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As we go to print with this issue of the magazine, COVID-19 – one of the world’s most serious pandemics in over 100 years – is hitting the United States hard. Travel and public gatherings have been banned to various degrees across the country, and we all miss our normal lives with the freedoms to which we’ve grown accustomed.

Over the last three months, APRO has been spending time with its members in a way that we haven’t experienced before – talking through how to negotiate with those enforcing what is and is not an “essential business” and how to educate them on what exactly a rent-to-own store provides. We’ve learned that the critical items dealers offer like computers to work from home, freezers to keep groceries stocked and lessen trips to the store, and washers and dryers to limit viral exposure at laundromats are things that often local enforcers are not always aware that dealers supply.

I am so incredibly impressed with how our members have adapted to this threat. They have figured out how to offer these essential services, and how to do so safely with the health of their employees and customers in the forefront.

As I reminisce about the sharp contrast to this year’s first quarter, I am happy it was so full with industry events and time in person with our members. APRO staffers attended and covered some of the biggest happenings of the year, including RentDirect Nationwide’s PrimeTime Vendor Show in Houston, and TRIB Group’s Meeting of the Minds & Expo in Atlanta, both held in February.

Additionally, Premier Companies hosted its 2020 National Convention in Miami in January. I was proud to present select Premier dealers with Industry Service Awards for their involvement in the health and strength of RTO, and was pleased to provide an industry update to all attendees. Later that month, I participated in RNR’s Annual Franchise Convention in Tampa. A celebration of the company’s 20th anniversary, it was an extraordinary event – you can definitely depend on RNR folks to make enthusiasm look like an extreme sport!

Traveling to various industry events, meetings, and shows can be tiring, but truly, it’s my favorite part of my job. Meeting and getting to know APRO members face-to-face never fails to be a fascinating experience, and always proves a wonderful reminder of how special this business is. Here’s hoping for many more opportunities to see you all in person again in the near future!

Even though some projects may be put on hold this season, the subjects of our APROFile double dip in this issue are moving forward, full steam ahead! Two decades into his career with Buddy’s Home Furnishings, Chip Guy finds himself playing a new, different, and unexpectedly bigtime role with one of the company’s fastest-growing franchisees. From delivery tech to c-level exec, Chip continues to move ever closer to living his RTO dream – not through hustle and flow, but via influence and growth.

We’re also profiling the RNR father-son team of Larry and Adam Sutton. The Suttons are one of the rent-to-own families I’ve had the pleasure of getting to know over my three years as Executive Director of APRO. As their RNR Tire Express hits its 20th year milestone, it’s a joy to witness the respect these two have for one another, and to see how family can work together toward a shared vision with such tremendous success. Here’s to the next 20, gentlemen, and to the momentous plans you have for your business!

Finally, I want to recognize Director of Finance Tulisha Wendele’s 29th work anniversary with APRO. Tulisha is an important part of APRO and her influence is in the DNA of this organization. She ensures the integrity of our financial processes and has an incredible heart of service for our members.

Also, I’d like to introduce you to our new Content and Communications Manager, Kaiden Gray. Kaiden brings international experience and fresh energy to the APRO team. Not only will he be leading the coordination of every issue of *RTOHQ: The Magazine* (you’re reading his first), but he also will be serving as our point-person for industry news. Please feel free to send your good news stories, your compliments, and/or your warm welcome wishes to Kaiden at kgray@rtohq.org.

And, if you’ve got business plans and projects for this season or next, send us something about those, too. According to industrialist J. Paul Getty, “*Uncertainty is the refuge of hope. Without the element of uncertainty, the bringing off of even the greatest business triumph would be dull, routine, and eminently unsatisfying.*” Here’s to an unpredictable, remarkable, triumphant second quarter!



I am so incredibly impressed with how **our members have adapted** to this threat. They have figured out how to offer these **essential services**, and how to do so **safely with the health** of their employees and customers in the forefront.

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?
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www.rtohq.org homepage or
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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*, *APRO Today* (the association's digital newsletter), *Online Directory*, RTOHQ website, and industry news alerts.
- ❑ **Awards scholarships** every year to RTO professionals and their family members.
- ❑ 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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INSIDER'S GUIDE TO LEGISLATIVE GRASSROOTS

1

Invite public officials to your rental business. They want to be viewed as someone who can roll up their sleeves to get work done for you. Public officials want to be a part of the community.

2

Focus your resources on key legislators such as those who serve on key committees or those who have personal experience with your issues.

3

Respect legislator's time and be diligent with yours. Politicians are busy so being on top of scheduling meetings is critical. Be prepared with what you want to say and organize it as concisely as possible.

4

Follow up with a letter to the legislators (or staff members) you met, thanking them for their time, and briefly restate what you are asking their support for. Include a copy of the photo you took and ask the legislator to sign it and send it back.

5

Visibility and presence are important. Send the photo to your local paper with a short letter about the visit. Post on social media and tag the legislator if available.

RTO MATTERS

Astronauts, Hot Shows and Monkeys, Oh My!

Nationwide Marketing Group's semi-annual member conference and tradeshow, PrimeTime, held February 9-12 in Houston, Texas, packed nonstop surprises and featured its biannual meeting for Nationwide RentDirect. The spring meeting tailored itself to all its members regardless of their experience or industry focus and allowed each attendee to connect to the event individually. "This event is significant to our members' connection to each other and to RentDirect," says Director of Nationwide RentDirect Keven Dalke.

The first day began with more than 70 Learning Academy Sessions of various themes, including the famous Mattress University, which

focused on topics such as different generational selling techniques, and gaining more foot traffic by building excellent in-store experiences for consumers.

Launching the general session was former NASA astronaut Mike Massimino, who discussed the multiple trials and tribulations that he had to overcome to be titled Astronaut, and how those obstacles connected to issues that businesses face every day. His speech led into the opening for the Nationwide RentDirect Member Meeting by Director Dalke, which had more than double the previous show's attendance in vendors.



NMG President Tom Hickman with APRO Executive Director Jill McClure.



RentDirect's Annual Meeting draws a record crowd.



Members of Nationwide RentDirect get fired up for the sales at the Hot Show.



APRO Executive Director Jill McClure and Nationwide RentDirect Director Keven Dalke.



Buddy's CEO Michael Bennett and franchisee Alex Melvin stop to monkey around at the vendor show.



Executive Director Jill McClure presents the APRO strategic plan to RentDirect members.



From Left: Buddy's Michael Bennett, Alex Melvin, Executive Director Jill McClure, Nina Shively, and Philip Hamer.



APRO communications manager Kaiden Gray and member services coordinator Bridget Marotz check out the trade show floor.



Nationwide RentDirect Director Keven Dalke commences the annual member meeting.

Dalke initiated the meeting and introduced the agenda which included APRO Executive Director Jill McClure, who updated the audience on current member benefits and the APRO Legislative Conference; and Bo Bradford from Retailer Web Services, who introduced the digital services that Retailer Web Services can provide to the rent-to-own industry. After the member meeting, the Hot Show sprang the crowd into excitement. "This selection [from the Hot Show] was much better," says Dalke. "It was a full room with strong attendance and participation with dealers, and even better than our last meeting in New Orleans."

After the hectic buying mania from the Hot Show—with a 36% increase of sold items from the August Hot Show—was the Primetime Palooza Reception, where members had only 90 minutes to snag deals from critical vendors. The buying frenzy was supported with refreshments to sustain the energy of the room, which closed the day as attendees went to dinner.

The next morning commenced with the opening of the exhibit hall and the buying show where 221 vendors of all types lined the hall's entrance and cheered as dealers walked in. Dealers could then explore a unique variety of displays including photo opportunities with live monkeys, a virtual reality simulation, and a booth hosting the Primetime community service program, No Child Hungry, that gave participants the opportunity to pack meals for less-fortunate children to be delivered after Primetime.

RentDirect also hosted the APRO staff in their booth, where they educated individuals about APRO and its membership programs, and registered people for the APRO Legislative Conference. "I'm delighted to see more and personally know more rental dealers this year than before," Director Dalke says on his experience with this year's meeting, "I cannot wait to see how many more come to our next meeting in the Fall."

WELCOME

New Members since the Winter 2019 Magazine

RENTAL DEALERS

Action Rent-To-Own
Dave Brunelle, West Valley City, UT

Synergy Sales & Leasing, LLC dba Modern Rent-to-Own
Ric Parker, High Point, NC

Tworog Holding, LLC dba Aaron's Sales & Lease Ownership
Marshall Rogers Jr., Albemarle, NC

Peak Performance Bat Club, LLC dba Bat Club USA
Eric Rico, Miami, FL

SmartPay Leasing, LLC
Jason Griggs, Cincinnati, OH

Payvantage, LLC
Brandon French, Jonesboro, AR

Pearsey Enterprises, Inc.
Ben Moore, Bakersfield, CA

ASSOCIATE MEMBERS

EquiPro Investments, LLC
Kaye Dreifuerst, Oxford, MS

Chet Pensak RTO Guy at Panther Printing
Chet Pensak, Daytona Beach, FL

www.rtohq.org

The FRDA Legacy Continues in Tallahassee

The annual Florida Rental Dealers Association (FRDA) Legislative Meeting took place this year on February 12, in Tallahassee. “We had a magnificent time spreading the positive word about our industry to the leaders of the great state of Florida!” said FRDA President Paul Metivier regarding his experience with the event.

Metivier succeeded FRDA Past President Sharon Tomaszewski in December and brings 11 years of experience as a member on the FRDA board of directors. “We have held our legislative meeting for many years, and all of our efforts add to our bond with representatives year by year,” said Tomaszewski.

Advocates attended 13 meetings with state representatives, senators, and legislative staff throughout the course of the day. FRDA also met with the Florida Retail Federation in the morning and discussed important bills that will be both helpful and challenging for brick-and-mortar retail operators in Florida.

Along with meeting the seasoned lawmakers, FRDA members helped educate new representatives who do not have extensive experience in business or who have historically been involved in professions not related to RTO. Additionally, there have been efforts towards lowering commercial real estate taxes and pushing for more reasonable workman’s compensation claims in Florida. These highly impactful legislative actions are the reasons FRDA has kept this tradition alive and healthy. The FRDA group then headed to their meetings with Representative Will Robinson, Representative Jackie Toledo, and Senator Joe Gruters. The crew took the opportunity to develop their professional and personal relationships with Florida’s lawmakers.

THIS YEAR’S ATTENDEES:

Aminah Bethea, Store Manager, Impact RTO

Craig Carroccino, Store Manager, Impact RTO

Ruben Flores, FRDA board member

Jonathan Hobbs, Regional Manager, Impact RTO

Chris Kale Jr., TRIB President and FRDA board member

Chris Kale Sr., APRO President and FRDA board member

Shirin Kanji, APRO and FRDA board member

Pail Metivier, FRDA President

Lisa Mitchell, Regional Director, Impact RTO

Adam Sutton, APRO and FRDA board member

Sharon Tomaszewski, FRDA Past President



From Left: Chris Kale Jr., Chris Kale Sr., Rep. Robinson, Ruben Flores, and Sharon Tomaszewski.



From Left: Ruben Flores, Rep. Toledo, Sharon Tomaszewski, Chris Kale Jr., and Chris Kale Sr.



Craig Carroccino, Aminah Bethea, Lisa Mitchell, Sen. Gruters, Paul Metivier, and Jonathan Hobbs.



LEGISLATIVE CONFERENCE SPONSORS

2021 DATES ANNOUNCED SOON

Be on the lookout for the 2021 date to be announced in APRO Today.

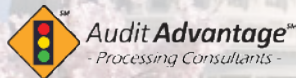


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Thank you for your continued support!

2019 Was Good, But 2020 Will Be #better!

Countryside Rentals Inc., dba Rent-2-Own, has decided to make 2020 even #better at the firm’s annual meeting in mid-February. The company’s record achievements in 2019 were celebrated as employees and management also pledged for more in 2020 through the theme “#better.”

“The entire company worked together, shared ideas, paid attention to and beat the competition, and focused more on customers’ experiences and happiness,” said Countryside Rentals Inc. CEO and owner Mike Tissot regarding last year’s results. “We have much to congratulate ourselves for, and we are using those results as a foundation for even higher achievements this year. Once again, we will make every effort to rent better, collect better and be better in every way.”

Countryside Rentals closed its stores for the day so that all employees could celebrate 2019’s accomplishments and participate in activities such as parody games, sharing

meals as a family and team building exercises. Additional events included an “RTO Family Feud” competition among different sales regions, drawing for cars and a speech by special guest Giovanni Bernard, running back for the Cincinnati Bengals.

Before the line for photos and autographs began, Bernard spoke from his football experience about three critical aspects of a successful team. His first point focused on bringing in the right people and making sure they were determined enough to stick with the team in times of need. Secondly, he discussed the need to let go of individuals who don’t fit the team, and how keeping them can negatively impact the group’s dynamic. Lastly, he explained why the need for collaboration is essential to the organization, especially with individual differences.

Before the day ended, the awards ceremony recognized people and teams with above-and-beyond results for the stellar 2019 year. The individuals honored were:

Grayson Store Manager Jonda Justice, Employee of the Year

Jason Slayers, Assistant Manager of the Service Department, Home Office Employee of the Year

London employee Tamika Wall, winner of The Dianne Smalley Lifetime Achievement Award

Lancaster’s Jeremiah Guisinger, manager of the Year

Ironton’s Bonnie Sargent, Assistant Sales or Collections Manager of the Year

New Philadelphia’s Brendan Metarko, Account Manager of the Year

Washington Courthouse’s Harley Anders, Rookie of the Year

Wilmington’s Nate Norris, Customer Sales Representative of the Year

Grayson’s Mike Stevens, Customer Sales Representative of the Year

Middletown’s Wyatt Chandler and Scott Knapp, Delivery Specialists of the Year



Employees and management get ready for the awards ceremony.



Rachel Casey addresses the crowd to kick start the next agenda point.



CEO Mike Tissot awards Jonda Justice Employee of the Year.



Speaker Giovanni Bernard connects team management concepts to business with CEO Mike Tissot.



Attendees applaud the recipients of the honor plaques.

TRIB Group Goes Back to Their Roots

The Rental Industry Buying Group (TRIB Group) came home to Atlanta, Georgia, where it was initially founded, for its annual Meeting of the Minds from February 23-26. Members came to the Spring meeting and buying fair from around the nation and experienced a triumphant “homecoming” theme that highlighted its return to being a self-sponsored event.

The event took place at the Renaissance Waverly Hotel and Cobb Galleria Convention Center after a welcome reception held at the College Football Hall of Fame. “It was everything we wanted to give to our members, and we were able to sponsor it ourselves!” said TRIB Group’s Dennis Shields about his experience with this year’s Meeting of the Minds.

The main program of the Spring meeting started on Monday, beginning with a veterans’ tribute, followed by an awards ceremony led by Shields and TRIB President Chris Kale, Jr., a national trade association update by APRO Executive Director Jill McClure, interactive breakout sessions and a Hot Show.

The veterans’ tribute honored veteran and former TRIB Group Executive Director John Blair by renaming the organization’s Hall of Honor the *John D. Blair Hall of Honor*. John served as executive director from September 1986 to June 1998 and has continued his affiliation as the VP of Sales with PTS Financial Services, a supporting partner. He was inducted into the Hall of Honor in 2009 and continues to be a loyal

advocate for TRIB Group members. “I’m just a drop in the bucket...I was just doing what I was supposed to do.” Blair said in his acceptance speech. “It is such an honor to be a veteran.”

At the awards ceremony following the veterans’ tribute, TRIB recognized several members for their outstanding contributions to the organization and the rental industry, presenting to Curtis “Kit” Knight of Central Rent 2 Own the Norman W. “Slats” Slatton Sr. President’s Award. Kit has conducted his family’s legacy business line in an inviting and welcoming business model, treating each employee as part of the family as it has been done for four generations.

Keith Ferriman of Showplace Rent to Own received the James B. Baber Vendor’s Choice



The APRO Emerging Leaders Council held their biannual networking event at The Terrapin Taproom in The Battery Atlanta.



Hot show participants await to bid as the event kicks off.



The Hot Show used the venue’s wall-to-wall digital screens to display products.



Jill McClure with Kelly Martin and Larry Carrico from Rent One.



Amy and Kane Brink from House of Television Rentals stop by the APRO member lounge.



Executive Director Jill McClure provides an APRO legislative update for the crowd.



From Left: Mark Blanchat with Monica and Jim Lee from Captive Management Services.



Speakers Paul Metivier and Chad Fosdick host the session W.T.F. — What's the Future?



TRIB Executive Director Dennis Shields and TRIB President Chris Kale Jr., hand out awards at the Meeting of the Minds.



From Left: Executive Director Jill McClure, Rick Coppola, Judi Lebensburger, and Gary Jones of Ashley Furniture Industries.



Michael Strong, Kelly Martin, Nicole Cehanovich, and Kevin Silvers enjoy the welcome reception at the College Football Hall of Fame.



APRO Director of Operations Jamie Powers with Pat Hartman, Joe Luczak, and Josh Segovia of Majik Rent-To-Own.



From left: Father and son, Khodi Irani and Farzad Irani, from KFJ Enterprises.



Countryside Rentals CEO Mike Tissot moderates a session on using data to increase margins.



Lisa Mitchell from Impact RTO and Karly Young from The Anstadt Company at the College Football Hall of Fame.

Award. A second-generation rental dealer, Keith has worked with both TRIB Group and the Ohio Rental Dealer's Association where he is heavily involved with vendor relations. Keith's dedication to supporting vendors within TRIB and the Ohio Rental Dealer's Association earned him the award.

TRIB recognized Kevin Silvers of New Generations Diamond and Jewelry. Kevin received the Lowry Shrader People's Choice Award, an honor given to the representative of an approved vendor who best exemplifies customer service and industry support. Kevin is passionate about providing service to each and every customer and has served the rent-to-own industry for more than 25 years.

In recognition of vendor representatives who go above and beyond in their service to members, TRIB Group board of directors presents the Hall of Honor award. This year, TRIB inducted David Kaye, Vice President of

Sales and Marketing for Benefit Marketing Solutions to their Hall of Honor. David retired at the end of 2019 after over 30 years supporting the rent-to-own channel. David's commitment to the RTO channel, as well as being active in legislative affairs are what has set him apart.

After the awards ceremony, attendees participated in interactive breakout sessions during the program. These were focused meetings led by conversation catalysts or "Convo Cats"—industry leaders who moderated the sessions and provided RTO members with relevant topics to explore, along with trends and updates in an intimate group discussion setting with their peers.

Following the breakout sessions, attendees boarded charter buses and headed to the Hot Show at Live! at the Battery. The Hot Show featured an enormous wall-to-wall visual display of all current products, sponsors and sales lists. The three-hour show

and reception were a hit, taking in more than \$8.7 million in sales.

The Hot Show attendees later migrated to the PTS Financial Services after-party to mingle, connect, and ride a mechanical bull for donations that supported homeless veterans. Money was raised for a great cause, a good time was had by all, and no significant injuries were reported.

The Meeting of the Minds wrapped with its buying show held on Tuesday and Wednesday. Included in Tuesday's portion of the show was the Beer Bash Reception. The reception allowed both the vendors and dealers to grab a chilled beverage and relax while still making their rounds on the floor. Before the vendor hall opened on Wednesday, TRIB hosted their Coffee Talk and TRIB Member Breakfast. The 2020 Meeting of the Minds closed that afternoon with TRIB thanking everyone for their attendance and camaraderie.

HIGHLIGHTS AND TAKEAWAYS FROM THE BREAKOUTS

Seek & Employ—Daniel Fisher and Keith Carrico, Moderators

The Seek & Employ session, moderated by Daniel Fisher and Keith Carrico, centered around the challenges of hiring and onboarding new employees. The group discussed veterans as a well-trained candidate pool. Use community sourcing for vets such as the local VFW and American Legion groups.

Attendees mentioned not to be afraid to hire someone with a criminal history. Dealers must protect their clients, but if solid due diligence based on the position is completed, a person with a criminal history may become a solid addition to the team. Just like the sales process that says to “Always Be Closing,” managers and owners should also always be recruiting.

Winning at the Occupancy Game—Shirin Kanji and Gary Ferriman, Moderators

“As an experienced lease negotiator from both the tenant and landlord angle, I was impressed with the negotiating approach brought by my co-presenter, Shirin Kanji,” said Gary. Kanji’s approach was to listen well enough to get to the main requirement or priority of the landlord, then negotiate for other things diligently. Many participants share they are negotiating an even more favorable cap on HVAC annual expenses.

FUN (Find, Unite & Nurture) Employees—Kelly Martin and Michael Simoncini, Moderators

Attendees at this breakout agreed engaging with our coworkers starts when they are looking at working for us, not once they have been hired. Having a standard onboarding process is a good way to share company benefits and start the employee off on the right foot to be open to engagement. Being engaged with employees can be very simple: Say thank you, write a note, give a lunch, be grateful.

Turning Online Leads into D’s—Mark Williams and Jessica Mahon, Moderators

Online leads no longer mean just using websites. It’s all things digital. That also includes Facebook, Instagram, video content, chat, Google, email, etc. Dealers need a consistent method to track and follow up on web leads and orders. By not consistently tracking leads, many are left unable to provide real time data on close percentages and their percentage of online leads versus overall sales. Tracking leads received online is important. Once that information is clear, dealers can track how many of their

monthly sales come from leads, and can track how many leads are closed to know their conversion rate, and what needs to be done to improve results.

W.T.F.—What’s the Future?—Paul Metivier and Chad Fosdick, Moderators

Sales, decreased traffic, and alternative/kiosk RTO businesses (retail and online players) were the largest concerns in this breakout. The group discussed that having knowledge of what these businesses are pricing and offering is a big key to educating our customers and preventing them from leaving our brick and mortar stores.

Many dealers are utilizing technology to drive sales. Not just websites and web orders but jumping into online-chat (live) and even chat bots (when coworkers are away from workstations). Almost all are utilizing social media. Others are creating web-specific salespeople and allowing them to work remotely and at staggered hours.

How to Price for Maximum Profit—Sachin Rama and Chris Kale Jr., Moderators

Everyone generally has similar pricing. For many customers, it isn’t about the pricing, but rather the execution of general procedures and showing the benefits that are included in pricing. Regarding data analytics, Sachin says “Many attendees seem to have a lack of data analytics when it comes to the what the hard numbers tell them. It’s easy to say this works or doesn’t but when asked for details it is tough to give.” This session provided insight for many to better understand the numbers.

Emerging Professionals—Dale Anderson, Jessica Mahon and Adam Stark, Moderators

Build a personal brand that represents who YOU are. Being yourself is the bravest thing you can do. But being the BEST version of you doing something you’re good at... wow! If that means being the best backroom guy, then be THE guy! Setting goals is a must! Both professionally and personally. You must set a clear path for yourself, see yourself there, and then make it happen.

Data Worth Action—Daniel Singh and Mike Tissot, Moderators

Professionals in the industry explored using data to change the game. Participants learned what the key data levers to use are and how to pull them in the right direction to increase margins dramatically.

CODE OF ETHICS



Are you familiar with APRO's Code of Ethics?

Established in 1980


APRO's Code of Ethics was created when the association was formed in 1980 as part of an effort to organize the industry against legislative threats at the time. APRO's first members wrote the code of ethics to establish a set of guidelines consistent with what they felt should be the industry's values and ethical standards.

The Code of Ethics is the defining guidance that the APRO board of directors and members agree upon to maintain a healthy business environment.

- 01** Members shall abide by the Articles of Incorporation and the Bylaws of the Association.
- 02** Members shall develop and encourage the practice of high standards of personal and professional conduct among themselves.
- 03** Members shall provide high-quality rental goods and services to their customers and to the community in which they live.
- 04** Members shall respect the privacy of their customers.
- 05** Members shall uphold and improve the integrity of the industry by affirmations of truth and fairness, by building good will, and by providing beneficial goods and services to customers and others concerned with the industry.
- 06** Members shall provide opportunities for the interchange of experiences, opinions and knowledge through meetings, discussions and publications, for the improvement of the industry, for the benefit of customers, suppliers and the community.
- 07** Members shall provide and maintain a clean and orderly place of business that is inviting to their customers.
- 08** Members shall maintain their inventory in a clean, safe and operating condition and furnish the best products available for customer rental.

- 09 Members shall establish and maintain prices of their products and services for economy, convenience, and maximum benefit to their customers and to obtain a reasonable profit for themselves.
- 10 Members shall promote the use of rental goods and services and shall educate members and the public in the advancement, improvement and uses of the rental industry.
- 11 Members shall recruit employees of other members only during an employee's personal time and never on or about the premises of other members.
- 12 Members who successfully recruit the employee(s) of another member shall insist that the employee(s) return all confidential and proprietary information, including customer lists, to the former employer without making use of any such information.
- 13 Members shall promote the purpose and effectiveness of the rental industry by any and all means consistent with the public interest.
- 14 Members shall adhere to the Collection Practices Policy of the Association.

Not an APRO member? Click Join APRO on the www.rtohq.org homepage or contact APRO Member Services at 800/204.2776, info@rtohq.org.



SEND US YOUR NEWS | news@rtohq.org

If you have recent community outreach, press releases, photographs, videos, other news you want to share, then please send the information our way! APRO would enjoy sharing your news on our industry media outlets. For more information, email news@rtohq.org.

July 15-18, 2020

Full-O-Pep Annual Trade Expo and Golf Tournament
Seasons Lodge, Nashville, Indiana.
For more information contact Julie Kirby at 812-961-2523 or fopbuyer@shopamericanrental.com

August 2-5, 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 rtohq.org

August 30-September 3, 2020

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

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.

George Ramel Trades His Order Book for the Open Road

After 35 years in the rent-to-own industry, newly retired Overland Park, Kansas, resident George Ramel has put away his order book and is contemplating his first-ever visit to the wide-open spaces of the Northern Plains and other locations in the U.S. that he and his wife Angie have never visited.

“We have three children and 12 grandchildren spread across the country,” George says. “We plan to drive first to Wyoming, Montana and the Dakotas as a start, and who knows where we will go from there?”

George and Angie have long been movers and shakers in the RTO industry. Named the 2019 APRO Vendor of the Year, George retired in

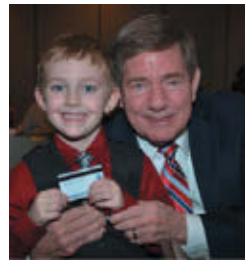
March from the high-profile role as Sales Director of the Rental Division of Progressive Furniture – where his success and collaboration with Angie to deliver exceptional customer service and results over the past 11 years were legendary.

After 30 years as an educator, Angie retired from teaching in 2009 – about when George joined Progressive Furniture – and the two became a popular duo at trade shows and other RTO events.

“As Angie and I move on to new experiences, we are both grateful to have been a part of this vibrant industry,” says George. “Today there is a huge opportunity for rent-to-own businesses across the nation as our demographics change

and retail buying is transformed by online sales. I believe RTO will play a very important role in helping individuals and families with limited access to credit or the Internet acquire the furniture, electronics and other products they need to thrive and be productive in the future. I will watch with interest this next phase of RTO growth and change.”

Reflecting on retirement, George and Angie agree they will both miss their strong industry-wide personal relationships. “We not only had good customers, we had good friends,” she says. “We built a wonderful career getting to know many positive and unforgettable people; we have been very fortunate.”



David Kaye Begins a New Chapter

David Kaye, a longtime APRO Vendor Advisory Committee member and vice president of sales and marketing for Benefit Marketing Solutions (BMS), will retire at the end of 2019 after dedicating 38 years to the RTO industry.

Kaye began his journey through the RTO world in 1980 at Nationwide Club Administrators (NCA), where he was involved with specialty financial and insurance products. In 2007, he jumped over to BMS, where he worked at the right hand of Susan Matthews, president of BMS, and serviced clients primarily among the independent sector of the industry.

“David’s work with BMS has been invaluable to our company and the industry,” Matthews praised. “He had a good sense of what the dealers needed and worked diligently to make their club program successful.”

Because of his customer-service orientation, Kaye was named Vendor of the Year by Premier, in both 2011 and 2018.

“I loved working with the independent dealers,” he shared. “They were my customers, but mostly I viewed them as my family and friends. It was always so rewarding to see their business grow as well as their families.”

Kaye was active in legislative affairs and was no stranger to Washington DC, where he advocated on behalf of RTO dealers.

“David has served the RTO industry in so many ways. We are going to miss his contributions on our Vendor Advisory Committee, and as one of our strongest APRO advocates,” APRO Executive Director Jill McClure shared. “I’m personally going to miss the camaraderie with David at all of our industry events. I could always count on him for a warm smile, and he has generously provided industry history and shared his knowledge. He’ll be missed, but we hope he will stay in touch.”

As he begins a new chapter of his life, Kaye, a cancer survivor, is looking forward to spending quality time with Vivian, his wife of 37 years, as well as enjoying his two grown children, David and Megan.



APRO Member Keen Retires After a Decade of Accomplishments

David Keen is set to retire after more than 12 years of leading Rent One to new heights. With his background in recruitment and public relations, Keen's legacy will include many accomplishments in the RTO world. A few of his proudest achievements include:

- As president of IRDA and a leading figure within APRO, Keen participated in countless legislative conferences, setting up more than 100 meetings with state and federal legislators.
- Keen led charitable efforts through the Rent One Great Expectations program, which has donated more than \$500,000 to enhance the lives of children throughout the Midwest.

- Keen started the Rent One DT Rodeo, a staple in the company and industry allowing delivery technicians a chance to prove who is the best of the best.

After hanging up his RTO hat, Keen is looking forward to spending more time with his wife and grandchildren, as well as exploring hobbies and turning his attention to his rental properties. He is also involved with multiple charities, veterans causes and his local church.

"Rent One is a family team," Keen shared. "I appreciate the Rent One team and will cherish the amazing super friends that Joanne and I have made."



After 30 Years, Dan Cole Exits RTO

With more than 30 years in the rent-to-own industry, Owner and President of National Rent-To-Own, Dan Cole, has retired. The soft-spoken but prominent industry leader has sold his 32 stores in Missouri and Illinois, to fellow RTO neighbor, Larry Carrico's Rent One.

During his time in the industry, Cole displayed his leadership skills through the numerous positions he held and the actions he took to protect rent-to-own. Namely, his involvement included the president of the Missouri Rental Dealers Association, member of the APRO board of directors, chairman of the APRO PAC committee, and member of the APRO executive committee from 2011-2015.

As a picture-perfect member for developing the RTO industry, Cole's commitment and compassion have landed him numerous awards. Cole's RTO community accomplishments include recipient of the 2005 APRO Heritage Award, the 2014 APRO Rental Dealer of the Year, attending 19 APRO Legislative Conferences since 1995, and his role in securing aggressive sponsorship for the Consumer Rental Purchase Agreement Act from Congressman William Lacy Clay (D-Missouri) in 2007.

Now with his time freed up in retirement, Dan and his wife Terry can enjoy even more moments with their grandchildren and continue beating others in bass fishing competitions.



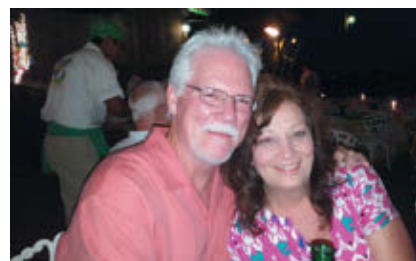
Wood Leaves LG Electronics with a Legacy

On March 13, 2020, Mike Wood, of LG Electronics USA Inc. (LG), officially retired. Mike served as the account manager of Home Entertainment West Regional Sales for LG. Clay Miller is his named replacement. Wood is excited about the transition and wishes Miller the best of luck while also noting he will be supporting him from the sidelines.

When asked about the legacy Wood hopes to leave behind for the rent-to-own industry, he responded in only one word, "Respect." Wood values the respect and honor he has gained

in his career from his customers and peers, especially during his 29 years with LG. His hope as he departs for his retirement is for anyone who finally gets to that milestone in the RTO industry, "to remember that no matter what, everyone should aim to receive the respect of their customers and peers alike."

After retirement, Wood plans on relaxing more and enjoying life with his granddaughter. He also plans to look into getting back to golfing more, a sport he used to love so much back in the day.



Burns Baby

Congratulations to APRO Secretary and Past President David P. David on the birth of his granddaughter, Elora Rose Burns! Parents Tessa (David's daughter) and Justin Burns are excited to welcome their first child. She arrived March 20 at 8:30 AM, weighing 7 pounds 2.5 ounces and she's 20.5 inches long. We're so happy for you all.



Welcome to the world, Elora Rose Burns!

Cleek Baby

APRO Member and past MRDA president John Cleek Jr. and his wife Heather welcomed their first grandchild, Rhett Clifton Cleek, at 2:30 PM on March 30, with the new bundle of joy weighing in at 7 lbs. 7 oz. Congratulations to the proud grandparents and their son Johnny and daughter-in-law Renee! Great-grandparents, former APRO president "Tiger" John Cleek Sr. and his wife Ann, also get bragging rights on this special occasion.



Welcome to the world, Rhett Clifton Cleek!

McClure Earns Certified Association Executive Credential

The American Society of Association Executives announced that Jill McClure, Executive Director of APRO, has recently renewed the Certified Association Executive (CAE[®]) designation. The CAE is the highest professional credential in the association industry. McClure first earned the CAE designation in 2012, and just successfully completed her third recertification.

To be designated as a Certified Association Executive, an executive must have a minimum of three years of experience with nonprofit organization management, complete a minimum of 100 hours of specialized professional development, pass a stringent examination

in association management, and pledge to uphold a code of ethics. To maintain the certification, individuals must undertake ongoing professional development to stay updated on the latest association and nonprofit management best practices. The CAE Program is accredited by the National Commission for Certifying Agencies (NCCA).

McClure is a CAE in addition to holding a master's degree in Advertising from the University of Texas at Austin and a bachelor's degree in Communications from Mississippi College. McClure's career has included consulting Fortune 500 companies, owning an advertising agency, hosting a syndicated



radio program on tourism and the arts, and serving as an adjunct college professor in convention & trade show management. She's been in the association management industry now for more than 15 years. June 6 marks her 3rd anniversary as Executive Director of APRO.



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RTO



IN D.C.

RTO and Federal Government

By Ed Winn III

Rental dealers occasionally grouse over the time and money spent chasing favorable federal RTO legislation, to date, to no avail. However, those dealers fail to understand the depth and true relationship of the RTO industry to the federal government. If they did, they would see that the industry's successes in Washington far surpass its alleged failures. This article offers some perspective on the industry and its Government.

The very first attempt to regulate RTO transactions at the federal level occurred before there was a trade association or much of an industry for that matter. In 1979 Rep. Annunzio (D. IL) introduced a bill to amend the definition of "credit sale" in the Truth in Lending Act (TILA) to include RTO transactions. It was a simple bill adding "[the term credit sale] includes any terminable bailment or lease that obligates the lessor to transfer ownership upon full compliance by the bailee or lessee with his obligations under the contract...." The bill went on to explain that the annual percentage rate was to be calculated by assuming that the consumer would make all of the payments necessary for ownership. Happily for the industry this bill died in committee without ever being brought to a vote.

The trade association did not come into existence until the next year, 1980. Although that initial group of dealers was unaware of the Annunzio bill, they organized to insure, among other goals, a safe legal environment for the growth and development of this relatively new and increasingly popular business model. One of the association's first projects was to go the Washington and lobby for changes to the federal Consumer Credit Protection Act so that RTO transactions would be recognized as leases under federal law.

No sooner was the trade association formed than it was contacted by the Federal Reserve Board (FRB) which had been tasked with recommending changes to the Truth in Lending Act as part of the Truth in Lending Simplification project. Part of that project also concerned simplifying the Consumer Leasing Act. The FRB drafted an RTO bill and had it introduced by Sen. Hawkins (R. FL) as S. 1151 in 1982. While the bill was not perfect, the industry got fore square behind this initial effort to regulate RTO at the federal level. The industry's support, financed on a shoestring, resulted in the RTO language being passed by the Senate in 1983 as part of the Garn-St. Germain Omnibus Financial Institutions Deregulation bill. That bill finally died in the House when the 98th Congress adjourned in late 1983.

Since then there has been RTO legislation proposed in nearly every Congress, sometimes pro, sometimes con, sometimes bills from both sides, until the current Congress that has no RTO bills pending. Since 1982 the industry has lobbied for favorable RTO legislation and against anti-RTO bills. The closest the industry has come to a favorable result was in 2002 when stand-alone RTO legislation narrowly passed in the House only to die in the Senate before that body took up the bill.



One of the association's first projects was to go the Washington and lobby for changes to the federal Consumer Credit Protection Act so that RTO transactions would be recognized as leases under federal law.



Over the years, the industry has had to defend against anti-RTO legislation that critics were pushing, bills that would have simply legislated RTO out of existence. In the 80's Rep. Morrison (D. CT) reintroduced the Annunzio language twice. In the 90's, Rep. Gonzalez (D. TX) and Sen. Metzenbaum (D. NJ) introduced companion bills to recharacterize RTO as a credit sale. In the 2000's, there was language offered when the bankruptcy code was being amended to deem RTO transactions secured credit transactions for bankruptcy purposes. Later in that decade, Sen. Shumer (D. NY) introduced anti-RTO bills. In each case, the industry was able to defend against these attacks with the help of their friends in Congress and keep any of these bills from moving.

Over the years, rental dealers have made good friends with many members of Congress. That effort continues as members come and go in every election cycle, every two years for House members; every six years for Senate races. In the meantime, federal agencies time and again have looked at RTO and with the industry's assistance have come to understand how the transaction really works and have regulated aspects of it accordingly. Here is a brief summary of how RTO transactions stand among the various federal agencies that have considered the issue.



THE FEDERAL
RESERVE BOARD

HERE IS A BRIEF SUMMARY OF HOW RTO TRANSACTIONS STAND AMONG THE VARIOUS FEDERAL AGENCIES THAT HAVE CONSIDERED THE ISSUE.



Until recently, the FRB has had jurisdiction over the rules and regulations interpreting the federal Consumer Credit Act, which includes TILA and the Consumer Leasing Act (CLA). The FRB has promulgated Regulation Z to interpret TILA and Regulation M to interpret the CLA. Early on when the FRB was working on regulations to simplify TILA and the CLA in the early 80's, the RTO issue arose, due in part to several lawsuits against RTO companies in federal court challenging the transactions as disguised credit sales. The FRB actually took the time to study the industry and worked closely with the newly-formed trade association to collect information about the RTO business model. The association organized store visits for FRB staff in the D.C. area, and those visits, coupled with the scant statistical data that the association was able to compile, led to the FRB's conclusion that RTO transactions were, in fact, leases and not sales.

That conclusion became an amendment to Regulation Z in 1982 as part of the simplification project. That ten-word amendment to the definition of "credit sale" in TILA ended, for the most part, critics' argument that RTO transactions were really just disguised credit sales under federal law. Some leases are credit sales under TILA **"...unless terminable without penalty at any time by the consumer."** While Regulation Z has gone through numerous revisions since 1982, that language in the definition of credit sale has remained unchanged. Had the association not existed and not worked closely with the FRB, it is not likely that the regulation would read the way that it does.

The FRB lost its regulatory jurisdiction over the Consumer Credit Protection Act to the Consumer Financial Protection Bureau (CFPB) when the Dodd Frank Wall Street Reform and Consumer Protection Act was enacted in 2010.



THE FEDERAL TRADE COMMISSION



FEDERAL TRADE COMMISSION

When the FTC was created in 1914, its purpose was to prevent unfair methods of competition in commerce as part of the battle to “bust the trusts.” In 1938 Congress gave the agency broad authority against “unfair and deceptive acts or practices.”

Historically, the FTC has shown little interest in the RTO industry. The FTC’s consistent testimony when called upon to give it during Congressional hearings on RTO bills has been that the FTC has no strong opinion about how to regulate RTO since it receives so few complaints from consumers about the industry. For example, in House hearings on RTO legislation in 2011 the deputy director of the FTC testified that the Commission had received 1.1 million consumer complaints the year before, and that only several hundred concerned RTO transactions.

In 2000 the FTC’s Bureau of Economics Staff did publish its “Survey of Rent-to-Own Customers.” The published study was the result of a telephone survey of RTO customers. The study found that RTO customers were generally satisfied with their RTO experiences, more satisfied than are consumers generally with their retail buying experiences. The FTC acknowledged the state network of RTO legislation and the only concrete recommendation concerning additional regulation was that consumers would be better able to “shop around” if they had the important financial terms of the transaction available to them before they were presented with a rental agreement to sign, including the total cost, amount of rental payments, number of payments necessary for ownership, and whether the property is new or used. (The RTO statutes in eighteen states and the District of Columbia have price tag requirements so that dealers must disclose this information before customers see a rental agreement.)

The FTC did jump into the spyware fray in 2011 launching investigations against a dozen RTO companies for their alleged use of computer software that allowed the companies secretly to take pictures of computer users through their webcams, track keystrokes by users and to track the computer’s location. The FTC exacted consent decrees from all of these companies requiring them to quit using the spyware in question and to notify computer rental customers in advance if the company intended to track the computer’s physical location, except in cases where the computer had been stolen.

Until the spyware issue arose, the industry had cordial relations with the FTC, and assisted the agency with statistical and other information when it was preparing the results of its 2000 survey.

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THE INTERNAL REVENUE SERVICE

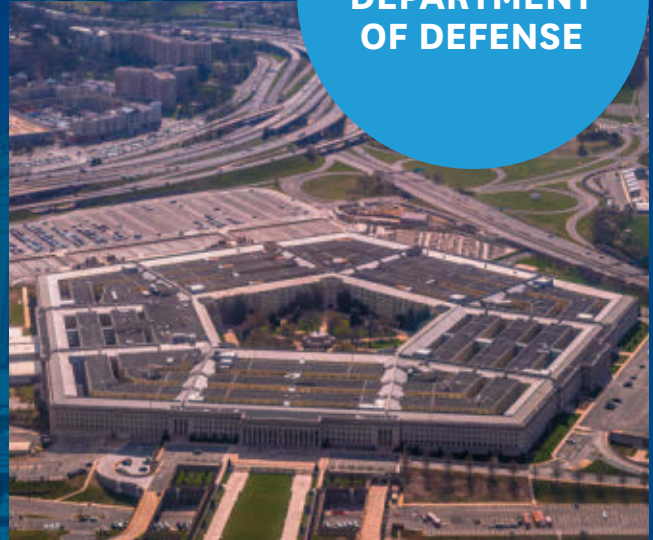


In the early 90's, suddenly and without warning, the RTO industry was subjected to numerous IRS audits. At one time there were as many as 90 RTO companies being audited. In most of these audits, the IRS took the position that RTO transactions were not leases for tax purposes and were instead non-recourse conditional sales. The IRS's position was that rental dealers had to declare as income the Total RTO Cost as of the day the agreement was signed. Had the IRS's position prevailed, the industry estimated that it would owe an additional \$1 billion in taxes.

The IRS did not prevail, of course, because the industry pushed back hard with lawsuits and an intense lobbying effort led by former chief justice of the tax court, Judge Samuel Sterrett. The association created the tax and accounting committee that met, sometimes several times a week to monitor audits and draft a strategy for combatting the IRS. It cost the industry a lot of money, over \$1 million by the time the negotiations concluded and the lawsuits were settled. The first positive result was the issuance by the IRS of a Revenue Procedure in 1995 that allowed RTO dealers to book revenues for tax purposes as they were received. The IRS effectively conceded the lease versus sale issue. The IRS continued its negotiations with the industry as there remained the issue of how to depreciate RTO property for tax purposes. Those negotiations ultimately resulted in the issuance of a Revenue Ruling later in 1995 that allowed dealers to depreciate rental property in a manner consistent with that property's useful life in the company. These concessions from the IRS were cemented into law when the Congress amended the Internal Revenue Code in 1997 with language that specifically recognized a new category of taxpayer and product category: rent to own dealers and rent to own property. The Code now defines RTO transactions as leases and spells out the depreciation method dealers are to use.

PAUL BRADY PHOTOGRAPHY/SHUTTERSTOCK.COM

THE DEPARTMENT OF DEFENSE



In 2006, the Department of Defense (DoD) issued its "Report on Predatory Lending Practices Directed at Members of the Armed Forces and Their Dependents," listing RTO along with other alternate financial services, e.g., payday loans and car title loans, as predatory and potentially threatening to the financial and emotional well-being of service members and therefore to national security.

The premise of the Department's Report is that certain businesses, located around military bases, threaten the effectiveness of the military by subjecting unwary Service Members to various abuses, which finally trap them "in a cycle of debt."

The industry reacted strongly to the inclusion of RTO in its report with a letter to the Secretary of Defense that read in part, "APRO has no particular knowledge of or interest in the other industries that are discussed in the Report. However, the glaring inaccuracies, sloppy research, the lack of simple intellectual integrity, and the faulty conclusions that permeate the section on RTO make APRO's member dealers wonder at the fairness and objectivity of the Report overall." The public companies likewise made their feelings known and the result was that the final regulations issued by the DoD concerning predatory lending omitted all reference to the RTO industry.

In 2014 the DoD revisited the issue of predatory lending to service members alleging that some companies had restructured their transactions after issuance of the regulation in 2006 to evade that regulation. Once again the issue of whether to include RTO transactions as part of the DoD lending regulations was in play. Once again the industry responded forcefully, urging the DoD to leave RTO out of any revised regulation. The DoD agreed and the new lending regulations made no mention of RTO.

KEITH J FINKS/SHUTTERSTOCK.COM

THE CONSUMER FINANCIAL PROTECTION BUREAU



The CFPB was created by the Dodd-Frank Act in 2010. Generally, the CFPB has authority to regulate the offerings and provisions of “consumer financial products or services” under Federal consumer financial laws. The law lists out eleven categories of consumer financial products and services. When the industry learned of the move to establish this new Bureau, the association and individual RTO companies contacted their friends in the Congress to help craft the pending legislation in a fashion that would not expose the industry to unnecessary and potentially stifling federal regulation. The industry’s efforts paid off, because RTO transactions are excluded from the Bureau’s jurisdiction.

Among the consumer financial products and services listed in the statute are “consumer leases.” They are defined as those leases with consumers that have an initial term longer than 90 days and are on a non-operating basis. The intent of this language is to capture finance leases, the type of lease used for motor vehicles. Most RTO transactions have an initial term of one week or one month and are also operating leases, which means that the rental dealer chooses his rental inventory, maintains it, repairs it as necessary and re-rents it, or tries to, when the customer returns it. In a non-operating lease, the lessor is a passive recipient of rental payments and is not involved with the rental property. Had the industry not involved itself in the politics of the Dodd-Frank Act, RTO transactions would almost certainly have been incorporated into coverage under the Act. Critics of the industry thought and do still think that the Bureau should have jurisdiction over RTO. These critics are the same people who make no distinction between being in debt and not being in debt. Happily for the industry, logic prevailed and the CFPB’s jurisdiction extends to true lending transactions of all kinds, and goes no further.

The bureaucratic labyrinth that is Washington, D.C. is mind-boggling in its complexity. There are more agencies and bureaucrats running them than can be numbered, although, presumably, there is an accurate count somewhere. The RTO industry must be ever alert to attempted incursion by federal agencies to negatively influence how the industry conducts its business. As the industry evolves in new directions, the challenge may increase. The national association remains committed to its original goals and will continue to seek fair and friendly treatment at the hands of the federal government. So far so good. [📍](#)



IT'S JUST HOW THEY ROLL



By Kristen Card

**This father
& son—both
business whizzes
individually—team
up for a winning
combination where
rent-to-own rubber
meets the road.**

As a new retiree, Larry Sutton spent 1998 playing 297 rounds of golf. And it might have been the worst year of his life.

For this career rent-to-own veteran—who learned the business at the knee of his legendary uncle, Norman “Slats” Slotton of Buddy’s Home Furnishings; who owned and grew Tampa-based Champion Rent-to-Own into a wonder chain of more than 30 stores; and who earned the moniker “the Reverend of Rent-to-Own” with his impassioned devotion for his industry—it turned out retiring just was NOT his jam.

“I was bored, I was borderline depressed, and I began to hate golf,” Larry recalls. “I seemed to be just totally missing something. I knew I missed all of the action and the people, but more than that, I realized I didn’t have a real sense of purpose anymore.”

Of course, no one who has ever met Larry has accused him of being “retiring,” so it made perfect sense such a state didn’t agree with him. Having sold Champion to Home Choice with a no-compete clause, Larry spent a little while dabbling in other businesses [Tropical Smoothie,



“So we no longer have moments of me saying no, we’re not doing that, we’re going to do it this way. **We’ve found a middle ground where I’m open to changes, new concepts and ideas,** and Adam is open to listening to my experience and requesting my advice based on the past.”

Larry Sutton

anyone?]) before finding his way back into RTO—by founding Rent-n-Roll Custom Wheels and Tires [www.RNRtires.com] in 2000.

At the same time, Larry’s younger son, Adam—who had been raised on rent-to-own—was just beginning his own career in design and video production; he lent his talents to helping his dad create the new company’s early brand and marketing materials.

Fast-forward through a couple of decades: Following a crash course in franchising and a few branding refreshers, Larry still leads a thriving RNR Tire Express. And Adam has evolved into an award-winning multi-media guru who launched, partnered, and eventually sold his own advertising agency, having worked with clients as monolithic as Disney, Microsoft, and Oprah.

Today, RNR is celebrating its 20th anniversary with Larry and Adam sharing the wheel. With 130 stores in 24 states and 400+ more under contract to open in the future, this dynamic duo is speeding toward record-breaking success, without a hint of hitting the brakes anytime soon.

The truth is, Larry and Adam Sutton have been working together in an unofficial capacity much, much longer than just the three years since Adam officially joined RNR. Adam’s childhood memories are of shadowing Larry as he checked in on various Champion stores and fantasizing about leading the organization someday. And Larry had informally included Adam in RNR since the very beginning.

“Even though Adam was out building an extremely successful company of his own, he was still on RNR’s ‘board of directors,’” explains Larry. “He and I have had a special sort of relationship since he was a teenager; we have always talked about business ideas and how to make them happen. So he has been my brain trust, my go-to guy, especially on all things marketing.”

In late 2016, with business booming, Larry realized the company was growing way faster than his existing corporate infrastructure could handle. He needed some help managing current and incoming franchisees, and amping up RNR’s home office for continued growth.

“To be honest, I needed someone to come in and take us to the next level,” Larry acknowledges. “Adam had sold his business and was entertaining some sweet offers from some bigtime national companies, and I thought, Well, it doesn’t hurt to ask. So I invited him to lunch.”

“It was the perfect storm,” Adam quips. “This opportunity came at just the right time. I was searching for what I was going to do for the next phase of my career, and while I had plenty of offers, I didn’t want to move from Tampa, and I wanted something that wouldn’t be 24/7, that wouldn’t take me away from my family. RNR just made sense, it felt right. And I knew it was going to be a whole lot of fun.”

Adam officially joined RNR in early 2017 as Executive Vice President, and immediately began hiring some extraordinary executive-level

talent to help them view the company with fresh eyes and plot the right route to that mythic “next level.” The Suttons and their renovated corporate team began their work together by returning to the proverbial drawing board and reconsidering RNR’s entire identity: *Who are we? What do we do? What do we want to accomplish?*

“We took some of the tried-and-true value statements I’ve always depended on and determined how they work together for our business today,” says Larry. “We came up with our new mission statement, short and sweet: *To be the best tire and wheel concept in America.* It’s something all our associates can measure themselves by every day, regardless of their position. Next, how do we fulfill that mission? By serving people rather than just providing a service.

“Every business in America says they want to give good customer service,” he continues. “But there’s a deep divide between being a good customer-service person and acting as a servant to your customers. If we’re going to be the best tire and wheel concept in America, then we must be all about *Serve, Not Service.* And finally, if we do both of these, then what will be the result? We will improve the lives of our team members so that they will do the same for our customers; we call it *Changed Lives Changing Lives.*”

With these guideposts firmly in place, the Suttons began initiating other changes. They developed a whole new look and feel for RNR stores with new interior and exterior designs. They built a national RNR contact center and started handling calls and online chats for franchisees. They became much more selective in their recruitment and hiring efforts, and reworked RNR’s training to embrace the company’s new mission and purpose. And, they completely transformed their approach to franchising.

“We no longer sell franchises,” confirms Larry. “We *award* them—and that shift has made a huge difference. We had learned the franchising business by way of the school of hard knocks, and we assumed everyone who wants a franchise should get one. But we’ve built a valuable entity, and we should be choosy about who our franchisees are. Our culture is strong, and if we feel they’re not a fit, then it’s a no-go.”

The list of Adam-induced improvements is already impressive. But change is hard, organizational change is harder, and agreeing upon which changes move forward can be oh-so-challenging—even for a like-thinking, fun-loving father and son.

“We had some spirited conversations early on,” Larry confesses. “We had to overcome my tendency to depend on doing things a particular way because it was the way we’d always done them. But we got through it, once Adam convinced me that just because you’ve always done it this way doesn’t mean it’s right for today—let’s work together and try some new things. So we no longer have moments of me saying no, we’re not doing that, we’re going to do it this way. We’ve found a middle ground where I’m open to changes, new concepts and ideas, and Adam is open to listening to my experience and requesting my advice based on the past.”

Likewise, the pair has discovered over time how to best integrate their individual leadership

“I hope the leaders within our industry are paying heed to what the next generation of customers wants and needs, **because RTO is primed and ready to be the perfect solution for the millennial generation,** which values relationship and experience way over transaction.”

Adam Sutton





If you think the Suttons aren't managing all of this beneath the umbrella of a long-range plan, then you haven't been paying attention. Of COURSE they've developed a five-year plan—though it seems some of its details have yet to be fully realized.

"In five years, we expect to be at a minimum of 300 stores, generating revenue of a half-billion dollars," Larry proclaims—then Adam quickly interjects, "I'd toss an asterisk on that estimate, and say 300 to 500 stores. But who's counting?"

Among the Suttons' priorities is their continued involvement in and support of industry organizations like APRO, where Larry served as a board member, and received both the President's Award of Excellence and the Ernie Talley Lifetime Achievement Award. Adam is currently serving his first term as a member of the APRO Board of Directors, and is the board liaison to the newly formed Emerging Leaders Council.

While he's no Reverend of Rent-to-Own, Adam is clearly just as passionate, just as insightful, and just as much a believer as his dad is in the business known as RTO. "I believe the relational foundation of rent-to-own is its greatest secret and its greatest asset," Adam declares. "And I hope the leaders within our industry are paying heed to what the next generation of customers wants and needs, because RTO is primed and ready to be the perfect solution for the millennial generation, which values relationship and experience way over transaction. There's no other industry prepared and aligned with their core values and subscription-based mindset like rent-to-own. So, in many regards, I think we're already there as an industry. But in other regards, I think we need to step up our game—offer better experiences in-store through design and out-of-store through advertising, remembering to talk *with* them rather than *at* them. As long as we pick up on these preferences and adapt accordingly, we'll thrive, and we'll continue to be the greatest industry in the world."

With such a fine son/brilliant businessman committed and contributing so vitally to RNR and its continuing success, the question arises once again: Following the Great Golf Debacle of '98, will Larry ever consider retiring from tires? The answer comes swiftly and distinctly: Flat, er, *fat* chance.

"At this moment, I can't imagine anything being more fun than what we're doing right now," concludes Larry. "My idea of retirement is when I'm 85, I want to visit 200 stores, meet all of our people, and just keep going, having as much fun as I can. I want to do it in my very own Gulfstream jet, assuming I can get it past the budget committee..."

A beat of silence, followed by Adam's quietly sarcastic retort: "Yeah, it's not looking good, Dad." 🙄

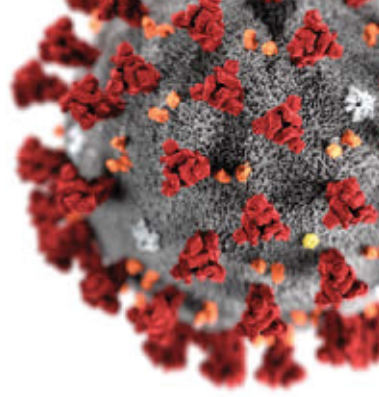
styles, which are strikingly similar in some ways, but not so much in others. "My leadership style is always about valuing people over everything else," begins Larry. "I knew if I did, they would be dedicated and would want to succeed. I just had to give them the tools and provide them with some motivation. But the one weakness I had, what I always have been lacking and still am today, is that I'm not good at holding people accountable. Adam has brought some real accountability to the table."

"Well, I grew up watching and listening to the Reverend of RTO, preaching about taking care of people and rent-to-own being a relationship opportunity," Adam adds. "So that is definitely a core tenet of mine—it's always about *people*, which means your team members, your customers, and everyone in-between. Having the right people in place is key to successfully scaling a business, and so is having the right amount of accountability. You do have to have grace and understanding—not just act like a tyrant, and fire people left and right. But if someone's not performing, you've got to figure out why and try to fix it. And sometimes, people just aren't going to fit in with your company or culture, and if you don't let them go, you're really holding both of you back."

In addition to making sure RNR's personnel mixture is just right, Adam has tightened up operations overall; he says every department is working more efficiently, more effectively, and more productively. Not only has the backlog of business tasks that had been piling up been taken care of, but now, the lead team has the bandwidth necessary to tackle future projects.

"You'll get swept up and left behind if you're operating reactively rather than proactively," asserts Adam. "So we started our strategic implementations with the people first, then the processes for productivity, and now, we're prioritizing which projects to take on and deciding when to embark on them."

Kristen Card has been a contributing writer for RTOHQ: The Magazine for more than 15 years.

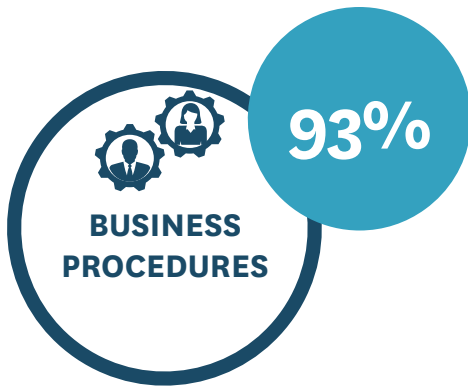


In March of this year, APRO began regularly surveying its members to understand the impact the COVID-19 pandemic was having on the industry. We discovered the industry was adapting its regular operating procedures to prioritize the safety of its customers and employees. As of press time for the APRO magazine, below are the most recent results from our dealer members. We appreciate our APRO members for participating in the surveys and for sharing their new best practices and operational adaptations.

CORONAVIRUS IMPACT

ON RTO DEALERS

SURVEY RESULTS FROM APRIL 2020



93% Yes, we have adapted operating procedures.

Comments from dealers:

Six-foot distance rule and limiting total number of customers in store at a time.

Designated one day per week for seniors.

Handing out masks to customers without them; hand sanitizing stations throughout store.

Plexiglass at counters; questionnaires regarding COVID-19 exposure for each delivery/pick-up.

Wear gloves and masks for door drop deliveries and curbside pickups.

Delivering essential items only and no field visits.

No payments for 90 days; no marketing of non-essential items.

Reduced hours and staffing.

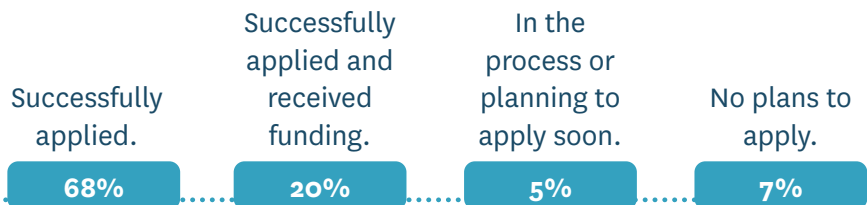
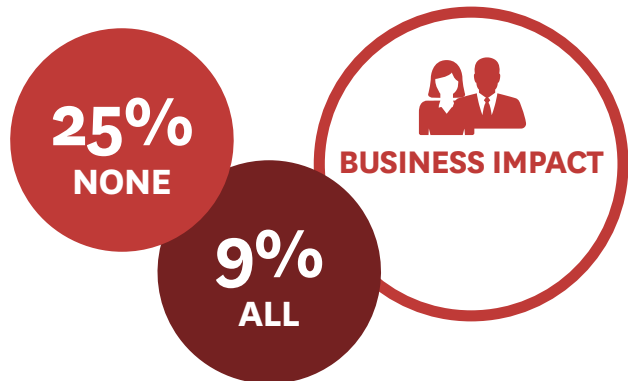
Phone and online purchases and collections.

Limiting staff hours to 32, paying them for 40.

Showroom is locked; porch pick ups and deliveries. No longer going in homes.

What ways do you expect your business to be impacted in the year ahead?

- 12% Cuts to benefits/perks
- 12% Potential business or store closure
- 13% Cuts to employee pay
- 30% Cuts to my team/staff
- 57% Fewer growth opportunities
- 9% **All of the above**
- 25% **None of the above**



TOGETHER WE SHINE.



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Inc. • Credit Merchandise Home Furnishings • Credit Merchandise of Breaux Bridge Inc. • Crosley Corporation • CTFLO LLC D&H Distributing • D.H. Rentals Inc. • DAKCOMP Inc. • Dan Mar Enterprises Inc. • Dan's Rent To Own Inc. • Darwill • DataX Ltd. • Del Rio Home & Auto Supply Inc. • Deluxe Furniture LLC • Dial Rent To Own • Dialectic Distribution LLC • DM Wright Holding LLC • DNH Enterprises LLC • DNH RIMCO LLC • Don's E-Z Pay Inc. • DW3 LLC/Haytess LLC • E&S International Enterprises Inc. • Eagle Rentals Inc. • Easy Rent of Wichita Falls Inc. • Easy Rental • Easy Rentals Inc. • EBG Leasing Inc. • Elgin Furniture & Appliance • EquiPro Investments LLC • Expert Warehouse II • Extreme Rentals Inc. • EZ Pay Buildings LLC • F.O.G. Enterprises • F3EA Funding LLC • Fairway Leasing LLC • First State Financial Corp. • Florida State Games • Forever Young Rental Enterprises Inc. • Friend Tire Company • FT Got Three LLC • Full-O-Pep Appliances Inc. • G&K Rentals Inc. • GARIBOO Inc. • Garris Horn PLLC • GE Appliances • GEMINI Sound • Get It Right Now LLC • Gill's Inc. • GNS and Associates Inc. • Gold Capital LLC • Graceland Rentals LLC • Graphic Media Solutions LLC • Great Rooms Central LLC • Great Rooms Orlando LLC • Great Rooms Pasco LLC • Great Rooms Pine Hills LLC • Greenline Management LLC • Growby's LLC • GTS Management LLC • Gulf Breeze Investments • Gulf Coast L&P Inc. • H&H Furniture Inc. • HA Ventures LLC • Happy's Home Centers Inc. • Hawpond Partners Inc. • Heath Investment Group Inc. • Heck & Lambert Inc. • HFM Inc. • High Touch Technologies • Hogan Coble LLC • Hogan Nichter LLC • HomeSource Rentals • Hometown Rental Purchase Inc. • House of Television Rentals • HPH Investments LLC • HSAC LLC • Hughes Rental & Sales • Ideal Rentals • Ideal Software Systems Inc. • Imagine Advertising • Impact RTO Holdings • Indy Leasing LLC • Infinity Enterprise Lending Systems • Integrity Rentals Inc. • J&J Rentals • J&M Leasing LLC • J&R Furniture & Sales • J.W. Terrill (Marsh & McClellan Agency) • Jackson Furniture Industries • JA CL Inc. • Jaguar Holdings LLC • Jamison's Sales & Rental Inc. • Jax LTO LLC • JC George SMH Inc. • JED of Jonesboro Inc. • Jenkins Rental LLC • JPG Gun Barrel LP • JR Squared Enterprises Inc. • JSA Tires Inc. • KACO LLC • KAPPA Investments LLC • Keller's Rental Place Inc. • KFJ Enterprises LLC • KFJ Rimco Inc. • KGH Rentals Inc. • Kirkpatrick Sprecker & Co. LLP • Konig Investment Group LLC • L2 Corporation • Lacey & Sons Inc. • LDCD Investments LLC • Lease Zone LLC • Lebakken Inc. of Wisconsin • Leopard Mobility Inc. • LG Electronics Corp USA • Liberty 4 U Inc. • Liberty Rental • Lifestyle Rentals LLC • Lowcountry RTO LLC • LPEA Group Inc. • LT Marketing LLC • LTL Investments LLC • Mainely Rent To Own • Majik Enterprises International Inc. • MAKARental Purchase Inc. • Martin Rents Inc. • MHB Rent To Own Inc. • MicroBilt Corporation • Mid-Atlantic RTO Inc. • Mid-Atlantic-WolfPack • Mike Strong Inc. • MKW Investments Inc. • MNT Enterprises Inc. • Mr. C's • MRW Investments Inc. • MTM Ventures LLC • Mucho Frio Inc. • Mustang Enterprises Inc. • Mustard Seed Group LLC • My Family Home Furnishings LLC • My Way Leases Inc. • National Barn and Storage Rental Association • National Championship Enterprises LLC • National Educational Music Co. • National TV Sales & Rental • Nations Rent-To-Own • Nationwide RentDirect • Nationwide Southwest Rent To Own Division • Natural State Leasing Corp. • NavAir Corporation • New Generations Diamond & Jewelry Co. • Nicole Rental Purchase LLC • Okinus Inc. • Old Hickory Buildings LLC • O'Rourke Sales Company • Out The Door Rent To Own • Ownit4less • Owosso Rental & Purchase • Ozarkga LLC • Passaic Ventures • Payless Rent To Own • Payvantage LLC • Peak Performance Bat Club • Pearsey Enterprises Inc. • Peg Perego USA Inc. • Peppercorn Inc. • Pinnacle Group LLC • PMB Rentals LLC • Powl Investment Group Inc. • Preferred Sales and Leasing Inc. • Pritchard & Jerden Insurance & Risk Management • Progressive Furniture Inc. • Progressive Leasing • PTN Group LLC • PTS Financial and Benefit Services • Quality Consumer Rentals LLC • R and G Tire Inc. • R&B Dreammakers • R7 Lease Purchase Inc. • Relation Insurance Services • Remote Support Inc. • Rent A Structure LLC • Rent World USA LLC • Rental City Inc. • Rental Concepts LLC • Rental Concepts West LLC • Rental Systems of Columbus Inc. • Rent-N-Roll of Missouri LLC • Rento Inc. • Rentown Inc. • Rentstar Inc. • RES Accessories • Rich and Dave Rentals • Rims USA LLC • Rivero Gordimer & Company P.A. • RNR Kentucky LLC • RNR of Virginia LLC • RNR Tire Express • RNR Tires Express of Texas LLC • Ron Connolly Inc. • Rowland's TV & Appliance • Royal Rents Inc./Lifestyle • RRRSR Inc. • RTD Ventures LLC • RTD3 LLC • RTO National LLC • S&P Rentals Inc. • Sam's Appliance & Furniture • Serta Simmons Bedding • Shield Leasing LLC • Showplace Inc. • Sieverding Group • Simply Bunk Beds • SKC Enterprises Inc. • Sleek's Rent To Own • Slumba LLC • SmartPay Leasing LLC • SmartWay of Tennessee LLC • Smith Group • SourceLink • Southern Wheels Inc. • SR Kinnear Inc. • Suanne LLC • Superior Rental Purchase • Sutton Adventures II Inc. • Synergy Employer Consulting Services • Synergy Sales & Leasing LLC • Syracuse Rental Systems Inc. • The Appliance Center • The Intium Corp. • The Premier Companies • The Rental Market • Tiffco Investments LLC • Tower Rental Purchase Inc. • Transformation Investments LLC • Triad Leasing LLC • TRIB Group • Turk Corporation • Tworog Holding LLC • TWT Leasing Inc. • U Can Rent Inc. • UHR Rents • Ultima Gemini Group Inc. • United Household Rentals RNR Tire Express • Velocity Wheel NY • Viola Leasing • Wade & Walt Rentals LLP • Watershed Development Corp. • West Creek Financial • Whirlpool Corp. • White & Claassen LLC • White Properties Inc. • White Rose Enterprises • Whitsell and Company PC • Woodville Rental Co. • WoodyKat Inc. • Wowbrands • WRCT Investments LLC • WRE LLC • Yes! 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HOW TO WIN AT RTO & INFLUENCE PEOPLE



From delivery tech to operations head for a flourishing franchise, Chip Guy is creating a ripple effect of influence and positive change.

By Kristen Card

Six months ago, Chip Guy was feeling pretty good about life.

Approaching his 40th birthday, Guy was a rent-to-own career man with Buddy's Home Furnishings, having served the company in one way or another for almost half of his life. He was, at that point, overseeing a six-store operation, co-owner of a two-store company, and the owner/operator of his own store in Tulsa, OK. His wife, Carla, and oldest daughter, Kristen, were managing stores under his supervision, and business was buzzing along.

"I don't care to grow a bunch of stores," Guy asserted. "I want to grow people. A store is just a building. You can buy all the inventory you want, but it's still just a building with inventory. If you don't have a group of people working there who love working for you, then it's still just a building. So I want to add five people to my portfolio every year and keep on adding people. And I believe the growth, the money, the rest of it just kind of comes along—it's all a byproduct of the people."

Guy voiced a wish to the Universe, and the Universe—with the help of some more corporeal folks—responded with a little-over-the-top opportunity: Going into 2020, Chip Guy had sold his business to and been named Vice President of



Operations for Buddy Mac Holdings, LLC. Now, somewhat suddenly, he is growing 250+ people at 50 stores in six Central-Southwestern states.

Clifford “Chip” Guy grew up in Missouri, the son of a career Army man at Fort Leonard Wood who ran a strict household built on respect. But whenever Guy’s father was stationed overseas, Guy and his sister were cared for by their paternal grandmother, who taught the children “a lot about religion and a lot about love.”

Smart but academically unenthusiastic, Guy followed in his dad’s footsteps, first getting into Junior ROTC, then joining the U.S. Marine Corps [“The uniforms were nicer than the Army, and I got to brag about it,” he quips]. Guy went through training to become one of only about 140 Marine Loadmasters worldwide, and worked for a while on the versatile C-130 aircraft.

“I soon realized being a Marine meant you had to live a very stringent and ‘this is how you’re going to do it’ lifestyle, and my mind was beyond that,” recalls Guy. “My mind was more entrepreneurial, more ‘I want to innovate, I

want to create and develop and influence and do all these things in my career.’ That’s not what the military is about, so I realized it wasn’t my passion and got out.”

Guy went to the small city of Perry, Florida, to live with his mother while he searched for work. It wasn’t long before he spotted a help-wanted sign on the front of a Buddy’s Home Furnishings store.

“They had a delivery driver position available,” Guy remembers. “I actually took the sign off of the building, walked in, handed it to the manager, and said, ‘You don’t need this sign up anymore. I’m here. Just go ahead and hire me, and I’ll do the job.’”

Guy quickly rose through the ranks at Buddy’s, becoming a store manager within a couple of years. He also met fellow Buddy’s manager and future wife, Carla. Carla had three children from her first marriage, yet 21-year-old Guy was up for the challenge—they wed in 2003.

“For the first few years, it was pretty rough going for us,” says Guy. “The bell-to-bell lifestyle of both adults in the household

working as rent-to-own managers, with three school-age kids...Let’s put it this way: We had a lot of 9 p.m. dinners and a lot of 6 a.m. mornings with our hair on fire.”

Several years down the road, Guy became Buddy’s Director of Operational Training at the company’s Tampa-based headquarters. The steady corporate pace helped settle life at home, but once again, Guy felt the fit of the job wasn’t quite right for him.

“My biggest passion with RTO has always been how to go out and influence people, create a culture where people want to change other people’s lives,” Guy explains. “How do I identify what an employee wants to get out of life, determine how to help them get it, and then inspire them to do the same thing for someone else? That’s what I want to be doing. But as director of training, I sat in a cubicle and wrote a bunch of books and programs and e-learning courses. I didn’t get to go out and work with people one-on-one.”

So, when Guy’s longtime mentor Todd Hombberger offered a job running his Buddy’s stores in central and northeast Oklahoma,

Guy and his family made the move to Tulsa. And in 2016, Guy, his father and uncle, and Homberger gathered their resources to launch Guyberger RTO and get Guy his own store.

And, as of about six months ago, that's where Chip Guy expected to be for the foreseeable future—operating his own store as well as Homberger's and a couple of others he picked up along the way. And then, Buddy Mac Founder/Chair/CEO Ian MacDonald came calling.

"I had talked with Todd several months beforehand about his vision for our future," notes Guy. "Like, am I going to be a single-store operator in a regional overseeing a handful of stores from the age of 39 for the rest of my career? Or is a day coming when we wake up and we've got 40 or 50 locations, we're doing business on a grander scale?" So when Ian called, Todd's response was that no matter what we decided to do, the future was going to be bright for both of us!"

And so it has turned out to be. Just a few weeks after the Guyberger RTO acquisition,

MacDonald promoted Guy to VP of Operations for the whole company; since then, Buddy Mac has also bought up three more companies, taking the business from 16 stores to 50 within a six-week period.

"Rather than overseeing seven managers, I'm now overseeing eight regionals," Guy states. "And my job duties cover everything from building a culture to ensuring profitability to protecting against liability. I want to make a culture of fun and make work a fun place to be, while also making sure the decisions made are in the interest of our people and our company."

In addition to being one of only six members of Buddy's Advisory Board, Guy is also currently serving as a member of the TRIB Group Advisory Board, and as President of the Oklahoma Rental Dealers Association. Carla has shifted to Buddy Mac's corporate accounting department.

Once they're away from work, the Guys love to get away from it all, camping and fishing with their three grown daughters—Kristen, Taylor, and Brooke—as well as their shared

teenage son, Drake, and four grandkids who call 40-year-old Guy "Papa."

Six months ago, Guy described his favorite thing about rent-to-own as the chance to "change lives and influence people to go change others' lives." And *that* hasn't changed.

"Every day, our employees are changing customers' lives by providing a good or service they wouldn't otherwise have access to," affirms Guy. "And every day, we're changing our employees' lives by being here for them, providing for them and their families, and helping them grow. I want to grow and influence as many lives as possible as fast as I can. Because when you wake up and there are 500 employees whose lives are good and they're happy to work for you? That's building the right culture, that's when you're living the dream." For Chip Guy, that dream is closer than ever to becoming reality. [📍](#)

Kristen Card has been a contributing writer for RTOHQ: The Magazine for more than 15 years.



Who's Who in Rent-to-Own Appliances and Furniture

These vendors and distributors provide appliances and furniture to the rent-to-own industry:

Appliances

AMA Systems LLC, dba AMA Systems[^]

Contact: Ted S. Argeroplos
410/312-9920
rto@amasystems.com
www.amasystems.com

Climatic Home Products[^]

Contact: Doug Allen
803/765-2595; Fax 866/347-9810
dallen@climaticcorp.com
www.climatichomeproducts.com

Crosley Corporation[^]

Contact: Chris Harris
704/956-2523; Fax 704/956-2819
charris@crosley.com
www.crosley.com

D&H Distributing[^]

Contact: Erin Fischer
800/340-1007; Fax 717/635-6814
efischer@dandh.com
www.dandh.com

Dialectic Distribution LLC[^]

Contact: Zachary Zeltzer
973/870-0250; Fax 973/870-0259
zach@dialecticdistribution.com
www.dialecticdistribution.com

GE Appliances, a Haier Company[^]

Contact: Paula Allison
800/782-8093; Fax 800/859-9836
paula.allison@geappliances.com
www.geappliances.com

O'Rourke Sales Company[^]

Contact: Bill French
972/245-0006; Fax 972/245-0660
bfrench@orourkesales.com
www.orourkesales.com

RES Accessories[^]

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

Whirlpool Corp.[^]

Contact: Christine Bruner
865/470-5062; Fax 269/923-0726
brunecl@whirlpool.com
www.whirlpool.com

Furniture

American Wholesale Furniture[^]

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

[^]also exhibited at RTO World 2019

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

Coaster Furniture Company of America^

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

Jackson Furniture Industries

Contact: Keith Jackson
423/961-7249; Fax
k.jackson@jacksonfurnind.com
www.jacksonfurniture.com

Progressive Furniture Inc.^

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

Simply Bunk Beds^

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

Furniture Accessories

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

Coaster Furniture Company of America^

Contact: Larry Furiani
562/944-7899 x 1149; Fax
lfuriani@coasteramer.com
www.coasterfurniture.com

Protect-A-Bed^

Contact: Jane Malloy
847/998-6901; Fax 847/998-6919
james.bell@protectabed.com
www.protectabed.com

RES Accessories^

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

Furniture Bedding

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

Ashley Furniture Industries^

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Gary: 972/939-5123
klebensburger@ashleyfurniture.com
gjones@ashleyfurniture.com
www.ashleyfurniture.com

Boyd Specialty Sleep^

Contact: Robert Patten and Dick Klein
Robert: 404/735-2623
Dick: 513/702-3865
rpatten@boydsleep.com
dick@rentalsalesworks.com
www.boydsleep.com

Coaster Furniture Company of America^

Contact: Larry Furiani
562/944-7899 x 1149; Fax
lfuriani@coasteramer.com
www.coasterfurniture.com

Protect-A-Bed^

Contact: Jane Malloy
847/998-6901; Fax 847/998-6919
james.bell@protectabed.com
www.protectabed.com

RES Accessories^

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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

Serta Simmons Bedding^

Contact: James Moquin
770/206-2652; Fax 770/392-6785
jmoquin@sertasimmons.com
www.serta.com | www.simmons.com

Slumba, LLC^

Contact: Cody Topping
847/975-0123; Fax
cody@deepblueindustries.com
www.slumba-mattress.com

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www.nationwidemarketinggroup.org

BUYING GROUPS

TRIB Group Inside Back Cover
www.tribgroup.com

CREDIT REPORTING

DataX Ltd. An Equifax Company 5

FRANCHISE OPPORTUNITIES

Byrider Franchising, LLC Outside Back Cover
www.byriderfranchise.com

^also exhibited at RTO World 2019

WHAT'S AN ASSOCIATION FOR?

APRO assisted with safe harbor legislation in 47 states, **helped get the federal tax code amended in the industry's favor**, helped get a favorable review of industry practices from the **Federal Trade Commission**, **helped get RTO transactions excluded from the jurisdiction** of the Consumer Financial Protection Bureau, and the list goes on and on.

APRO was founded to give realization to the long-term aspirations of some of the original RTO entrepreneurs. Those early dealers did not know whether their innovation into the retail consumer electronics marketplace would stand the test of time, and some knew theirs was likely to be an uphill struggle to make RTO legal and respected. The Singer Sewing Machine Company had tried offering their machines via RTO transactions in the very early 20th century, but after losing a couple of lawsuits, abandoned the effort. The hire-purchase concept in the countries of the British Commonwealth, offering ownership via rentals was highly regulated from its inception in the late 19th century. It is still at play in Great Britain and elsewhere. It is still highly regulated.

The early RTO dealers in the U.S. thought that they had hit upon a good idea that helped them reach an underserved segment of the market. Consumers liked the transaction. Consumer advocates hated it. Some of those early dealers understood that if their companies were to thrive and grow, they would need the underpinnings of a legally recognized transaction that covered everyone in the business, and that only by joining forces with other dealers did they stand much of a chance of success. They created APRO as their army, and determined that the RTO idea was so novel, so important, so useful as a consumer transaction that it was worth the fight, no matter the final outcome.

Nearly 40 years later, the evidence is in. The dealers prevailed against those who wanted RTO outlawed and the RTO transaction today is commonplace in many areas of American commerce and reaches far beyond its original conception of getting consumer electronics into the hands of cash and credit-constrained consumers. Early on, association members believed that RTO is a good idea and adds value in the marketplace giving consumers choices they otherwise might not have. Dealers still believe that today.

This article will not chronicle the legal and political battles the association has fought over the years. An anecdote from the early days will perhaps suffice to explain why your trade association has proven itself time and again as vital to your continued existence as a profitable rental dealer in America.

Today, you are living, most of you, in legally untroubled times. Competitive times, to be sure, but no group with the power of government behind it is trying to put you out of business.

It was not always thus. Will the currently calm waters of RTO ever roil again with legal or political challenges? Who can say? The reason that trade associations, generally, and APRO in particular, exist is to insure the industry is ready should such eventualities ever recur.

The year was 1981 and the U.S. Congress was in the process of “simplifying” Truth In Lending (TILA), as if the federal government has ever simplified anything. In addition to amending the statute, the Federal Reserve Board (FRB) was charged with revising Regulation Z, the interpretive regulation detailing how TILA was to be implemented. From the original enactment of TILA in 1968, the FRB was the regulatory body charged with the duty to flesh out and explain in its regulation the complicated world of consumer finance.

One of the areas that needed clarification was the relationship between the federal law and the fledgling RTO industry. RTO barely existed in 1968, but as the business grew, it attracted the attention of legal aid lawyers and consumer advocates, because their clients were increasingly availing themselves of the transaction in order to enjoy the benefits of modern technology, mainly TV’s at the time, and later VCR’s.

Legal aid lawyers had been suing RTO companies, arguing that the transactions were credit sales under TILA with mixed results. The statute, as originally written should have been clear, but wasn’t. The original wording of Regulation Z did nothing to clarify the issue. Under the federal law, some leases, to be sure, are indeed credit sales. As it happened, almost as soon as APRO came into existence in 1981 with its first office in Austin, Texas, and a skeleton staff of one and then two, the FRB staff attorneys somehow uncovered the existence of the association, the self-declared voice of RTO, and called. They were interested in learning exactly how RTO worked and in the course of those conversations determined that it would be useful to spend some time in some RTO stores to get a better understanding of how the transaction worked and how customers felt about it.

Now at this early moment in the life of the RTO industry, there were, as is perhaps understandable, some dealers who were less than committed to any long-term existence in RTO and, rather, were in it for the quick kill. They figured what they were doing—charging twice the cash price for TVs—could not possibly be legal, and so they intended to do business until they got run out of town. Among other strategies, they separately incorporated every store, when they opened more than one, so that if one store got hammered in a lawsuit, they could just shut it down and the other stores would keep the cash flowing. They may have been greedy in excess, this group of dealers, but some of them were clever business people, adroit at exploiting what they perceived to be loopholes in the legal system.

The FRB staff assigned to research RTO and ultimately report their finding back to the full Board, wanted to visit stores in the D.C. area. There were several to choose from. One of the forthright, above-board, ethical RTO dealers with stores in Maryland, was Tracey Morgan who owned Odyssey Leasing. She was, incidentally, one of the early female pioneers in RTO and was one of the original 40 APRO members. APRO was ultimately able to work with Tracey and FRB staff to set up appointments in several of her stores with Tracey in attendance to answer questions and explain business practices.

Alongside Tracey in some of the Maryland markets was Sam Wolf's company, Action TV Rental, Inc., which at the time of the FRB inquiry was being sued by the Maryland Attorney General for violations of the state RISA statute, the state deceptive trade practices statute and the state debt collection statute. The courts ultimately found 64 separate deceptive trade practice violations, and fined the company and principals as well as issuing an injunction against further violations of state law. When the principals continued to violate the law, the attorney general got a permanent injunction against the named principals from doing business ever again in the state of Maryland. At one point, Wolf bragged in court about the practice of the "one-way switch out," where the company told the customer the TV on rent was being recalled and that the customer would be given a loaner while the rental unit was being serviced. Then store employees would go to the house, load up the TV and drive off. Wolf explained that the practice reduced the level of confrontation and the risk of violence when picking up on past due accounts.

The dealers who founded APRO knew there were these kinds of dealers in the marketplace and knew that their existence threatened the existence of the entire industry. Early APRO meetings were replete of tales of bad conduct by the actors. It is why the APRO founders thought it important to create a trade association that could extol RTO best practices and otherwise explain and defend the transaction.

Had the FRB staff not contacted APRO and, instead, simply gone to the Yellow Pages for their research, they would have come across Action before Odyssey. Had they conducted their store visits in the Action stores instead of Odyssey stores, they would almost certainly have gotten a different impression of RTO than the one Ms. Morgan was able to convey.

The result of those store visits and the extensive conversations with APRO staff was that the FRB staffers ultimately concluded that RTO transactions were, in fact, leases and not credit sales and therefore should not be covered by TILA. That conclusion found its way into Regulation Z with the addition of a 10-word parenthetical added to the definition of "credit sale" in the regulation. Those words were added in 1982 in the aftermath of the TILA simplification project. Those 10 words, which are still in the regulation, are "A lease is a credit sale...(unless terminable without penalty at any time by the consumer)..."

Thus began the important work of APRO on behalf of the industry it was created to represent.

There is a current movement in U.S. academic circles either to rewrite history or erase it because it is too white, too capitalist, too male, and too violent to suit the prevailing progressive zeitgeist of how the world ought to be. It is a dangerous trend whose outcome, if not curbed, is likely to be disastrous. Other cultures have tried to erase their histories with censorship, book burning and the like. All have failed, in part at least because of this practice.


RTO is but a sliver of the American economy. Nonetheless, its participants, particularly, need to know the industry's history. Calm waters can roil at the most unlikely of times.

Of course, those of you who have been around for a while, know that APRO's good work on your behalf did not end with fixing the TILA problem. APRO has since assisted with safe harbor legislation in 47 states, helped get the federal tax code amended in the industry's favor,

helped get a favorable review of industry practices from the Federal Trade Commission, helped get RTO transactions excluded from the jurisdiction of the Consumer Financial Protection Bureau, and the list goes on and on.

APRO has worked nearly 40 years to help make the industry better. APRO has always wanted the RTO industry to be as good as it possibly can be. That is what Mr. Browning was talking about.

There are, as there ever have been, some few free-loading rental dealers out there who have chosen not to help protect their industry by being members. They have been content to let others bear the expense and burden. All we can finally say to them is "Shame on you," with a reminder that it is never too late to come to the table. 🍷



**“Ah, but a man’s reach
should **exceed his grasp**
or what’s a heaven for?”**

—*Andrea del Sarto*, a poem by Robert Browning
(1812-1889)



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