

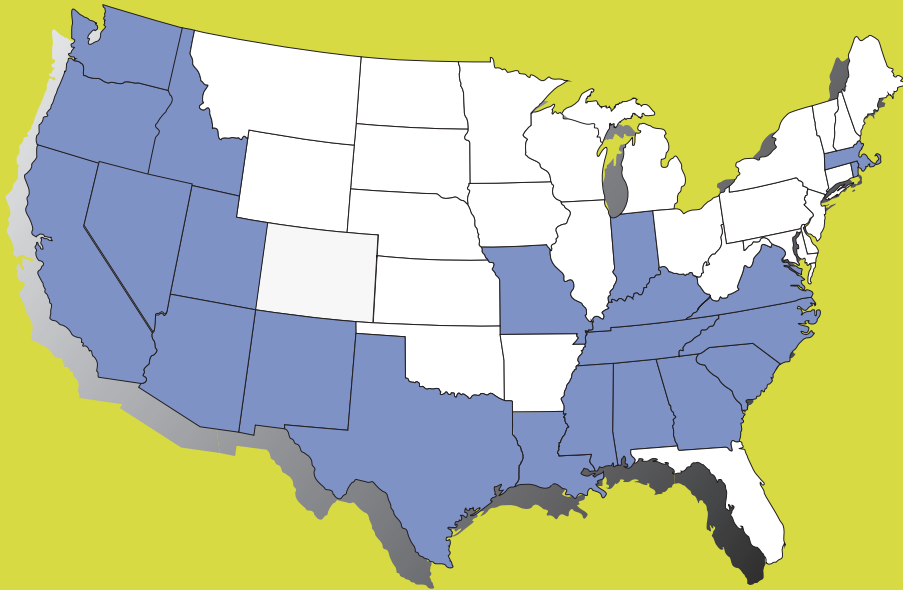


TRS DEALER PROGRAM



A
SUCCESSFUL,
PROFITABLE
PARTNERSHIP

COMPANY PROFILE



Company Profile

- Established in 1983
- Corporate headquarters located in Scottsdale, Arizona
- Over 120 locations in 21 states, working with stores from as small as \$8 million in annual sales to chains exceeding \$200 million in annual sales.

Mission Statement

To provide quality home furnishings through innovative industry practices while encouraging employee growth opportunities through profitable business practices.



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IMPACT ON RETAIL SALES VOLUME

Approval Rate

Historically, TRS has approved 98% of all customers who were turned down for financing.

- Customers are “Approved” based on the stability of their income and residence.
- Customers are “Qualified” for a dollar amount based on their combined time on the job and at their residence.

Conversion

TRS successfully converts about 70% of the 98% approved into actual sales for the Retailer.

Impact

The following example shows how our partnership increases retail sales volume:

Annual Retail Volume:	\$15 million
Percent of Credit Sales:	30%
Percent Turned Down:	25%
\$15 million x 30% financed	= \$4.5 million in credit sales
\$4.5 million / 75% approved	= \$6 million in credit applications
\$6 million x 25% turndown	= \$1.5 million in lost sales
\$1.5 million x 70% conversion	= \$1.05 million in increased sales

Note: the above example only considers new business. An additional increase in business will be generated through “repeat business” as a result of TRS maintaining a department on-site at the Retailer’s location(s).

TRS Purchases

TRS will purchase all merchandise, warranties and fabric protection plans. Discounts on merchandise are dependent on volume. Contact us for complete details.

Note: TRS will pay standard delivery fees.

OPERATIONAL CONSIDERATIONS

Converting Turndowns

Our ability to convert turndowns is dependent upon:

- Our ability to be involved in the sale at the time the customer is turned down – *while the customer is still in the store.*
- The full cooperation of your sales staff in order to “save” the sale.

Note: TRS will conform completely to the Retailer’s procedure for referring turndown customers.

Flexible Payment Program

The TRS Lease Purchase Program (“In-House Payment Program”) provides the customer with the following benefits:

- Monthly payments only.
- The customer has the option of making a specific number of payments (term) to acquire ownership or may exercise an Early Purchase Option at any time during the contract and save money accordingly.
- In addition, the customer has the option of exercising an Early Purchase Option for individual items on the contract resulting in both savings on the purchase and a lower monthly payment on the remaining items that are on the lease.
- All contracts are reported to Experian, a credit reporting agency, providing the customer with the ability to establish or re-establish credit.
- TRS provides complete disclosure at the point of sale to insure the customer understands the terms of the contract as well as the options that are available to acquire ownership.

Note: All customers are required to make an initial payment of approximately 15% of the cash price prior to delivery which will be applied to the delivery charge, processing fee, deposit (if applicable) and first payment.

The Transaction

The purchase of merchandise from the Retailer by TRS is a **cash sale.**

- TRS will be the Retailer’s largest cash customer.
- TRS contracts directly with the customer. This includes preparing and signing all necessary forms with the customer.
- The Retailer’s only obligation to TRS is to deliver the merchandise and provide the same customer service in the same manner as the Retailer extends to all of its customers.
- TRS purchases the merchandise directly from the Retailer and will remain the owner of the merchandise until the customer acquires ownership by either making the specified number of payments (term) or exercises an Early Purchase Option.
- All paperwork normally given to the customer by the Retailer at time of sale will instead be given to TRS.
- All Retail Sales Invoices must include both TRS and the customer’s name in the “Sold To” line.
- TRS will submit the following information for each sales ticket converted (“TRS Finalized Sales Ticket”):
 - Merchandise description
 - Approval signature from TRS employee to authorize purchase
 - Adjusted sales amount
 - All pertinent delivery information
- Upon receiving the “TRS Finalized Sales Ticket,” the Retailer will give to TRS a computer-generated invoice (which would have normally been given to the customer) confirming the merchandise has been ordered and that the information is correct.

Delivery / Pickup

Once the merchandise is available for delivery (received), the Retailer must contact TRS **prior to scheduling the delivery** for final approval in order to insure that the customer has paid the initial payment.

- Retailer must obtain confirmation of any delivery/pickup (customer signature).
- Retailer will handle any service issue or delivery damage issue in the same manner as the Retailer would for any of it's customers.
- TRS will hold the customer responsible to the same standards set forth by the Retailer regarding pricing, cancellation, restocking, re-selecting and/or delivery policies.

TRS Payment to Retailer

- Retailer will provide the TRS Department with a weekly billing for completed deliveries which will include, at a minimum, the following information:
 - Customer's name
 - Adjusted price for merchandise, warranties and fabric protection
 - Full cost of delivery
- The weekly billing will include a copy of the delivery-confirmation sheet completed for each name on the billing.
- The TRS Department will perform a "quick" reconciliation and forward to TRS Corporate for payment by wire transfer directly to the Retailer's account.
- Total turn-around time should be within 5 business days.

Note: Billings can be performed more frequently than once a week, if volume dictates.

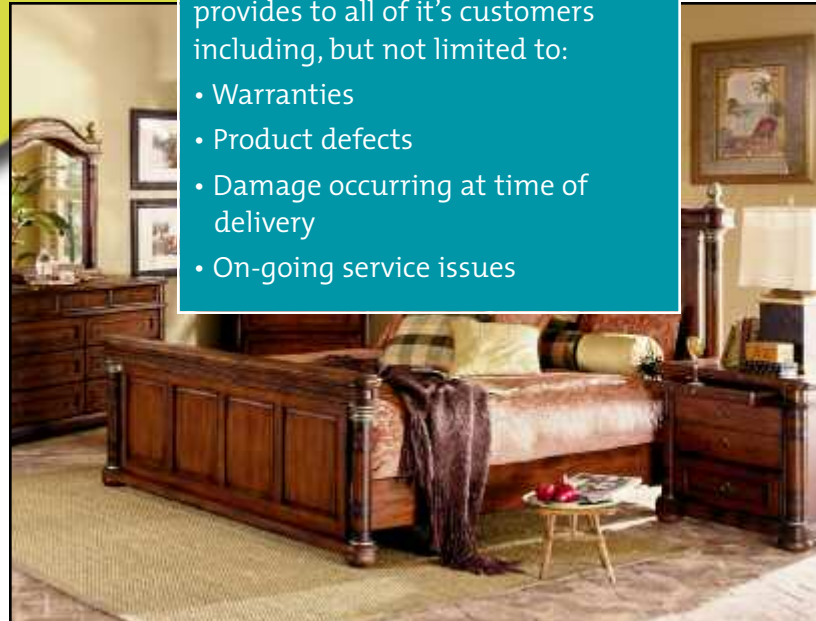
Minimum Turndown Volume

Our ability to staff locations during business hours and maximize turndown conversions requires that we generate at least \$40,000 per location in product purchases from the Retailer. This, in turn, requires at least \$50,000 of credit turndowns per month, per location, be available for us to work with. Smaller levels of credit turndowns may be considered, depending on local demographics, in conjunction with a specialized advertising commitment by the Retailer sufficient to drive the \$40,000 per location in product purchases required.

Customer Service

Retailer will provide all TRS customers the same services in the same manner that the Retailer provides to all of it's customers including, but not limited to:

- Warranties
- Product defects
- Damage occurring at time of delivery
- On-going service issues



Retailer will provide TRS with office space adjacent to the show-room floor in order to facilitate customer turndown conversion efficiently. Due to compliance requirements for protection of consumer information, the office area must be enclosed by walls or modular segments which can be secured by a locking door.

- TRS will staff it's department during the Retailer's hours of operation.
- TRS will furnish all office furniture, computers and phone systems.
- TRS staff will conform to the dress code requirements set forth by the Retailer.

RETAIL SALES MEETINGS

In an effort to maintain the highest level of turndown conversion possible on an on-going basis, TRS will need to be involved in the regularly scheduled sales meetings in order to:

- Insure sales staff is knowledgeable regarding the key selling points of the TRS program.
- Insure that the TRS staff is knowledgeable regarding the Retailer's current sales promotions.
- Review previous results by number of turndowns and dollar amounts for customers who were:
 - Submitted to TRS
 - Converted by TRS
 - Not interested

Note: Data will be broken down by salesperson and store location.



- Incorporating the TRS program will have a significant impact on increasing your Retail Sales Volume.
- TRS is willing to invest in the systems, staffing and training necessary to accomplish this in a comprehensive and professional manner.





**For more information,
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