He’s got the laurels, for sure. But the resting? Not so much.

“Last year, we made 82 major changes to the way we do business,” Leach confirms. “I’m optimistic about the future of rent-to-own, but I think as an industry, we have to reinvent ourselves. To paraphrase Charles Darwin, I believe it’s neither the strongest nor the smartest that survives; it’s the one that is most adaptable to change.”

Lyn Leach has approached his business a little differently from the very beginning. He often refers to “putting your money where your mouth is,” and states plainly that his number-one goal with every customer, every day, is ownership.

Ace’s ‘Good News Exchange Program’ wholly supports that claim. The policy offers

a 100-percent lifetime exchange guarantee; Ace customers can change their minds about a product, and transfer the payments they’ve made on it to any other item in the store. Even if they close their account, they can reactivate it later, and put their past payments toward a new item.

“Our Good News initiative is one of our greatest competitive advantages,” begins Leach. “All I want to do is help our clients get something they need to ownership. Even if it doesn’t make me money in the moment, it keeps a client here and happy.”

Leach has put a similar initiative into action on the collections side; Ace’s ‘Put It On Hold Program’ lets customers who fall behind on payments put their account ‘on hold.’

“Putting your account on hold has four key advantages,” Leach explains. “First of all, it stops the rent meter ticking. The merchandise does come back to the store, so you’re not falling further past-due; you won’t owe anything for the time your account is on hold. Secondly, it wipes out whatever back rent you owe. So whenever you want to reinstate your account, all you have to pay is the rent up to your next payday to get the merchandise back; whatever you owed us before is wiped clean. Third, there are no fees to get the merchandise back—no late fees, no reinstatement fees, no pick-up fees, no redelivery fees. And four, all the money you’ve already paid sits on hold and waits for you, with no expiration date. That money can be used at any time to reinstate any product—not just the product you had before, but anything you need.

“Maybe most importantly, we assure them that they haven’t tarnished their reputation with us,” continues Leach. “In fact, they’ve proven themselves to be a person of integrity by responsibly putting their account on hold while they get back on their feet financially. We tell them, ‘Once you get back in good financial condition, don’t go somewhere else—come back to us. You’ve got money waiting that you’ve already paid, so you might as well use it and end up owning something.’”

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about the **future**
of **rent-to-own**,
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According to Leach, Ace has experienced a 35-percent increase in account reinstatement since adopting this initiative, “and rather than having these clients leave rent-to-own permanently and with a sour taste in their mouth about us, we’re helping them achieve ownership. And they become much better payers in the future, because they feel a kinship, a connection with us; we’re not repo artists waiting to take away their stuff and their money, and leave them with nothing.”

Among the 80-plus changes Lyn Leach incorporated into his company last year,



many of them were about amping up the digital side of the business—which Leach feels is essential to the continuing success of not only Ace Rent-To-Own, but also the RTO industry overall.

“The way of the future is to make it as simple as possible for our clients to shop online,” he asserts. “At Ace, our online ordering process is super-simple: name, address, phone, email, and \$10 down payment gets them anything we sell online. That’s all you need; then, you can contact them to gather the rest of the info. Any rental dealer who is making it more complicated than that is making a mistake.”

The focus of advertising has changed dramatically, too, notes Leach. TV commercials, radio spots and direct mail have been replaced by web banners, email blasts, and social media. Leach is concerned that many of his colleagues don’t yet understand the importance of this shift, so they’re not committing the resources necessary to go full-digital.

“We’ve hired a marketing and merchandising director who manages all of our social media,” Leach says. “The posts he’s putting up on Facebook and Instagram are epically better than anything we had ever done before. We’re also constantly creating campaigns and contests and giveaways, to motivate folks to follow us, and it’s all working—we’re getting

more likes, more shares, more followers, and more clients.

“Rent-to-own has to get really great at presenting ourselves digitally,” he continues. “At Ace, we’re aiming to be the Amazon.com of rent-to-own—an online presence that is complete, seamless, fast, and easy. But many rental dealers who aren’t doing this, their clients are leaving, their accounts are drifting, their revenues are falling—and they’re wondering why.”

Riding the winds of change alongside Leach is his vice president and wife of 37 years, Natalie. The couple also rides together literally, about 10,000 miles a year on motorcycle trips; the Sturgis Motorcycle Rally in the Black Hills of South Dakota is a favorite journey. At home in Lincoln, they’re passionate about the performing arts—so much so that over the past few years, Lyn has become a prolific performer himself. He has played a variety of roles on various community stages, including paternally authoritative Captain Von Trapp in *The Sound of Music*, mercenary attorney Billy Flynn in *Chicago*, and most recently, Sam Carmichael—the guy who gets the girl—in *Mamma Mia!*

Lyn and Natalie also have two grown children who, at this point, have no interest in RTO; daughter Mindy works as global human resources manager for Eastman Chemical Company, while son Ben is a customer success manager and team leader with

construction software firm BuilderTrend. Which is why, a couple of years ago, Lyn made one of his longtime employees, Frank Rotert, a partner.

“Frank has been with Ace for 25 years,” affirms Leach. “So he understands that we’re more than just a business—Ace is a culture. It’s about a care and a concern I don’t see much outside of our organization, so I wanted to make sure it continues beyond just Natalie and me. It protects Frank and all of our employees, as well as the company and what we stand for.”

In Ace Rent-To-Own, Lyn Leach has laid a firm foundation of superior customer service, dogged loyalty and long-game strategy. At the same time, he relentlessly seeks—and finds—fresh and inventive ways to navigate an ever-shifting business landscape.

“Rent-to-own will always be about building relationships; we just have to also build them virtually now,” Leach concludes. “And the first step is getting out in front of people, literally getting on their screens. Our industry’s reputation is better than ever, and our client population is growing faster than ever. With all of that going for us, how can we fail? We can fail to adapt. The future of our business should be blindingly bright; we just have to be willing to adapt to change.”

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

Who's Who in Rent-to-Own Furniture

These vendors and distributors provide furniture, furniture accessories and bedding to the rent-to-own industry: APRO associate members (*), APRO advertisers (+), RTO World 2019 trade show exhibitors (^).

Furniture

American Wholesale Furniture*^

Contact: Jim Mahin
317/357-1951; fax 317/357-2129
jim@awfco.com
www.awfco.com

Ashley Furniture Industries*^

Contact: Kerry Lebensburger
and Gary Jones
Kerry: 954/401-2996; fax 954/385-8857
Gary: 972/939-5123
klebensburger@ashleyfurniture.com
gjones@ashleyfurniture.com
www.ashleyfurniture.com

Bushline Furniture Inc.*

Contact: Matt Sexton
662/231-0412
mrmattsexton@yahoo.com
www.bushline.com

Coaster Co. of America*^

Contact: Larry Furiani
562/944-7899, ext. 1149; fax 562/944-5129
lfuriani@coasteramer.com
www.coasterfurniture.com

CordaRois Wholesale Inc.^

Contact: Eric Futrell
352/219-3517
eric@cordaroy.com
www.comfortforlife.com

Elements International^

Contact: Linda Cox
877/575-3888
lcox@elementsgroup.com
www.elementsgroup.com

Furniture of America CA Inc., dba Furniture of America*^

Contact: Michael Blaugrund
michaelb.ca@foagroup.com
www.foagroup.com

Fusion Furniture, Inc.^

Contact: Ed Logan
662/489-1296
ed.logan@comcast.net

Global Trading Unlimited, Inc.^

Contact: Wayne Harris
863/838-3306
callwayneharris@gmail.com
www.globaltradingunlimited.com

Imperial International^

Contact: Red Barnes
201/438-1300
rbarnes@imperialusa.com
www.imperialusa.com

Innovex Home Products Corp.*^

Contact: Andrew Perez
888/466-6617; fax 909/895-8798
andrew@innovexhome.com

Jackson Furniture Industries*

Contact: Keith Jackson
423/961-7249
kjackson@jacksonfurnind.com
www.jacksonfurniture.com

Martin Svensson Home^

Contact: Gidget Potts
228/223-6080
gidgetsimmons@gmail.com

Med-Lift/Sleep-Ezz/Kidz World^

Contact: Cristal Rutherford
662/628-8196
crutherford@medlift.com
www.medlift.com

Million Dollar Rustic^

Contact: Gidget Potts
228/223-6080
gidgetsimmons@gmail.com
www.milliondollarrustic.com

Montage Furniture Services*

Contact: Jacob Jolman
616/426-6123
jacob.jolman@montagefs.com
www.montagefs.com

Progressive Furniture Inc.*^

Contact: George Ramel
913/579-1197; fax 866/441-4556
georgeramel@gmail.com
www.progressivefurniture.com

RES Accessories*^

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

Simply Bunk Beds*^

Contact: Allison Brinson
205/485-BUNK (2865); fax 205/485-2872
allison@SBBED.com
www.sbbed.com

Twin-Star Home International*^

Contact: Angela Scarbrough
561/809-0941; fax 561/330-3205
sales@twinstarhome.com
www.twinstarhome.com

United Furniture Industries^

Contact: Jay S. Quimby
662/432-0386; fax 662/447-4086
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www.unitedfurnitureindustries.com

Furniture Accessories

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Gary: 972/939-5123
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www.comfortforlife.com

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909/718-7276, ext. 161; fax 626/226-5695
michaelb.ca@foagroup.com
www.foagroup.com

Guardsman, a Business Unit of The Sherwin Williams Company^

Contact: Tracy Stark
616/222-3849; fax 616/222-3804
tracy.stark@sherwin.com
www.guardsman.com

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www.ashleyfurniture.com

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www.coasterfurniture.com

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eric@cordaroy.com
www.comfortforlife.com

Corsicana Mattress^

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rsmiller@corsicanamattress.com
www.corsicanamattress.com

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Furniture of America CA Inc., dba Furniture of America*^

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Malouf^

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jesseg@maloufsleep.com
www.maloufsleep.com

Mantua MFG. Co.*^

Contact: Vince Nicholson
800/333-8333
vince.nicholson@
mantuabeds.com
www.mantuabeds.com

Med-Lift/Sleep-Ezz/Kidz World^

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662/628-8196
crutherford@medlift.com
www.medlift.com

Montage Furniture Services*

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www.montagefs.com

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www.protectabed.com

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800/444-7304, ext. 210;
fax 800/444-7312
mgjr@resacc.com
www.resacc.com

Serta Simmons Bedding*+

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770/206-2652; fax 770/392-6785
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www.serta.com | www.simmons.com

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www.sbbed.com

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Rentals by Subscription

Louis-Ferdinand Céline, a French author of minor note, wrote a novel in 1936 whose title was translated into English as *Death on the Installment Plan* (*Mort A Credit* for you Francophiles). Now, in the world of rental, we are seeing the advent of furniture rentals on the subscription plan both in the United States and elsewhere.

The once relatively pure RTO concept continues to evolve as entrepreneurs bend and twist the transaction into new and creative forms designed to enhance the rental concept for a broader base of consumers. There was, first of all, the “rent to rent” concept pioneered by furniture companies like Cort, Grantree, Brook Furniture Rental and others. That concept is still around here and there in the furniture world (and in the musical instrument world as well). The pitch was the convenience for business customers who were in a temporary location for an extended period. Those customers could rent an apartment, instead of having to stay in a hotel, and the furniture rental companies would furnish it for them in as elegant or

It seems that Americans really like owning stuff, and they at least want the option of owning the stuff they rent. **That impulse has not changed in the last 50 years** and is unlikely to change in the next 50.

as Spartan a fashion as the customer might desire. There was no talk of ownership and no ownership options, although if the executive fell in love with the desk or the coffee table, the company could certainly have been persuaded to sell it. However, owning the furniture was not the point; using the furniture for a while with a minimum of fuss and bother was the point.

Then came RTO in the 1960’s and 70’s with an ever-expanding array of products, and a transaction that has endured more or less unchanged today. The RTO concept greatly expanded the demand for rental products and quickly came to dominate the marketplace. It seems that Americans really like owning stuff, and they at least want the option of owning the stuff

they rent. That impulse has not changed in the last 50 years and is unlikely to change in the next 50, unless of course life as we know it changes dramatically and we do away with cows and airplanes. If that happens, who knows what life will be like?

Even with the dominant presence of RTO, some new rental ideas are floating around that challenge traditional thinking about rental. IKEA, for example, has just announced that it is test marketing a rental subscription concept in some of its stores in Switzerland. The IKEA test allows customers to rent selected items for three months. At the end of that time, customers can buy the furniture at a discounted price, return the furniture for a \$25 fee, or swap the furniture for some different furniture. IKEA executives like the idea that their products can have an extended life if customers return furniture they no longer need or want, and the company can fix it up and make it available to another customer. The company pitch has an ecological theme of cutting down on waste as well as providing choice and convenience for customers.

Another company with a rental subscription model is Feather (www.feather.com) with stores for the time being in New York City and San Francisco. The company offers generic items, for example, gray sofas, wood coffee tables and black counter stools. The pitch is to peripatetic millennials who are more concerned with lifestyle than nesting. These customers move around a lot, have a fear of commitment, to people, certainly, and perhaps to things as well, and are more interested in being able to use stuff than own stuff. You can check how the company prices its program in the article, “There’s A Rent The Runway For Furniture—But Is It Worth It? We Did the Math,” published by Refinery 29 online.

Other companies with a “subscription rental” model include Fernish, Swivelfly for office furniture rentals, and Kamarq, a Japanese company offering modular furniture rental items.

The furniture rental space is evolving in an effort to attract a larger customer base. Some of these entrepreneurial experiments will likely succeed; others not. Traditional RTO dealers will want to follow the latest innovations and perhaps imitate parts of the successful ones in their own stores. Who after all does not want more customers these days?



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