

HOW TO AVOID THAT DREADFUL CREDIT CARD CHARGE BACK

When a customer contests a credit card charge, what is your first reaction? Is it, "This person is trying to get away with merchandise or rental charges without paying for them"?

Possibly the customer has a valid argument and you or one of your employees erred or just maybe your initial thought was valid and if you followed certain pre-rental procedures you would not have to regret that "dreadful credit card charge-back."

Your company's in house pre-rental procedure should include a form indicating what identification documents are acceptable, ie: a picture ID-driver's license, an electric utility or phone connect bill, social security card, passport, etc. The key in accepting a utility or phone bill is to note a recent or established connection. Was it made at the same location as the driver's license for this customer? No disconnect bills should be accepted with an explanation by the customer that it was a recent move.

When viewing a driver's license, look for the hologram provided by the state in which the license is issued (in my case, this information is provided by NYPD-Midtown North). If you know bouncers or an owner of a local club, they have books they use when licenses are presented for entrance into their night clubs. Anhauser Busch's Sales and Service Department in Long Island City New York provides this type of booklet to night clubs. It is called "1999 Driver's License Booklet for the USA and Canada." You might try calling if you would like one: 718-361-6160. Then you can establish an in-house file for your counter personnel to view acceptable driver's licenses state by state.

For the pre-rental agreement you should have the credit card company name, credit card number, expiration date, and a valid signature that matches the signature on a valid driver's license. This agreement should also secure the customer's acknowledgement to the total charges of rental (or sale) or your company's equipment and payment of any damage (unless a pre-damage waiver clause is agreed to) and additional charges related to the return being late regardless of the specified return date in the customer's purchase order.

We use a one page pre-rental form that we FAX to our customers and will, if you would like a copy, provide one to you.

If you have comments that would enhance our pre-rental agreement that you found useful in your business, you can e-mail me at repairs@tprental.com or call, 212-713-1999.

One last point on when you have to supply documentation to the credit card people on why this charge-back is not justifiable. You better have kept all pertinent related papers, ie: signed invoices, credit cards, driver's licenses, and the pre rental authorization form ready to send via certified mail to the credit card people.

Tony Perrotta

President, ARA-New Jersey

STOCK TO WATCH: PARTY CITY

Investors can't buy stock in Rockaway-based Party City on the open market right now - even if for some strange reason they might want to. Shares in the giant chain of party goods superstores were suspended from trading in May over concerns that its year-end audit had not been completed in a timely fashion. In July, with the results still not in, the company was delisted by the NASDAQ.

The stock, which traded under the symbol PCTY until May 5, had fallen from an all-time high of \$34.25 in March last year to \$3.84 per share when the trading suspension took effect. Since then, the firm's CFO, David Lauber, has resigned and founder and CEO Steve Mandell has stepped aside. The audit report, which has still not been issued, is now expected to cover 18 months, stretching back to January 1998 and is supposed to be completed on September 30.

The general reasoning behind the company's fall is that its aggressive expansion plans - from 36 to nearly 375 stores in two years - outpaced the accounting and management abilities. Party City has been named in a number of shareholder lawsuits alleging mismanagement and dumping of shares by insiders.

So why on earth would investors even want Party City taking up space in their long-term memories? There are a couple of reasons to consider keeping an eye on the company.

the first is that last week it announced a large restructuring effort and that it is on the receiving end of \$30 million in bond financing from a group of investors led by Tennenbaum & Co. of Los Angeles. The investor group also adds two new board members to the company. Party City's bankers have agreed not to pursue claims against

the company until June of next year, unless it defaults on its loan payments. Suppliers holding \$30 million worth of Party City debt have agreed not to take any action until January 15, 2000 and have agreed to terms under which they will continue to sell goods to the company. (Party City's creditors, of course, have the added inducement of not wanting to lose the future business that would disappear if the market's largest retailer were to go belly-up).

The arrangement will allow the company to stock the needed inventory for upcoming holidays such as Halloween and Thanksgiving, which is necessary if it is to maintain its revenue stream.

The second reason is related to the first. the company has a new management team headed by erstwhile retiree Jack Futterman, the former CEO of Pathmark Stores, and supplemented by new CFO Thomas E. Larson. They negotiated the deal with creditors and have the track record necessary to inspire confidence in creditors.

Last and most compelling is the simple fact that a Party City store remains the prototypical "category killer" in its niche. Like the Home depot of the party supply business, it has the capacity to stifle competitors in most markets, and in spite of its internal trouble, its sales figures appear to have remained strong.

Analysts who follow the company have remarked that it appears "salvageable," and it seem to be more a matter of when the company's shares will be allowed to trade again rather than if they will. When that happens, shares in the major retailer selling at the deflated level of Party City's might be something the long term value investor would profit from examining.

From: *Invest in New Jersey*

YOUR ARA-NJ CALENDAR

September 15th - Regular ARA-NJ meeting at

A1 Tablecloth Company of Hackensack, expert on OSHA will be featured speaker.

(See page 5 for additional details).

October 20th - Board Meeting - Board members to be e-mailed details.

October 31st - November 3rd - ARA's (National) Regional Baltimore meeting

November 17th - Regular ARA-NJ meeting.

Members to be advised of location and program.

January 23rd - Social event currently in the works.

SEPTEMBER'S PROGRAM

"Everything You Ever Wanted to Know About OSHA " might be a good title for the program. Our featured speaker, Jim Lease, is an expert on OSHA. His business, H K Medical Services, Inc., specializes in OSHA-proofing his client's businesses from preparing for inspections to being present through the inspection process to insure their client's rights.

Knowing what to expect and how to deal with OSHA will dispel the terror rampant when OSHA is on the prowl. A little knowledge, in this case, can be helpful to relieve stress.

Also to be included at this meeting is the introduction of a new chair available for rental. We're told it has all the best qualities of plastic and wood but none of the disadvantages of either.

ARE YOU LOOKING FORWARD TO A TRIP?

As technology takes us forward we sometimes lose track of the basics like "housekeeping, in the work place. Perhaps you didn't know that OSHA requires proper occupational house keeping for safety in the workplace. this is not an annoying obligation but rather a aguide to more efficient and effective operation of your business.

Proper housekeeping:

Prevents accidents

Prevents fires

Saves time

Increases the control and production

Reduces waste

Protects employees and equipment

Improves customer image

What's more it can be a source of pride for you and your employees. By keeping aisles and stairs clear, floors clean, tools and equipment properly stored, storing and handling flammable fuels, chemicals and lubricants safely, as well as disposing of waste products promptly and properly you can avoid many daily hazards at your rental business. One of them may be that unwanted trip you made yourself.

Divid Hinck

Safety Chairman

FROM THE "VEEP"

NEW RULES MAY RAISE COST OF LIFE INSURANCE

Now is the time to shop around for low-cost life insurance coverage. Term rates have dropped dramatically, and you can lock in your rate for 20 or 30 years.

Starting next year, the term insurance market is going to change in many states due to new regulations. Policies with long-term premium guarantees are probably going to cost you more.

You'll still have access to low cost term insurance, but the premium will probably be fixed only for 5 or 10 years. At the end of that period the insurer could decide to charge you more.

The reason for this change is that State regulators are concerned some insurers aren't holding enough cash in reserve, so they're changing the way insurers calculate the size of these reserves. The National Association of Insurance Commissioners approved the proposed regulation, known as Triple X, in March. One way for insurers to increase reserves is to raise premiums on policies with long-term guarantees.

Triple X still must be approved by individual states. So far, about 21 states appear to be on board, and New Jersey is one of them. The earliest this change could take effect would be January 1 but it's more likely to happen in the first or second quarter of 2000.

Under Triple X, term policies with rates guaranteed for 20 years and up could cost 10 percent to 40 percent more than now, but policies you've already purchased won't be affected. Term policies with 30-year premium guarantees may no longer be available.

We'll know more next year, but in the meantime if you're thinking of buying term insurance this is the year to do it.

Brian Higgins

Vice President

MAD AS HELL - AND WE SHOULDN'T TAKE IT ANYMORE

Wood stock 1969 was all about drugs, sex and rock n' roll. Wood stock 1999 was all about rioting, banquet table bon fires, and tent tossing. While this may be an exaggeration by the press, as my 17 year old son stated, the fact is destruction of rental equipment took place. Tom Lade of *All County Rentals* in Morristown knows this first hand. He told his story after reading the members communication page on the ARA web site. He had a few small tents at the event which were rented from a customer to cover some ATM machines. When the tents did not come back he called the customer who told him how

the tent stakes were used to break open his ATM machines and how the kids tried to burn the tops and did burn the ropes. The good news was he got the tops back, but the frames were mangled.

This is not the only incident of rental equipment destruction. I'm sure everyone has a story to tell about an event they have done where either the equipment was destroyed if not stolen. I know every year we cringe when it comes time to do a particular annual event. So why do we continue to do it? I don't know, probably for the same reason we started up a rental business to begin with!

As a member of this organization we are constantly talking about our rights, how to protect our selves, getting laws into place such as theft of services. Maybe it's time to ban together and voice our opinions about the lack of respect we are seeing in this country. Act instead of reacting to each situation. ARA-NJ's legislative committee should do it's members justice and form a task force. Maybe the message would spread to National who then could do a Nationwide campaign. We have organizations who support other issues like Aids, Cancer, Education, etc. Why not Respect. And why not an organization such as ARA whose members are being constantly tested on this issue.

Megan Jones

CPR Rental

THE SEPTEMBER MEETING

A-1 Tablecloth Company

239 Berry Street

Hackensack,NJ

Your Host: Murray Vale

Phone: 201-487-1172

Time: 8 PM

Things you should know about A-1:

A-1's CEO Murray Vale says they've been "beating the prices off" competition for over ten years. Their line includes tablecloths, napkins, skirts, and chair covers/sashes and they custom sew to customers' own fabrics.

They carry a wide variety of colors and fabrics to choose from: from polyester, poly-cotton blend, to tissue lame and satin stripe. The newest addition to their line, Cott'n Eze, looks and feels like cotton (holds a fold, absorbs at 85% of the efficiency of cotton and has a good "hand," yet wears and washes like polyester (stain resistant and colorfast). If you think that's enough, you're wrong. they also carry sparkle organza and washable satin to use as great toppers. "And don't forget" Murray adds, "our 90" wide polyester Wellington Damask for beauty at a low price!" This allows A1 Tablecloth to offer up to 90" round or 90" x 90" with no seams.

A1 prides themselves on their quick turn-around. Most orders called in or faxed by noon or 1 PM are usually shipped the same day and never later than the next.

Murray's background includes banking, advertising and sales promotion and he's proud of his background in service oriented businesses. Obviously they're doing something right and, when we get there for the September meeting, you can bet we'll get a peek at how it's done.

DIRECTIONS TO THE SEPTEMBER MEETING

From Western Jersey

Route 80 East to Exit 63B. Left at stop sign to next light. Right at 4th light. left onto First Street (Arena Diner will be on the left). Go 8/10 mile and make left onto Berry Street. A-1 is on left side at end of block.

From NYC

Route 80 West (local lane) to exit 64B. Right at light onto Polifly Rd. Go about 1.8 miles (you will pass Hackensack High School,) and make left onto Berry Street. A-1 is on left side at the end of the block.

OR:

Route 4 West to Hackensack Avenue South (Hackensack business district about 5 miles from GW Bridge). Follow Hackensack Avenue about 1.2 miles to Passaic Street. Right onto Passaic (McDonald's on right,) 1/2 mile over RR tracks. Left onto Second Street - 2 blocks to Berry Street. A-1 is on the left.

From Jersey City

Route 3 West to Route 17 North to Polifly Road exit. Past Arena Diner (on left,) Polifly turns into First street. Go approximately 1.8 miles (you will pass Hackensack High School,) and make left onto Berry Street. A-1 is on left side at end of block.

Garden State Parkway North

Exit 160 Rochelle Park and Passaic Street (1st exit after toll). Take Passaic Street East about 2.5 miles. Right onto Second Street (2 blocks past Amoco gas station). Go 2 blocks to Berry Street. A-1 is on left.

NJ Turnpike North

To route 80 West (local lane) to Exit 64B. Right at light onto Polifly Road. Go about 1.8 miles (you will pass Hackensack High School,) and make left onto Berry Street. A-1 in on left side at end of block.

From South Hackensack

North on Green St. Left onto Lodi Street to top of hill. Right at first light (first Street,) about 1 mile. Left onto Berry Street. A-1 is at corner on left.

RENTAL PROFILING

A few weeks ago this topic came up at an ARA of NJ Board Meeting. I would like to take some time to discuss this issue. Many of you probably remember about 6 months ago when it came up concerning police on the NJ Turnpike using "profiling" to pull over motorists that were suspected for carrying drugs and narcotics. Well, to make a long story short, the Reverend Al Sharpton and others made a big stink, cried racism and that was the end of profiling. I believe a few heads rolled and promises were made to discontinue this practice.

Last week I read in the paper that in the last six months, drug arrests on the turnpike are down 71%. What does this tell you? I don't want to hurt any feelings here, and I don't mean to cause any harm to any particular group, but I see some correlation. Profiling was a poor term used for what was being done. The police department was using statistics and data from previous arrests and situations to determine a model of a "typical" person who might be considered a suspect*. Is this wrong? Isn't this what we all do at times?

When we get burned at the counter by a customer that rents something from us don't we store this information so we won't get burned again? Are we practicing "Rental Profiling"? We all have policies for what to do when we rent, such as rules regarding what ID we take, how much security to charge, what forms of payments to accept, etc... Tell me though, when a suspicious looking customer comes in, do we change the rules? Is a normal \$50 deposit now a \$200 deposit? Do we go in the back and call the bank to see if the check is good? Do we authorize only the security deposit on the credit card or do we debit it right away? Again I ask you are we "Rental profilers"

What we are doing is learning from our mistakes. We are being cautious, and protective of our equipment. We are trying to not make the same mistake twice. The data we gather from past rental experience guides us to make intelligent decisions concerning future transactions. But again I ask, are we "Rental Profiling." Are we racist or prejudice, do we look down upon renting to certain groups of individuals? I would hope not. As business owners and managers, we have a right to decide who we rent to and who we will not.

Many of you have learned that sometimes the people with the most money who live in expensive homes can be the client that gives you the biggest headaches. Are we suppose to treat all customers equal? Should I even be writing about this?

This is a difficult subject to talk about, much less write about. I hope I have given all of you something to think about? I certainly have been pondering this subject since the meeting when the topic came up. I now know how those State troopers feel? Do I think they were wrong for what they were doing? I'll let you know at the next meeting at A-1 Linen in September.

I would love to hear your opinion on this matter. E-mail me at: Tent_man@MSN.COM. By the way, if I come into you store with a leather jacket, a tattoo, an earring, and with holes in my jeans, will you rent to me?

Respectfully, Steve Kohn

*** I have no knowledge of what the police did to suspects after they pulled them over, but I suspect they probably made many peoples lives unnecessarily difficult.**

HAVE YOU BEEN STIFFED?

It seems everybody has similar problems in the rental business and getting robbed in one way or another is a BIG problem we all have faced (or can expect to).

Recently, at a board meeting, board members brought up the subject and all agreed that everyone has something to share about having equipment lost or stolen, or problems getting paid, or with collections. Have you solved a theft problem? Have you been successful in collecting old receivables? How do you protect yourself from "losing" equipment? We would like to make this a topic for a future meeting. Jot down your thoughts on the subject and send them to:

Brian Kreger, Manager, Taylor Rental Center,

284 Springfield Avenue, Berkeley Hgts. NJ 07922

or e-mail: TRCBH@AOL.COM

Thanks, BK

IMPORTANT NOTICE

Brian Higgins of *Inter/National* Insurance has a new cellular phone number: **973/493-3445**

He can also be reached via e-mail at: Bhiggins@rentalins.com

FREE - FREE- FREE It's Web Site Promotion Month!

YOUR COLOR OR BLACK & WHITE AD FOR ONE MONTH

ON THE

ARA-NEW JERSEY

WEB SITE FREE!

Call Steve Kohn

at

Miller's Rental & Sales

732-985-3050

Something on your mind?

Share it with fellow members of ARA-New Jersey even if it's a gripe. Fax or e-mail Carl:
FAX: 201-236-8934 e-mail: poppicarl@msn.com

From the New York Times, Sunday 8/22:

GOODS READY TO RENT, STOCKS READY TO GROW

By Sana Siwolop

It was just over a year ago that investors were engaged in an industrial-sized obsession with the stocks of equipment rental companies - businesses that rent out everything from bulldozers to 100-foot long telescopic boom lifts to generators and hand tools. At the end of July 1998, the industry's bellwether stock - **United Rentals** of Greenwich, Conn. - was trading at a lofty price over \$48, or 48 times analysts' estimates of earnings per share for the year.

Since then, however, the romance has faded: **United Rentals** fell to less than \$11 by fall and closed on Friday [8/20] at \$26.6875, still 44.5% below the July 1998 high. Rivals have more or less followed it down.

Despite that rough ride, analysts see much to recommend the sector.

John Moiner, a managing director at **Brown Brothers Harriman & Company**, sees two reasons for optimism about this \$20 billion industry. First it continues to benefit from a national trend - in which companies are contracting for use of equipment they once might have owned. Second, the biggest of the rental concerns are now large enough to set up lucrative accounts with national customers.

Another positive sign for these stock is the fragmentation in the industry, which makes it ripe for consolidation. Despite a recent acquisition frenzy - **United Rentals** has already bought more than 60 companies this year - analysts say there are still 20,000 smaller, mostly family-owned concerns across the country.

Last year's selloff in the stocks can be attributed, in part, to the perception that the rental business is cyclical. Such businesses were thought to be vulnerable to a downturn as investors fretted over economic problems in Asia and Russia.

"We think that people have looked at this as a cyclical industry," said Stefan Mykytiuk, an analyst at **Baron Capital Group**, a money management firm in New York. But Baron, he said, sees a "very strong" long-term change toward renting rather than owning equipment.

Generally analysts expect the industry to grow 15 to 20 percent a year over the next three to five years.

This year, even with a renaissance in cyclical stocks, the equipment rental issues have generally remained grounded, in part because of concern about rising interest rates.

According to Andrew W. Jeffrey, an analyst at **BancBoston Robertson Stevenson**, **United Rentals** is now trading at just 12.1 times his 2000 earnings estimate of \$2,20 a share.

Another big company, **National Equipment Services** of Evanston, Ill., closed on Friday at \$8.5625, just 7.5 times analysts' estimated earning per share for next year and 33.5 percent below its 52 week high of \$12.875, on June 30. Mr. Molner said National has carved out a sizable business by renting specialty equipment, like pumps used in oil refineries; rental rates for such equipment are not particularly vulnerable to economic down turns. he thinks its stock is worth \$17 a share.

In July, Mr. Jeffrey started following **Nationsrent**, based in Fort Lauderdale, Fla. He likes the company's efforts to build strong brand name as well as its wide selection of equipment. He predicts that its earnings will rise 20 percent annually over the next three to five years.

As for **United Rentals**, Mr. Jeffrey thinks it should trade 20 times his forecast for 2000 earnings, which would give it a price of \$44 a share.

Mr. Mykytiuk also likes **United Rentals**. "We think that they are the one best positions to capitalize on this growth," he said.

RENT-A-FUNERAL

Modern technology is not always the panacea we believe it to be. It can create problems where none existed before. Today's automobiles, for example, are programmed to do everything but steer and brake, yet even these labor intensive actions are "assisted."

In our new van - actually it's not that new and it's more of an overgrown station wagon than a van - automation has taken over many of the driver's duties. At the push of a button the doors unlock and once you start the engine they lock again. They unlock instantly once more when the engine is turned off. To be locked when the engine is running is for safety - providing no one needs to leave the car hastily. Unfortunately, that surely would be when you won't find where the lock override switches are because you've never used them. I won't give an example of a situation when this might occur because any scenarios I can think of is unpleasant - in fact they're downright scary.

Even our van's side doors open and close at the touch of a button on a remote and the rear windows do the same. A chime also sounds if the turn signals stay on too long. This is a boon since I've been known to drive from here to Columbus, Ohio signaling for a left turn all the way.

Another handy-dandy feature of our car/van is automatic headlights. Even during the day, running lights go on by themselves as soon as you start up, then, when twilight comes

upon you, they switch to full headlight mode automatically. I haven't had to think to turn the headlights on or off since we've had this vehicle. This creates a problem when we use our old car, a car that believes the only thing it's required to do is get you from here to there. At night, when in the old bus, I'll complain about how dark the roads are and the wife says, "They'd be brighter if you turned on the headlights."

There are other disadvantages to automatic headlights. Disadvantages I realized only recently when we had occasion to be part of a funeral procession. It began uneventfully enough when, after saying our good-byes to the departed, we lined up in our cars and the drivers were instructed to turn on their headlights. This was meant to keep the funeral procession together as it processed to the church. It worked very well. The whole procession got through stoplights and stop signs without being cut up into segments by unrelated cars.

I didn't realize there might be a problem until we left the church and headed for the cemetery. It might not have been so bad if the cemetery was not a long way off, but it was. Soon after our line of mourners entered the Garden State Parkway we were in trouble. There were hundreds of cars zooming by us and it seemed most of them had their automatic headlights on that bright morning.

Some of our drivers contributed to the problem by not staying close in the procession thus allowing commuters to join our line. At one point two police cars danced in and out of our procession. That wasn't the worst of it though, once off the parkway and onto the interstate a couple of eighteen wheelers became a part of the funeral entourage. That we arrived at the cemetery together was a miracle.

"There has to be a better way," I thought, but the only idea I could come up with was to hire an Atlantic City express bus to deliver all mourners to the cemetery as a unit. An added advantage would be that each mourner could receive a \$15.00 roll of quarters upon assembling at the burial plot.

It could work, of course, but, also of course, it wouldn't be cost effective. I wondered how funerals traveled before automatic headlights and I remembered the little flags they used to attach to the left front fender of each car in a funeral procession. The flags stood above the hoods of the participating cars and, unlike headlights, left no question that these folks were meant to stay together as part of a funeral procession.

You know what was nice about those flags, too? As your procession drove through town, men would doff their hats in respect and woman would pause to offer a prayer. A nicety that has disappeared with automatic head lights.

So much for modern technology.

Carl Sparacio

THIS AND THAT

Congratulations are in order for Joe and Lori Mihalko - *Do It Yourself in Whippany* - they produced a 5 lb. 13 oz. bouncing baby boy who stands a full 19" tall.

The happy event occurred on May 15th (we were remiss in not reporting it earlier). The littlest Mihalko is named Joseph Edward and Mom and Dad and little sister are doing fine (no need to mention that grandma and grandpa are popping their buttons).

While were on the *Mihalko* gang we really must mention brother Mike of *A Party Pleasing Rental* who has been busy, too. Mike Mihalko married the lovely Andee on July 17th - and guess where they honeymooned? In Iceland, that's where (obviously this romance was too hot for the Poconos).

Congratulations Mike and Andee - we don't suppose there's a need to thaw out.

About a month or so ago Steve Kohn, *Miller's Sales and Rentals* in Edison, Came up with a case of poison Ivy. Don't let him tell you he got it playing in the park with his son.

Speaking of *Miller's Sales and Rentals*, Manager, Damon Ferber, spent his vacation on St. John's in the Caribbean. While relaxing on the beach he noted a Rental Truck parked nearby that was painted with the logo of ARA-New Jersey's own *Ken Rent's* in Bernardsville. We missed Ken

when we called to ask about it but the fellow who answered the phone hinted that he was off making another delivery in the Bahamas.

Congratulations are in order, too, for Ken Persson of Maywood Furniture. Ken recently won a State Tennis Championship in his age bracket. We asked, "what age bracket," and Ken said he'd get back to us.

We're not holding our breath.



ARA of NJ

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Revised: