

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

SCHEDULE 13D
(RULE 13D-101)

INFORMATION TO BE INCLUDED IN STATEMENTS FILED
PURSUANT TO RULE 13D-1(A) AND AMENDMENTS THERETO
FILED PURSUANT TO RULE 13D-2(A)

(Amendment No.1)/1/
-

RENTERS CHOICE, INC.

(Name of Issuer)

COMMON STOCK

(Title of Class of Securities)

760114108

(CUSIP Number)

John F. Hartigan, Esq.
Morgan, Lewis & Bockius LLP
300 South Grand Avenue
Los Angeles, California 90071-3132
(213) 612-2500

(Name, Address and Telephone Number of Person
Authorized to Receive Notices and Communications)

August 18, 1998

(Date of Event Which Requires Filing of This Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition which is the subject of this Schedule 13D, and is filing this schedule because of Rule 13d-1(e), 13d-1(f) or 13d-1(g), check the following box [].

NOTE: Schedules filed in paper format shall include a signed original and five copies of the schedule, including all exhibits. See Rule 13d-7(b) for other parties to whom copies are to be sent.

/1/ The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page.

The information required on the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

SCHEDULE 13D

CUSIP NO. 760114108

PAGE 2 OF 8 PAGES

1 NAME OF REPORTING PERSON
S.S. I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)
Apollo Investment Fund IV, L.P.

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP*
(a)
(b)

3 SEC USE ONLY

4 SOURCE OF FUNDS*
00

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT
TO ITEMS 2(d) or 2(e)

6 CITIZENSHIP OR PLACE OF ORGANIZATION
Delaware

7 SOLE VOTING POWER
NUMBER OF
SHARES 8,493,610 shares of Common Stock

8 SHARED VOTING POWER
BENEFICIALLY OWNED BY
EACH 357,974 shares of Common Stock

9 SOLE DISPOSITIVE POWER
REPORTING PERSON 8,493,610 shares of Common Stock

10 SHARED DISPOSITIVE POWER
WITH 357,974 shares of Common Stock

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
8,851,584 shares of Common Stock

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES*

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)
26.9%

14 TYPE OF REPORTING PERSON*
PN

*SEE INSTRUCTIONS BEFORE FILLING OUT!
INCLUDE BOTH SIDES OF THE COVER PAGE, RESPONSES TO ITEMS 1-7
(INCLUDING EXHIBITS) OF THE SCHEDULE, AND THE SIGNATURE ATTESTATION.

SCHEDULE 13D

CUSIP NO. 760114108

PAGE 3 OF 8 PAGES

1 NAME OF REPORTING PERSON
S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON
Apollo Overseas Partners IV, L.P.

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP*
(a)
(b)

3 SEC USE ONLY

4 SOURCE OF FUNDS*
00

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT
TO ITEMS 2(d) or 2(e)

6 CITIZENSHIP OR PLACE OF ORGANIZATION
Delaware

7 SOLE VOTING POWER
NUMBER OF 7
SHARES 455,736 shares of Common Stock

8 SHARED VOTING POWER
BENEFICIALLY OWNED BY 8
EACH 357,974 shares of Common Stock

9 SOLE DISPOSITIVE POWER
REPORTING PERSON 9
455,736 shares of Common Stock

10 SHARED DISPOSITIVE POWER
WITH 10
357,974 shares of Common Stock

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
813,710 shares of Common Stock

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES*

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)
3.3%

14 TYPE OF REPORTING PERSON*
PN

*SEE INSTRUCTIONS BEFORE FILLING OUT!
INCLUDE BOTH SIDES OF THE COVER PAGE, RESPONSES TO ITEMS 1-7
(INCLUDING EXHIBITS) OF THE SCHEDULE, AND THE SIGNATURE ATTESTATION.

SCHEDULE 13D

CUSIP NO. 760114108

PAGE 4 OF 8 PAGES

1 NAME OF REPORTING PERSON
S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON
Apollo Advisors IV, L.P.

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP*
(a)
(b)

3 SEC USE ONLY

4 SOURCE OF FUNDS*
00

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT
TO ITEMS 2(d) or 2(e)

6 CITIZENSHIP OR PLACE OF ORGANIZATION
Delaware

7 SOLE VOTING POWER
NUMBER OF 7
SHARES 8,949,346 shares of Common Stock

8 SHARED VOTING POWER
BENEFICIALLY OWNED BY 8
EACH 357,974 shares of Common Stock

9 SOLE DISPOSITIVE POWER
REPORTING PERSON 9
8,949,346 shares of Common Stock

10 SHARED DISPOSITIVE POWER
WITH 10
357,974 shares of Common Stock

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
9,307,320 shares of Common Stock

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES*

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)
27.9%

14 TYPE OF REPORTING PERSON*
PN

*SEE INSTRUCTIONS BEFORE FILLING OUT!
INCLUDE BOTH SIDES OF THE COVER PAGE, RESPONSES TO ITEMS 1-7
(INCLUDING EXHIBITS) OF THE SCHEDULE, AND THE SIGNATURE ATTESTATION.

STATEMENT PURSUANT TO RULE 13d-1

OF THE

GENERAL RULES AND REGULATIONS

UNDER THE

SECURITIES EXCHANGE ACT OR 1934, AS AMENDED

=====
This Amendment No. 1 amends and supplements the following Items of the Schedule 13D (the "Schedule 13D") of Apollo Investment Fund IV, L.P., Apollo Overseas Partners IV, L.P. and Apollo Advisors IV, L.P. (the "Reporting Persons") originally filed on August 17, 1998 with the Securities and Exchange Commission with respect to the shares of Common Stock, par value \$.01 per share, of Renters Choice, Inc. ("Renters Choice" or the "Issuer"). Unless otherwise indicated, all capitalized terms used but not defined herein have the meanings set forth in the Schedule 13D.

Responses to each item below are incorporated by reference into each other item, as applicable.

Item 5. Interest in Securities of the Issuer.
- - - - -

Item 5 is hereby amended and restated in its entirety to read as follows:

(a) The Reporting Persons beneficially own 134,414 shares of Series A Preferred Stock and 115,586 shares of Series B Preferred Stock. Each share of Series A Preferred Stock is convertible into approximately 35.797 shares of Common Stock as described in Item 4, or an aggregate of 4,811,670 shares of Common Stock. Assuming approval of the Series A-to-B Conversion on or prior to December 3, 1998, each share of Series B Preferred Stock would be automatically converted into approximately 35.797 shares of Common Stock, or an aggregate of 4,137,676 shares of Common Stock. Assuming the conversion of all of the shares of Preferred Stock as of the date hereof, the Reporting Persons would own in the aggregate 8,949,346 shares of Common Stock of the Issuer, representing approximately 26.3% of the outstanding Common Stock of the Issuer. The number of shares of Common Stock into which shares of Series B Preferred Stock are convertible may be increased upon the occurrence of certain events as described in Item 4. Beneficial ownership of such shares of Series A Preferred Stock and Series B Preferred Stock was acquired as described in Item 3 and Item 4.

Pursuant to an Agreement entered into among AIFIV, Overseas IV, RC Acquisition Corp. and the Issuer (described in Item 6 below), the Reporting Persons may be deemed to have shared voting and/or dispositive power with respect to an additional 5,377 shares of Series A Preferred Stock, which are convertible into approximately 192,483 shares of Common Stock, and an additional 4,623 shares of Series B Preferred Stock, which are convertible into approximately 165,491 shares of Common Stock, or 357,974 shares of Common Stock in the aggregate.

See also the information contained on the cover pages to this Amendment to Schedule 13D which is incorporated herein by reference.

(b) See the information contained on the cover pages to this Amendment to Schedule 13D which is incorporated herein by reference.

(c) There have been no reportable transactions with respect to the Common Stock of the Issuer within the last 60 days by the Reporting Persons, except as described in the Schedule 13D.

(d) Not applicable.

(e) Not applicable.

Item 6. Contracts, Arrangements, Understandings or Relationships With Respect

to the Securities of the Issuer.

Item 6 is hereby amended and restated in its entirety to read as follows:

The response to Item 3 and Item 4 are incorporated herein by reference.

Pursuant to an Agreement dated as of August 18, 1998 (the "RC Acquisition Agreement") among AIFIV, Overseas IV, RC Acquisition Corp., a wholly-owned subsidiary of The Bear Stearns Companies Inc. ("RC Acquisition"), and the Issuer, RC Acquisition has agreed not to transfer 5,377 shares of Series A Preferred Stock and 4,623 shares of Series B Preferred Stock (collectively, the "RC Preferred Stock") owned by it except to certain affiliated entities. Pursuant to the RC Acquisition Agreement, RC Acquisition has granted to AIFIV and Overseas the right to vote the RC Preferred Stock and to participate in, consent to or ratify any corporate or stockholders' action afforded to holders of the RC Preferred Stock. In addition, pursuant to the RC Acquisition Agreement, if AIFIV or Overseas shall at any time convert any shares of Series A Preferred Stock into Common Stock, Series B Preferred Stock into Series A Preferred Stock, or Series B Preferred Stock into non-voting Common Stock, RC Acquisition shall be required to convert a pro rata number of shares of its Series A Preferred Stock into Common Stock, Series B Preferred Stock into Series A Preferred Stock or Series B Preferred Stock into non-voting Common Stock, as the case may be. The RC Acquisition Agreement also provides that, in connection with a sale by AIFIV and Overseas of Preferred Stock to a third party, AIFIV and Overseas shall be entitled to cause RC Acquisition to sell in such sale to such third party upon the same terms and conditions as the sale by AIFIV and Overseas a pro rata amount of the shares of Preferred Stock owned by RC Acquisition. The RC Acquisition Agreement terminates upon the earliest to occur of the following events: (i) the mutual agreement of the parties thereto; (ii) with respect to any party, such party ceasing to own any Preferred Stock; and (iii) the eleventh anniversary of the date of the RC Acquisition.

Pursuant to a Letter Agreement dated July 8, 1998 among Apollo Management IV, J. Ernest Talley and Mark E. Speese, an Amendment to Letter Agreement dated August 5, 1998 between Apollo Management IV and Mr. Talley, and an Amendment to Letter Agreement dated August 5, 1998 between Apollo Management IV and Mr. Speese, Mr. Talley and Mr. Speese have agreed to vote the shares of Common Stock owned by them in favor of the

Series A-to-B Conversion. To the knowledge of the Reporting Persons, Mr. Talley and Mr. Speese own 4,903,166 and 2,288,432 shares of Common Stock, respectively.

The foregoing descriptions do not purport to be complete and are qualified in their entirety by reference to (i) the RC Acquisition Agreement, the full text of which has been filed as an Exhibit to this Amendment and is incorporated herein by reference, and (ii) the Letter Agreement, the full text of which has been filed as Exhibit 4 to the Schedule 13D and is incorporated herein by reference.

The amounts reported on the cover pages and in Item 5 to this Amendment do not include shares owned by Mr. Talley and Mr. Speese, and the Reporting Persons disclaim beneficial ownership of all shares owned by each of them. Nothing in this Schedule 13D shall constitute an admission that any Reporting Person constitutes a group with RC Acquisition, Mr. Talley and/or Mr. Speese.

Item 7. Material to be Filed as Exhibits.

Item 7 is hereby amended by adding the following item as an Exhibit:

Exhibit 5 Agreement dated as of August 18, 1998 among AIFIV, Overseas IV and RC Acquisition Corp.

SIGNATURE

After reasonable inquiry and to the best of their knowledge and belief, the undersigned certify that the information set forth in this statement is true, complete and correct.

Dated: August __, 1998

APOLLO INVESTMENT FUND IV, L.P.

By: Apollo Advisors IV, L.P.,
its General Partner
By: Apollo Capital Management IV, Inc.,
its General Partner

By: _____
Name: Michael D. Weiner
Title: Vice President, Apollo Capital Management IV,
Inc.

APOLLO OVERSEAS PARTNERS IV, L.P.

By: Apollo Advisors IV, L.P.,
its Managing General Partner
By: Apollo Capital Management IV, Inc.,
its General Partner

By: _____
Name: Michael D. Weiner
Title: Vice President, Apollo Capital Management IV,
Inc.

APOLLO ADVISORS IV, L.P.

By: Apollo Capital Management IV, Inc.,
its General Partner

By: _____
Name: Michael D. Weiner
Title: Vice President, Apollo Capital Management IV,
Inc.

AGREEMENT

AGREEMENT (the "Agreement"), dated as of August 18, 1998, by and among (i) each of Apollo Investment Fund IV, L.P., a Delaware limited partnership, and Apollo Overseas Partners IV, L.P., an exempted limited partnership registered in the Cayman Islands acting through its general partner (individually and collectively with their Permitted Transferees (defined below), "Apollo"), (ii) RC Acquisition Corp., a Delaware corporation (individually and collectively with its Permitted Transferees, "RC Acquisition") and a wholly-owned subsidiary of The Bear Stearns Companies Inc., (iii) Renters Choice, Inc., a Delaware corporation (the "Company") and (iv) each other Person (defined below) who becomes a party to this Agreement in accordance with the terms hereof.

W I T N E S S E T H :
- - - - -

WHEREAS, this Agreement shall become effective (the "Effective Date") on the date of, and simultaneously with, the closing under the Stock Purchase Agreement, dated as of August 18, 1998, between the Company and RC Acquisition (the "Stock Purchase Agreement") pursuant to which the Company will sell and RC Acquisition will purchase 10,000 shares of Preferred Stock of the Company; and

WHEREAS, the parties hereto desire to restrict the sale, assignment, transfer, encumbrance or other disposition of the Preferred Stock (as defined herein), and to provide for certain rights and obligations in respect to the Preferred Stock as hereinafter provided.

NOW THEREFORE, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS

Section 1.1 Definitions. As used in this Agreement, the following terms have the following meanings:

"Affiliate" as applied to any specified Person, shall mean any other

Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person and, in the case of a Person who is an individual, shall include (i) members of such specified Person's immediate family (as defined in Instruction 2 of Item 404(a) of Regulation S-K under the Securities Act) and (ii) trusts, the trustee and all beneficiaries of which are such specified Person or members of such Person's immediate family as determined in accordance with the foregoing clause (i). For the purposes of this definition, control when used with respect to any Person means the power to direct the management and policies of such person, directly or indirectly, whether through the ownership of voting securities, by contract or

otherwise; and the terms "affiliated," "controlling" and "controlled" have meanings correlative to the foregoing. Notwithstanding the foregoing, Apollo and its Affiliates shall not be deemed Affiliates of the Company for purposes of this Agreement.

"Apollo Included Shares" shall mean those shares of Preferred Stock

beneficially owned by Apollo.

"beneficial owner" of a security shall mean any person who, directly

or indirectly, through any contract, arrangement, understanding, relationship, or otherwise has (i) the power to vote, or to direct the voting of, such security or (ii) the power to dispose, or to direct the disposition of, such security.

"Business Day" shall mean each day other than Saturdays, Sundays and

days when commercial banks are authorized to be closed for business in New York, New York.

"Certificates of Designations" shall mean the Certificates of

Designations of the Series A and B Preferred Stock in the forms attached as exhibits to the Stock Purchase Agreement.

"Common Stock" shall mean the Common Stock of the Company.

"Company" shall have the meaning set forth in the preamble.

"Effective Date" shall have the meaning set forth in the recitals.

"Notices" shall have the meaning set forth in Section 5.5.

"Permitted Transferee" shall mean:

(a) in the case of Apollo (i) any officer, director or partner of, or Person controlling, Apollo, (ii) any other Person that is (x) an Affiliate of the general partners, investment managers or investment advisors of Apollo, (y) an Affiliate of Apollo or a Permitted Transferee of an Affiliate or (z) an investment fund, investment account or investment entity whose investment manager, investment advisor or general partner thereof is Apollo or a Permitted Transferee of Apollo or (iii) if a Permitted Transferee of a Person set forth in the foregoing clauses (i) and (ii) is an individual, (x) any spouse or issue of such individual, or any trust solely for the benefit of such individual, spouse or issue, and (y) upon such individual's death, any Person to whom Preferred Stock is transferred in accordance with the laws of descent and/or testamentary distribution, in each case in a bona fide distribution or other transaction not

intended to avoid the provisions of this Agreement;

(b) in the case of RC Acquisition, (i) any Person that is solely controlled by RC Acquisition, (ii) any partnership in which the general partner is The Bear Stearns Companies

Inc. or one of its Affiliates or (iii) any fund in which the manager is The Bear Stearns Companies Inc. or one of its Affiliates; and

(c) any Person who is a party to this Agreement.

"Person" shall mean an individual or a corporation, limited liability

Company, partnership, trust, or any other entity or organization, including a government or political subdivision or an agency or instrumentality thereof.

"Preferred Stock" shall mean the Series A Preferred Stock and the

Series B Preferred Stock issued on or prior to the Effective Date, together with any Preferred Stock issued after the Effective Date by way of a stock dividend, distribution, exchange or conversion of the Preferred Stock. "Preferred Stock" shall not include any shares of Common Stock issued as a result of conversion of Preferred Stock or otherwise.

"RC Acquisition Included Shares" shall mean those shares of Preferred

Stock beneficially owned by RC Acquisition or any its Transferees.

"Securities Act" shall mean the Securities Act of 1933, as amended,

and the rules and regulations thereunder.

"Series A Preferred Stock" shall mean the Series A Preferred Stock of

the Company.

"Series B Preferred Stock" shall mean the Series B Preferred Stock of

the Company.

"Stock Purchase Agreement" shall have the meaning set forth in the

recitals.

"Transfer" shall mean (i) when used as a noun: any direct or indirect

transfer, sale, assignment, pledge, hypothecation, encumbrance or other disposition and (ii) when used as a verb: to directly or indirectly transfer, sell, assign, pledge, hypothecate, encumber, or otherwise dispose of.

"Transferee" shall mean any Person to whom Preferred Stock has been

Transferred in compliance with the terms of this Agreement.

ARTICLE II

RESTRICTIONS ON TRANSFERS

Section 2.1 Transfers in Accordance with this Agreement. Any

attempt to Transfer, or purported Transfer of, the RC Acquisition Included Shares in violation of the terms of this Agreement shall be null and void. The Company will not register upon its books, and

shall instruct its transfer agent not to register on its books, any such Transfer. A copy of this Agreement shall be filed with the Secretary of the Company and the Company's transfer agent and kept with the records of the Company.

Section 2.2 Agreement to be Bound.

(a) RC Acquisition shall not Transfer any RC Acquisition Included Shares except to a Permitted Transferee.

(b) No Transfer to a Permitted Transferee of RC Acquisition Included Shares as provided in the foregoing clause (a) of this Section 2.2 shall be permitted unless (i) the certificates representing such RC Acquisition Included Shares issued to the Transferee bear the legend provided in Section 2.3 and (ii) the Transferee (if not already a party hereto) has executed and delivered to each other party hereto, as a condition precedent to such Transfer, an instrument or instruments, reasonably satisfactory to the non-transferring parties hereto, confirming that the Transferee agrees to be bound by the terms of this Agreement in the same manner as RC Acquisition.

Section 2.3 Legend. Each outstanding certificate representing

Apollo Included Shares or RC Acquisition Included Shares shall bear a legend reading substantially as follows:

THE SHARES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO RESTRICTIONS ON TRANSFER AND OBLIGATIONS, TO WHICH ANY TRANSFEREE AGREES BY HIS ACCEPTANCE HEREOF, AS SET FORTH IN THE AGREEMENT, DATED AS OF AUGUST 18, 1998, COPIES OF WHICH MAY BE OBTAINED FROM THE COMPANY. NO TRANSFER OF SUCH SHARES WILL BE MADE ON THE BOOKS OF THE COMPANY UNLESS ACCOMPANIED BY EVIDENCE OF COMPLIANCE WITH THE TERMS OF SUCH AGREEMENTS AND BY AN AGREEMENT OF THE TRANSFEREE TO BE BOUND BY THE RESTRICTIONS SET FORTH IN SUCH AGREEMENTS.

ARTICLE III

VOTING, CONVERSION, SALES

Section 3.1 Powers and Rights Granted to Apollo. During the term

of this agreement, Apollo shall be the sole possessor of the following stockholders' rights in the RC Acquisition Included Shares:

- (a) the right to vote the RC Acquisition Included Shares in person or by nominee, agent, attorney-in-fact or proxy at all meetings of stockholders;
- (b) the right to participate in, consent to, or ratify any corporate or stockholders' action afforded to holders of the RC Acquisition Included Shares; and

- (c) without limiting the foregoing, the voting rights set forth in section 4 of the Certificate of Designations, Preferences and Relative Rights and Limitations of Series A Preferred Stock, and the consent rights set forth in section 5 of the Certificate of Designations, Preferences and Relative Rights and Limitations of Series B Preferred Stock.

Section 3.2 Conversion. If Apollo shall at any time or from time

to time convert pursuant to the terms of the Certificates of Designations any shares of (i) Series A Preferred Stock into Common Stock, (ii) Series B Preferred Stock into Series A Preferred Stock, or (iii) Series B Preferred Stock into Non-Voting Common Stock, in each such case, RC Acquisition shall also convert a pro rata number of shares of its Series A Preferred Stock into Common Stock, Series B Preferred Stock into Series A Preferred Stock or Series B Preferred Stock into Non-Voting Common Stock, as the case may be. The parties understand that such pro rata number shall be equal to the product of (i) the total number of shares of the series of Preferred Stock being converted by Apollo times (ii) a fraction, the numerator of which is equal to the aggregate number of shares of such series of Preferred Stock owned by RC Acquisition and the denominator of which is equal to the total number of shares of such series of Preferred Stock owned by Apollo. Without limiting the foregoing, each party hereto agrees that if Apollo converts all of its shares of (i) Series A Preferred Stock into Common Stock, (ii) Series B Preferred Stock into Series A Preferred Stock or (iii) Series B Preferred Stock into Non-Voting Common Stock, as the case may be, then all other parties shall also convert all of their shares of such series of Preferred Stock. For example, if Apollo elects to convert all of its shares of Series B Preferred Stock into Series A Preferred Stock, then RC Acquisition shall convert all of its shares of Series B Preferred Stock into Series A Preferred Stock. Notwithstanding the foregoing, RC Acquisition may elect to convert the RC Acquisition Included Shares as provided in the Certificates of Designations.

Section 3.3 Non-Revocable; Further Assurance. The rights granted

to Apollo under Sections 3.1, 3.2 and 3.5 shall not be revocable and shall survive (i) any Transfer by RC Acquisition of its Preferred Stock and (ii) the conversion of the Series B Preferred Stock into Series A Preferred Stock. Further, each party agrees to take all further acts necessary, if any, to convey to Apollo the voting, consent and approval rights intended to be conveyed to it under Sections 3.1 and 3.2, including, without limitation, executing a proxy or entering into a voting trust or other agreement.

Section 3.4 Tag-Along Rights.

(a) If Apollo at any time or from time to time, enters into an agreement to transfer, sell or otherwise dispose of, directly or indirectly (a "Tag-Along Sale"), any shares of Apollo Included Shares to a Third Party (as hereinafter defined), then RC Acquisition shall have the right, but not the obligation, to participate in such Tag-Along Sale by selling up to the number of shares of such series of Preferred Stock owned by RC Acquisition (the "RC Acquisition Allotment") equal to the product of (i) the total number of shares of such series of Preferred Stock proposed to be sold by Apollo in the Tag-Along Sale times (ii) a fraction, the numerator of which is equal to the

aggregate number of shares of such series of Preferred Stock owned by RC Acquisition immediately prior to the Tag-Along Sale and the denominator of which is equal to the total number of shares of such series of Preferred Stock owned by Apollo. RC Acquisition understands and agrees that it has the right to include in a Tag-Along Sale only the particular series of Preferred Stock that Apollo is proposing to transfer, and then only to the extent provided above.

Any such sales by RC Acquisition shall be on the same terms and conditions as the proposed Tag-Along Sale by Apollo; provided, however, any indemnification required to be given by RC Acquisition shall not be joint and several with Apollo and shall be limited to the extent of the proceeds received by RC Acquisition in such sale.

(b) The foregoing notwithstanding, this Section 3.4 shall not apply to any sale of shares of Preferred Stock distributed to the public pursuant to an effective registration statement under the Securities Act of 1933, as amended (the "Act").

(c) Apollo shall provide RC Acquisition with written notice (the "Sale Notice") prior to such Tag-Along Sale. Such notice shall set forth: (i) the name and address of the proposed transferee or purchaser; (ii) the number of shares proposed to be sold or transferred; and (iii) the proposed amount and form of consideration to be received for such shares and the terms and conditions of payment offered by the proposed transferee or purchaser.

RC Acquisition shall provide written notice (the "Tag-Along Notice") to Apollo within 10 days after receiving the Sale Notice. The Tag-Along Notice shall set forth the number of shares owned by RC Acquisition, if any, that RC Acquisition elects to include in the Tag-Along Sale, which shall not exceed the RC Acquisition Allotment calculated pursuant to Section 3.3(a) above.

The Tag-Along Notice given by RC Acquisition shall constitute its binding agreement to sell such shares on the terms and conditions applicable to such sale.

If the Tag-Along Notice is not received by Apollo within the 10-day period specified above, Apollo shall have the right to sell or otherwise transfer the Preferred Stock to the proposed purchaser or transferee without any participation by RC Acquisition, but only on the terms and conditions stated in the Sale Notice and only if such sale occurs not later than 90 days after the Notice Date.

(d) "Third Party" means any person or entity other than a Permitted Transferee of Apollo.

Section 3.5 Drag-Along Rights. In connection with a sale by Apollo

of its Preferred Stock to a Third Party, Apollo shall be entitled to cause RC Acquisition to sell in such sale to such Third Party upon the same terms and conditions as the sale by Apollo to such Third Party up to the number of shares of such series of Preferred Stock owned by RC Acquisition equal to the

product of (i) the total number of shares of such series of Preferred Stock proposed to be sold by Apollo in such sale to such Third Party times (ii) a fraction, the numerator of which is equal to the aggregate number of shares of such series of Preferred Stock owned by RC Acquisition immediately prior to such sale by Apollo to such Third Party and the denominator of which is equal to the total number of shares of such series of Preferred Stock owned by Apollo. Provided, however, any indemnification required to be given by RC Acquisition in connection with a drag-along sale shall not be joint and several with Apollo and shall be limited to the extent of the proceeds received by RC Acquisition in such sale. Notwithstanding the foregoing, RC Acquisition may elect to convert the RC Acquisition Included Shares as provided in the Certificates of Designations.

ARTICLE IV

TERMINATION

Section 4.1 Termination. Except as otherwise provided herein with

respect to certain specific provisions, this Agreement shall terminate upon the earlier to occur of:

- (i) the mutual agreement of the parties hereto,
- (ii) with respect to any party hereto, such party ceasing to own any Preferred Stock, or
- (iii) on the eleventh anniversary of the Effective Date.

ARTICLE V

MISCELLANEOUS

Section 5.1 No Inconsistent Agreements. RC Acquisition represents

and agrees that, as of the Effective Date, there is no (and from and after the Effective Date it will not, and will cause its respective Subsidiaries and Affiliates not to, enter into any) agreement with respect to any securities of the Company or any of its Subsidiaries (and from and after the Effective Date RC Acquisition shall not take, or permit any of its Subsidiaries or Affiliates to take, any action) that is inconsistent in any material respect with the rights granted to Apollo in this Agreement.

Section 5.2 Successors and Assigns. This Agreement shall be

binding upon and shall inure to the benefit of the parties hereto, and their respective successors and permitted assigns; provided that neither this Agreement nor any rights or obligations hereunder may be transferred or assigned by Apollo or RC Acquisition except to any Person to whom it has Transferred Preferred Stock in compliance with this Agreement and who has become bound by this Agreement pursuant to Section 2.2 hereof.

Section 5.3 Amendments. This Agreement may not be amended or

modified, nor may any provision hereof be waived, other than by a written instrument signed by the parties hereto.

Section 5.4 Notices. All notices, demands, requests, consents or

approvals (collectively, "Notices") required or permitted to be given hereunder or which are given with respect to this Agreement shall be in writing and shall be personally delivered or mailed, registered or certified, return receipt requested, postage prepaid (or by a substantially similar method), or delivered by a reputable overnight courier service with charges prepaid, or transmitted by hand delivery or facsimile, addressed as set forth below, or such other address (and with such other copy) as such party shall have specified most recently by written notice. Notice shall be deemed given or delivered on the date of service or transmission if personally served or transmitted by facsimile. Notice otherwise sent as provided herein shall be deemed given or delivered on the third business day following the date mailed or on the next business day following delivery of such notice to a reputable overnight courier service.

To Apollo:

Apollo Investment Fund IV, L.P. and/or
Apollo Overseas Partners IV, L.P.
c/o Apollo Management IV, L.P.
1999 Avenue of the Stars, Suite 1900
Los Angeles, California 90067
Attn: Michael D. Weiner
Facsimile: (310)201-4166

with a copy (which shall not constitute notice) to:

Morgan, Lewis & Bockius LLP
300 South Grand Avenue, Suite 2200
Los Angeles, California 90071
Attn: John F. Hartigan, Esq.
Fax: (213)612-2554

To RC Acquisition:

The Bear Stearns Companies Inc.
c/o RC Acquisition Corp.
245 Park Avenue
New York, New York
Attn: John Howard
Fax: (212) 272-7425

with a copy (which shall not constitute notice) to:

Latham & Watkins
885 3rd Avenue, Suite 1000
New York, New York 10022
Attn: Roger H. Kimmel
Fax: (212) 751-4864

Section 5.5 Governing Law. This Agreement shall be governed by and

construed in accordance with the laws of the State of New York, as applied to contracts made and performed within the State of New York, without regard to principles of conflict of laws, except as to matters of corporate governance, which shall be interpreted in accordance with the General Corporation Law of the State of Delaware. Each party hereto consents to the non-exclusive jurisdiction of the federal and state courts within the State of New York.

Section 5.6 Section Headings. The section headings contained in

this Agreement are for reference purposes only and shall not affect the meaning or interpretation of this Agreement.

Section 5.7 Entire Agreement. This Agreement constitutes the

entire agreement and understanding among the parties hereto with respect to the subject matter hereof and thereof and supersedes any and all prior agreements and understandings, written or oral, relating to the subject matter hereof.

Section 5.8 Severability. Any term or provision of this Agreement

which is invalid or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity or unenforceability without rendering invalid or unenforceable the remaining terms and provisions of this Agreement or affecting the validity or enforceability of any of the terms or provisions of this Agreement in any other jurisdictions, it being intended that all rights and obligations of the parties hereunder shall be enforceable to the fullest extent permitted by law.

Section 5.9 Counterparts. This Agreement may be signed in

counterparts, each of which shall constitute an original and which together shall constitute one and the same agreement.

* * *

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

APOLLO INVESTMENT FUND IV., L.P.
a Delaware limited partnership

By: Apollo Advisors IV, L.P.
its General Partner

By: Apollo Capital Management IV, Inc.
its General Partner

By: _____
Name: _____
Title: _____

APOLLO OVERSEAS PARTNERS IV, L.P.
an exempted limited partnership registered
in the Cayman Islands

By: Apollo Advisors IV, L.P.
its Managing Partner

By: Apollo Capital Management IV, Inc.
its General Partner

By: _____
Name: _____
Title: _____

RC ACQUISITION CORP.
a Delaware corporation

By: _____
Name: _____
Title: _____

RENTERS CHOICE, INC.
a Delaware corporation

By: _____
Name: _____
Title: _____