UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 1997

Commission File Number 0-25370

RENTERS CHOICE, INC.
(Exact name of registrant as specified in its charter)

DELAWARE	48-1024367
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

13800 Montfort, Suite 300
Dallas, Texas 75240
(972) 701-0489
(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

NONE
(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

YES [X] NO [ ]

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of August 4, 1997:

CLASS	OUTSTANDING
Common stock, $.01 par value per share	24,857,196

RENTERS CHOICE, INC. AND SUBSIDIARIES

TABLE OF CONTENTS

RENTERS CHOICE, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

	June 30, 1997 Unaudited	December 31, 1996
ASSETS		
Cash and cash equivalents	$ 6,445,858	$ 5,919,894
Rental merchandise, net		
On rent	84,367,478	71,619,875
Held for rent	25,892,787	23,490,515
Accounts receivable	1,695,749	3,020,631
Income taxes receivable	--	2,084,244
Prepaid expenses and other assets	3,763,205	2,285,044
Property assets, net	15,315,461	12,715,593
Deferred income taxes	6,138,566	6,138,566
Intangible assets, net	61,710,719	47,192,380
	$205,329,823	$174,466,742
LIABILITIES		
Accounts payable - trade	$ 11,991,109	$ 17,047,592
Accrued liabilities	15,290,338	12,923,664
Income taxes payable	1,285,974	--
Other debt	3,461,320	4,557,678
Revolving credit agreement	35,625,000	14,435,000
	67,653,741	48,963,934
COMMITMENTS AND CONTINGENCIES	--	--
STOCKHOLDERS' EQUITY		
Preferred stock, $.01 par value; 5,000,000 shares authorized; none issued	--	--
Common stock, $.01 par value; 50,000,000 shares authorized; 24,850,571 and 24,791,085 shares issued and outstanding in 1997 and 1996, respectively	248,498	247,911
Additional paid-in capital	98,418,929	98,009,773
Retained earnings	39,008,655	27,245,124
	137,676,082	125,502,808
	$205,329,823	$174,466,742

The accompanying notes are an integral part of these statements.

RENTERS CHOICE, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF EARNINGS

	Six months ended June 30, 1997	Six months ended June 30, 1996
	Unaudited	
Store Revenue		
Rentals and fees	$130,149,873	$ 93,428,734
Merchandise sales	7,457,069	5,763,938
Other	338,449	361,607
Franchise Revenue		
Franchise merchandise sales	15,461,402	6,498,404
Royalty income and fees	1,982,401	705,279
TOTAL REVENUE	155,389,194	106,757,962
Operating Expenses		
Direct store expenses		
Depreciation of rental merchandise	27,510,298	20,562,611
Cost of merchandise sold	5,607,489	4,383,884
Salaries and other expenses	77,143,579	54,695,439
Franchise operation expenses		
Cost of franchise merchandise sales	14,725,981	6,201,945
	124,987,347	85,843,879
General and administrative expenses	6,772,347	4,725,082
Amortization of intangibles	2,649,173	2,287,100
TOTAL OPERATING EXPENSES	134,408,867	92,856,061
OPERATING PROFIT	20,980,327	13,901,901
Interest expense, net	589,534	22,814
Earnings before income taxes	20,390,793	13,879,087
Income tax expense	8,622,095	5,893,202
NET EARNINGS	$ 11,768,698	$ 7,985,885
Weighted average shares	25,091,511	24,971,287
EARNINGS PER SHARE	$ 0.47	$ 0.32

The accompanying notes are an integral part of these statements.

RENTERS CHOICE, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF EARNINGS

	Three months ended June 30, 1997	1996
	Unaudited	
Store Revenue		
Rentals and fees	$68,348,400	$ 47,863,382
Merchandise sales	3,197,419	2,509,485
Other	168,190	179,671
Franchise Revenue		
Franchise merchandise sales	8,071,599	6,498,404
Royalty income and fees	1,016,908	705,279
TOTAL REVENUE	80,802,516	57,756,221
Operating Expenses		
Direct store expenses		
Depreciation of rental merchandise	14,400,705	10,407,964
Cost of merchandise sold	2,530,831	1,982,072
Salaries and other expenses	40,021,269	27,794,656
Franchise operation expenses		
Cost of franchise merchandise sales	7,646,217	6,201,945
	64,599,022	46,386,637
General and administrative expenses	3,643,969	2,666,436
Amortization of intangibles	1,218,162	1,145,345
TOTAL OPERATING EXPENSES	69,461,153	50,198,418
OPERATING PROFIT	11,341,363	7,557,803
Interest expense (income), net	295,902	(49,828)
Earnings before income taxes	11,045,461	7,607,631
Income tax expense	4,688,821	3,238,642
NET EARNINGS	$ 6,356,640	$ 4,368,989
Weighted average shares	25,143,586	25,170,392
EARNINGS PER SHARE	$ 0.25	$ 0.17

The accompanying notes are an integral part of these statements.

RENTERS CHOICE, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Six months ended June 30, 1997	1996
	Unaudited	
Cash flows from operating activities		
Net earnings	$ 11,768,698	$ 7,985,885
Adjustments to reconcile net earnings to net cash provided by operating activities		
Depreciation of rental merchandise	27,510,298	20,562,611
Depreciation of property assets	2,508,981	1,415,455
Amortization of intangibles	2,649,173	2,287,100
Other	(5,167)	150,000
Changes in operating assets and liabilities, net of effects of acquisitions		
Rental merchandise	(34,927,439)	(30,161,300)
Accounts receivable	1,324,881	--
Prepaid expenses and other assets	241,994	1,697,556
Intangible assets	(754,350)	--
Accounts payable - trade	(5,056,483)	(2,228,583)
Accrued liabilities	2,366,674	(927,890)
Income taxes	3,370,219	4,807,650
Reserve for loans held with recourse	--	(123,615)
NET CASH PROVIDED BY OPERATING ACTIVITIES	10,997,479	5,464,869
Cash flows from investing activities		
Purchase of property assets	(4,754,923)	(4,093,228)
Proceeds from sale of property assets	129,253	419,920
Acquisitions of businesses	(26,349,231)	(4,863,535)
NET CASH USED IN INVESTING ACTIVITIES	(30,974,901)	(8,536,843)
Cash flows from financing activities		
Proceeds from exercise of options	409,743	542,080
Proceeds from debt	48,132,231	531,844
Repayments of debt	(28,038,588)	(47,676,443)
Repayment of notes receivable	--	21,338,295
Net cash provided by (used in) financing activities	20,503,386	(25,264,224)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	525,964	(28,336,198)
Cash and cash equivalents at beginning of period	5,919,894	35,321,338
Cash and cash equivalents at end of period	$ 6,445,858	$ 6,985,140
Supplemental cash flow information		
Cash paid during the period for		
Interest	$ 1,021,214	$ 257,737
Income taxes	5,127,976	1,100,497

The accompanying notes are an integral part of these statements.

1. The interim financial statements of Renters Choice, Inc. (the "Company") included herein have been prepared by the Company pursuant to the rules and regulations of the Securities and Exchange Commission. Certain information and footnote disclosure normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted pursuant to such rules and regulations, although the Company believes that the disclosures are adequate to make the information presented not misleading. It is suggested that these financial statements be read in conjunction with the financial statements and notes included in the Company's Annual Report on Form 10-K for the year ended December 31, 1996. In the opinion of management, the accompanying unaudited interim financial statements contain all adjustments, consisting only of those of a normal recurring nature, necessary to present fairly the Company's results of operations and cash flows for the periods presented. The results of operations for the periods presented are not necessarily indicative of the results to be expected for the full year.

2. The Company acquired the assets of 38 rent-to-own stores in seven transactions during the three months ended June 30, 1997 for $14.9 million. During the three months ended March 31, 1997, the Company acquired the assets of 27 rent-to-own stores in nine transactions for $11.4 million. On May 15, 1996, the Company acquired all the outstanding common stock of ColorTyme, Inc. for $14.5 million in cash (the "ColorTyme Acquisition"). At the time of acquisition, ColorTyme, Inc. was a franchisor of 313 rent-to-own stores and directly owned 7 rent-to-own stores, 6 of which were purchased by the Company. Subsequent to the ColorTyme Acquisition, the Company acquired the assets of an additional eighty-eight stores in twenty-three transactions for approximately $25.6 million cash and $1.8 million in notes. All acquisitions have been accounted for as purchases and the operating results of the acquired stores have been included in the financial statements of the Company since the acquisition. The following pro forma information combines the results of operations as if the acquisitions had been consummated as of the beginning of each of the six and three month periods ending June 30, 1997 and 1996, after including the impact of adjustment for amortization of intangibles and interest expense on acquisition borrowings.

	Six months ended June 30,		Three months ended June 30,	
	1997	1996	1997	1996
Revenue	$161,929,000	$131,311,000	$82,863,000	$71,216,000
Net Earnings	$ 11,833,000	$ 8,174,000	$ 6,345,000	$ 4,600,000
Earnings per common share................	$ 0.47	$ 0.32	$ 0.25	$ 0.18

The pro forma financial information is presented for informational purposes only and is not necessarily indicative of operating results that would have occurred had the acquisitions been consummated as of the above dates, nor are they necessarily indicative of future operating results.

The Financial Accounting Standards Board has issued Statement of Financial Accounting Standards No. 128, EARNINGS PER SHARE, which is effective for financial statements issued after December 15, 1997. Early adoption of the new standard is not permitted. The new standard eliminates primary and fully diluted earnings per share and requires presentation of basic and diluted earnings per share together with disclosure of how the per share amounts were computed. The adoption of this new standard is not expected to have a material impact on the disclosure of earnings per share in the financial statements.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

GENERAL

This report contains forward-looking statements that involve risks and uncertainties. The actual future results of the Company could differ materially from those statements. Factors that could cause or contribute to such differences include, but are not limited to, uncertainties regarding the Company's ability to acquire additional rent-to-own stores on favorable terms, to enhance the performance of acquired stores and to integrate acquired stores into the Company's operations.

In April 1995, the Company acquired 72 stores located in 18 states, including nine states in which the Company previously had no operations, from Crown Leasing Corporation and certain of its affiliates (the "Crown Acquisition"), and in September 1995, the Company completed the acquisition of an additional 135 stores located in 10 states, including one state in which the Company previously had no operations, from the shareholders of the parent company of a chain of rent-to-own stores doing business as Magic Rent-to-Own and Kelway Rent-to-Own (the "Magic Acquisition", and together with the Crown Acquisition, the "1995 Acquisitions"). In May 1996, the Company acquired all the issued and outstanding stock of ColorTyme, Inc. ("ColorTyme"), a franchisor of, at the time of closing, 313 rent-to-own stores in 40 states and 7 directly owned rent-to-own stores (the "ColorTyme Acquisition"), one of which was sold after the ColorTyme Acquisition to a third party and the remainder of which were purchased by the Company. The Company acquired 88 stores between May 1 and December 31, 1996 (exclusive of the 6 stores purchased from ColorTyme) in 23 separate transactions (together with the ColorTyme Acquisition, the "1996 Acquisitions"). The Company has acquired 65 stores during the six months ended June 30, 1997 (the "1997 Acquisitions"). All of the aforementioned acquisitions were accounted for as purchases and, accordingly, the operating results of the acquired stores and ColorTyme franchisor operations have been included in the operating results of the Company since their respective dates of acquisition. Because of the significant growth of the Company since its formation, the Company's historical results of operations, its period-to-period comparisons of such results and certain financial data may not be comparable, meaningful or indicative of future results.

RESULTS OF OPERATIONS

COMPARISON OF SIX MONTHS ENDED JUNE 30, 1997 AND 1996

Total revenue increased by $48.6 million, or 45.5%, to $155.3 million for 1997 from $106.8 million for 1996. The increase in total revenue was primarily attributable to the inclusion of the 65 stores purchased in 1997, the 1996 Acquisitions, the ColorTyme Acquisition and growth in stores which were in the system for the entirety of the two six month periods. Same store revenues increased by 8.9%, from $98 million to $107 million. Same store revenues represents revenues earned in stores that were operated by the Company for the entire six-month periods ending June 30, 1996 and 1997. This improvement was primarily attributable to an increase in both the number of items on rent and in revenue earned per item on rent.

Depreciation of rental merchandise increased by $6.9 million, or 33.8%, to $27.5 million for 1997 from $20.6 million for 1996. Depreciation of rental merchandise expressed as a percent of rental and fee revenue decreased from 22% in 1996 to 21.1% in 1997. The decrease was primarily attributable to higher rental rates on rental merchandise purchased after the 1995 Acquisitions.

Salaries and other expenses expressed as a percentage of total store revenue increased to 55.9% for 1997 from 54.9% for 1996. This increase is attributable to an increase in salaries for employees of acquired stores immediately following the acquisitions while store revenues have increased gradually. Occupancy costs also increased as a percent of total revenue primarily because of the relocation of certain stores acquired in the 1995 and 1996 acquisitions to stores that are larger in square footage. Revenues from these larger stores increase gradually while the additional occupancy costs are incurred immediately. General and administrative expenses expressed as a percent of total revenue remained constant at 4.4% for 1997 and 1996.

Operating profit increased by $7.1 million, or 51.0%, to $21.0 million for 1997 from $13.9 million for 1996. This improvement was primarily attributable to an increase in both the number of items on rent and in revenue earned per item on rent, both in stores acquired before 1995 and in stores acquired in the 1996 and 1997 Acquisitions. Net earnings increased by $3.8 million, or 47.4%, to $11.8 million in 1997 from $8.0 million in 1996. The improvement was a result of the increase in operating profit described above.

Net interest expense increased from $23 thousand in 1996 to $590 thousand in 1997. The increased debt level relates primarily to the acquisition of stores in 1996 and 1997.

COMPARISON OF THE THREE MONTHS ENDED JUNE 30, 1997 AND 1996

Total revenue increased by $23.0 million, or 39.9%, to $80.8 million for 1997 from $57.8 million for 1996. The increase in total revenue was primarily attributable to the inclusion of the 209 stores acquired in 1995 and the 1997 and 1996 Acquisitions, as well as the 21 new store locations opened by the Company in its new store opening program since 1995. Same store revenues increased by 8.3%, from $49.7 million to $53.8 million. Same store revenues represents revenues earned in stores that were operated by the Company for the entire three-month periods ending June 30, 1996 and 1997. This improvement was primarily attributable to an increase in both the number of items on rent and in revenue earned per item on rent.

Depreciation of rental merchandise increased by $4.0 million, or 38.4%, to $14.4 million for 1997 from $10.4 million for 1996. Depreciation of rental merchandise expressed as a percent of rental and fee revenue decreased from 21.7% in 1996 to 21.1% in 1997. The decrease was primarily attributable to higher rental rates on rental merchandise and operational emphasis on increasing the rental life of inventory items.

Salaries and other expenses expressed as a percentage of total store revenue increased to 55.8% for 1997 from 55.0% for 1996 primarily as a result of increases in salaries for employees of the 1996 Acquisition and 1997 Acquisition stores immediately following the acquisitions while store revenues have increased gradually. General and administrative expenses expressed as a percent of total revenue decreased from 4.6% in 1996 to 4.5% in 1997.

Amortization expenses decreased from 2.0% in 1996 to 1.5% in 1997, reflecting the combination of increasing revenue and the completion of amortization of customer contracts acquired in the Magic transaction during the 1997 period.

Operating profit increased by $3.8 million, or 50.0% to $11.3 million for 1997 from $7.6 million for 1996. This improvement was attributable to an increase in both the number of items on rent and in revenue earned per item. The 1996 and 1997 Acquisitions plus the operating profit contribution from ColorTyme also contributed to this increase.

Net earnings increased by $2.0 million, or 45.5%, to $6.4 million in 1997 from $4.4 million in 1996. The improvement was a result of the increase in operating profit described above.

LIQUIDITY AND CAPITAL RESOURCES

The Company's primary requirements for capital are the acquisition of existing stores, the opening of new stores, the purchase of additional rental merchandise and the replacement of rental merchandise which has been sold or charged-off or is no longer suitable for rent. During the six months ended June 30, 1997, the Company acquired 65 stores for an aggregate purchase price of $26.3 million, principally all of which was paid in cash. The Company also opened an additional 4 stores during the first two quarters of 1997.

The Company purchased $47.9 million and $36.9 million of rental merchandise during the six months ended June 30, 1997 and 1996, respectively.

For the six months ended June 30, 1997, cash provided by operating activities increased by $5.5 million, from $5.5 million in 1996 to $11.0 million in 1997, primarily due to increased cash earnings, offset by increased rental merchandise purchases. Cash used in investing activities increased by $22.5 million from $8.5 million in 1996 to $31.0 million in 1997, principally related to the 65 stores acquired in 1997. Cash provided by financing activities was $20.5 million for the six months ended June 30, 1997.

The Company has a $90 million credit facility with a group of banks. Borrowings under the facility bear interest at a rate equal to the designated prime rate (8-1/2% per annum at June 30, 1997) or 1.10% to 1.65% over LIBOR (5.6879% at June 30, 1997) at the Company's option. At June 30, 1997, the average rate on outstanding borrowings was 7.0%, and for the quarter the weighted average interest rate under this facility was 6.9%. Borrowings are collateralized by a lien on substantially all of the assets of the Company. A commitment fee equal to .30% to .50% of the unused portion of the term loan facility is payable quarterly. The credit facility includes certain net worth and fixed charge coverage requirements, as well as covenants which restrict additional indebtedness and the disposition of assets not in the ordinary course of business. On June 30, 1997, the outstanding borrowings under this revolving credit agreement were $35.6 million. The credit facility expires in December, 1999.

In connection with certain stores acquired by the Company in 1993, monthly payments of $33,333 are due under a consulting agreement through April 1, 2001, and monthly payments of $125,000 are due under a non-competition agreement through January 1998. If the settlement agreement described under the caption "Part II. Item 1. Legal Proceedings - DEF INVESTMENTS, INC." is executed, the Company will be released from its obligation to make payments under such consulting and non-competition agreements, in exchange for a final cash payment of approximately $3.25 million (the "Settlement Amount") which approximates the carrying amount of the obligation at June 30, 1997. Management expects to pay the Settlement Amount during 1997, and believes that its borrowing capacity under its credit facility and cash flow from operations will be sufficient to fund the payment.

The Company currently expects to open a total of 12 new stores during 1997 and a comparable number of stores in each of the next few years. Currently, the Company estimates that the average investment with respect to new stores is approximately $350,000 per store, of which rental merchandise comprises approximately 75% to 80% of the investment. The remaining investment consists of leasehold improvements, delivery trucks, store signs, computer equipment and start-up costs. There can be no assurance the Company will open any new stores in the future, or as to the number, location or profitability thereof.

In addition to its intention to open new stores annually, the Company intends to increase the number of stores it operates through acquisitions. In particular, the Company's goal is to increase the number of stores it operates by approximately 15-20% of the beginning store base during each of the next few years, primarily through acquisitions. Management believes there are a number of possible future acquisition opportunities in the rent-to-own industry, and it is possible that any acquisition could be material to the Company. There can be no assurance that the Company will be able to acquire any additional stores, or that any stores that are acquired will be or will become profitable.

Management believes that cash flow from operations and its credit facility will be adequate to fund the operations and expansion plans of the Company during 1997. In addition, to provide any additional funds necessary for the continued pursuit of the Company's growth strategies, the Company may incur from time to time additional short- or long-term bank indebtedness and may issue, in public or private transactions, its equity and debt securities. The availability and attractiveness of any outside sources of financing will depend on a number of factors, some of which will relate to the financial condition and performance of the Company, and some of which will be beyond the Company's control such as prevailing interest rates and general economic conditions. There can be no assurance such additional financing will be available, or if available, will be on terms acceptable to the Company.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

From time to time, the Company and ColorTyme are party to various legal proceedings arising in the ordinary course of business. Except as described below, neither the Company nor ColorTyme is currently a party to any material litigation. Although the ultimate outcome of any litigation matter can never be predicted with certainty, management of the Company believes that the Company has established sufficient reserves to cover its reasonable exposure with respect to its outstanding litigation.

DEF INVESTMENTS, INC.

On September 5, 1995, a complaint (the "Complaint") was filed in the United States Bankruptcy Court for the District of Minnesota (the "Bankruptcy Court") against Mr. and Mrs. Robert A. Hardesty (the "Hardestys") and the Company, among others (collectively, the "Defendants"). The Complaint was filed by the trustee (the "Trustee") for DEF Investments, Inc. ("DEF"), in connection with an involuntary chapter 7 bankruptcy case against DEF (the "DEF Bankruptcy Case") commenced on April 20, 1995 by the plaintiffs in a pending class action suit against DEF and other companies including the Company (the "Miller lawsuit").

The Complaint sought (i) to avoid the transfer of certain assets purchased in 1993 by a predecessor of the Company from DEF and certain of its subsidiaries pursuant to the ("1993 Acquisition") and to obtain an order that such assets be turned over to the Trustee, (ii) to nullify the Hardestys' consulting and noncompetition agreements, pursuant to the terms of which the Company paid $2.0 million to the Hardestys on the closing date of the 1993 Acquisition, had paid them an additional $900,000 through the date the Complaint was filed and was obligated to pay them an additional approximately $5.3 million in varying amounts between the date the Complaint was filed and April 1, 2001, (iii) to require the Company to make all payments due after the date the Complaint was filed under the consulting and noncompetition agreements to the Trustee for the benefit of the DEF bankruptcy estate, and (iv) to set aside all payments made by the Company prior to the filing of the Complaint to the Hardestys under the consulting and noncompetition agreements, and to grant judgment against the Hardestys and the Company for the amount of all such payments.

On March 8, 1996, the Company reached an agreement with the Trustee and the Hardestys to settle the bankruptcy (the "Bankruptcy Settlement"). The terms of the Bankruptcy Settlement provide that the Company will be released from the fraudulent transfer claim and the obligation to pay $5.3 million under the consulting and noncompetition agreements in exchange for a cash payment of $4.75 million to the Trustee. The Bankruptcy Settlement has been reduced to writing and received approval by the Bankruptcy Court on May 28, 1997. The settlement required and the Company made a nonrefundable payment of $50,000 to the Trustee upon execution of the written settlement agreement. On November 18, 1996, the Company interplead approximately $1.53 million into the registry of the Bankruptcy Court, leaving a balance outstanding under the consulting and noncompetition agreements of approximately $3.8 million, and reducing the cash payment due under the proposed settlement agreement to approximately $3.25 million. On December 1, 1996, the Company began monthly payments of approximately $160,000 to the registry of the Bankruptcy Court, due on the first day of each month until the consulting and noncompetition agreements are fully satisfied, or the Bankruptcy Settlement is finalized, at which time the balance of the settlement amount will be payable in full. Each such monthly payment reduces on a dollar-for-dollar basis the balance due under the consulting and noncompetition agreements and the Bankruptcy Settlement.

As part of the overall Bankruptcy Settlement, the Company will receive a full release from the fraudulent transfer claim by the Trustee on behalf of (i) DEF, (ii) its subsidiaries, all of which have filed Chapter 7 bankruptcy cases, and (iii) their respective creditors. The Bankruptcy Settlement will also result in the Bankruptcy Court issuing protective orders enjoining the Hardestys from making any claims against the Company or J. E. Talley (Chief Executive Officer, Chairman of the Board and a principal shareholder of the Company) and certain of their affiliates under the noncompetition and consulting agreements.

The Miller lawsuit has also been settled (the "Miller Settlement") and has received preliminary state court approval. A final approval hearing is scheduled for September 15, 1997. Assuming final approval is received, the Miller Settlement will result in a dismissal of all claims which were or could have been asserted in that case against the Company. Any potential obligations the Company or others may have under certain DEF-related loan documents to TransAmerica for indemnity will be released as part of the Miller Settlement.

The Bankruptcy Settlement and the Miller Settlement (together, the "Settlements") are each conditioned on the Miller Settlement receiving final state court approval. If such approval is received, both Settlements will close simultaneously.

Management believes that implementation of the Settlements, which management expects to close in December 1997, will not have a material adverse effect on the Company's results of operations. If the Miller Settlement does not receive final state court approval, the Trustee would be able to proceed against the Company in the fraudulent transfer claim.

GALLAGHER V. CROWN

On January 3, 1996, the Company was served with a class action complaint adding it as a defendant in this action originally filed in April 1994 against Crown Leasing Corporation ("Crown") and certain of its affiliates. The class consists of all New Jersey residents who entered into rent-to-own contracts with Crown between April 25, 1988 and April 20, 1995.

The lawsuit alleges, among other things, that under certain rent-to-own contracts entered into between the plaintiff class and Crown, some of which were purportedly acquired by the Company pursuant to the Company's acquisition in April 1995 of the rent-to-own assets of Crown (the "Crown Acquisition"), the defendants charged the plaintiffs fees and expenses that violated the New Jersey Consumer Fraud Act and the New Jersey Retail Installment Sales Act. The plaintiffs seek damages including, among other things, a refund of all excessive fees and/or interest charged or collected by the defendants in violation of such acts, state usury laws and other related statutes and treble damages, as applicable. The amount of such excessive fees and/or interest is unspecified.

Pursuant to the Asset Purchase Agreement entered into between Crown and its controlling shareholder and the Company in connection with the Crown Acquisition, the Company assumed no liabilities pertaining to Crown's rent-to-own contracts for the period prior to the Crown Acquisition. The Asset Purchase Agreement provides that Crown and its controlling shareholder will indemnify and hold harmless the Company against damages, including reasonable attorneys' fees, due to any claim pertaining to the operation of Crown's rent-to-own business prior to the Crown Acquisition, except as set forth below. This indemnification is applicable regardless of whether the circumstances giving rise to any such claim continued after the Crown Acquisition. Claims covered include claims of customers, other than claims relating to rent-to-own contracts entered into by Crown prior to the Crown Acquisition which remained in full force and effect on October 20, 1995. The Company has provided Crown and its controlling shareholder with a notice of indemnification and tender of defense. Crown has assumed responsibility for defending the Company in this matter pursuant to the Asset Purchase Agreement.

The plaintiffs have obtained summary judgment against Crown on the liability issues, reserving damages for trial. Although the plaintiffs were unsuccessful in their attempt to certify a class against the Company, the plaintiffs have attempted to assert a theory of successor liability against the Company. Management believes there is no basis for a claim of successor liability against the Company, and if Crown is unable to settle the case, the Company will take appropriate steps to defend and preserve for appeal the successor liability issues at trial. The case is currently scheduled for trial on September 15, 1997.

HINTON, SANCHEZ V. COLORTYME

On May 25, 1994, a class action complaint was filed in Milwaukee County, Wisconsin against ColorTyme, Inc., a wholly-owned subsidiary of the Company ("ColorTyme") alleging that ColorTyme had entered into contracts with residents of Wisconsin that were violative of the Wisconsin Consumer Act (the "Wisconsin Act"). Specifically, the plaintiffs allege that the ColorTyme contracts were consumer credit transactions under the Wisconsin Act, and that ColorTyme failed to provide required disclosures and violated the Wisconsin Act's collection practice restrictions. The plaintiffs' complaint seeks damages in an unspecified amount.

In light of the ColorTyme Acquisition and the Company's later purchase of the assets of four Milwaukee ColorTyme stores, the plaintiffs have included the Company as a defendant to the extent that the Company assumed the obligations of certain existing ColorTyme contracts through the asset purchase of the Milwaukee stores. Furthermore, the court has defined the class to include, in general, all contracts entered into with ColorTyme in the State of Wisconsin after July 1988 and those in which payments were made after July 1988.

At this time no trial date has been set and due to the uncertainties associated with any litigation, the ultimate outcome cannot presently be determined.

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

CURRENT REPORTS ON FORM 8-K

None

LISTING OF EXHIBITS

Exhibits followed by an (*) constitute management contracts or compensatory plans or arrangements.

EXHIBIT NUMBER		DESCRIPTION
2.1(1)	-	Asset Purchase Agreement dated April 20, 1995 among Renters Choice, Inc., Crown Leasing Corporation, Robert White, individually and Robert White Company, a sole proprietorship owned by Robert White
2.2(2)	-	Stock Purchase Agreement dated as of August 27, 1995 among Renters Choice, Inc., Starla J. Flake, Rance D. Richter, Bruce S. Johnson and Pro Rental, Inc.
2.3(3)	-	Stock Purchase Agreement dated September 29, 1995 between the Company and Terry N. Worrell
2.4(4)	-	Partnership Interest Purchase Agreement dated September 29, 1995 among the Company, Worrell Investors, Inc., The Christy Ann Worrell Trust and The Michael Neal Worrell Trust
2.5(5)	-	Agreement and Plan of Merger by and among Renters Choice, Inc., Pro Rental, Inc., MRTO Holdings, Inc. and Pro Rental II, Inc.
2.6(6)	-	Agreement and Plan of Reorganization dated May 15, 1996, among Renters Choice, Inc., ColorTyme, Inc., and CT Acquisition Corporation
3.1(7)	-	Amended and Restated Certificate of Incorporation of the Company
3.2(8)	-	Certificate of Amendment to the Amended and Restated Certificate of Incorporation of the Company
3.3(9)	-	Amended and Restated Bylaws of the Company
4.1(10)	-	Form of Certificate evidencing Common Stock
10.1(11)*	-	Amended and Restated 1994 Renters Choice, Inc. Long-Term Incentive Plan
10.2(12)	-	Revolving Credit Agreement dated as of November 27, 1996 between Comerica Bank, as agent, Renters Choice, Inc. and certain other lenders
10.3(13)	-	Consulting Agreement dated April 1, 1993, by and between Bob A. Hardesty and Brenda K. Hardesty and Renters Choice, L.P.
10.4(14)	-	Non-Competition Agreement dated April 1, 1993, by and between Bob A. Hardesty and Brenda K. Hardesty and Renters Choice, L.P.
10.5(15)	-	Noncompetition Agreement dated as of April 20, 1995, between Renters Choice, Inc. and Patrick S. White
10.6(16)	-	Consulting Agreement dated as of April 20, 1995 between Renters Choice, Inc. and Jeffrey W. Smith
10.7(17)	-	Noncompetition Agreement dated as of August 27, 1995 between Renters Choice, Inc. and Starla J. Flake
10.8(18)	-	Noncompetition Agreement dated as of August 27, 1995 between Renters Choice, Inc. and Bruce S. Johnson

10.9(19)	-	Noncompetition Agreement dated as of August 27, 1995 between Renters Choice, Inc. and Rance D. Richter
10.16*	-	Employment Agreement, dated March 28, 1997, by and between Renters Choice, Inc. and Danny Z. Wilbanks
10.17*	-	Stock Option Agreement, dated April 1, 1997, by and between Renters Choice, Inc. and Danny Z. Wilbanks
11.1	-	Computation of Earnings per share
27	-	Financial Data Schedule

- ------------

(1) Incorporated herein by reference to Exhibit 2.1 to the registrant's Current Report on Form 8-K dated May 4, 1995

(2) Incorporated herein by reference to Exhibit 2.1 to the registrant's Current Report on Form 8-K dated August 27, 1995

(3) Incorporated herein by reference to Exhibit 10.19 to the registrant's Registration Statement on Form S-1 (File No. 33-97012)

(4) Incorporated herein by reference to Exhibit 10.20 to the registrant's Registration Statement on Form S-1 (File No. 33-97012)

(5) Incorporated herein by reference to Exhibit 2.7 to the registrant's Annual Report on Form 10-K for the year ended December 31, 1995

(6) Incorporated herein by reference to Exhibit 2.1 to the registrant's Current Report on Form 8-K dated May 15, 1996

(7) Incorporated herein by reference to Exhibit 3.2 to the registrant's Annual Report on Form 10-K for the year ended December 31, 1994

(8) Incorporated herein by reference to Exhibit 3.2 to the registrant's Quarterly Report on Form 10-Q for the quarter ended September 30, 1996

(9) Incorporated herein by reference to Exhibit 3.4 to the registrant's Annual Report on Form 10-K for the year ended December 31, 1994

(10) Incorporated herein by reference to Exhibit 4.1 to the registrant's Registration Statement on Form S-1 (File No. 33-86504)

(11) Incorporated herein by reference to Exhibit 10.1 to the registrant's Quarterly Report on Form 10-Q for the quarter ended September 30, 1996

(12) Incorporated herein by reference to Exhibit 10.2 to the registrant's Annual Report on Form 10-K for the year ended December 31, 1996

(13) Incorporated herein by reference to Exhibit 10.5 to the registrant's Registration Statement on Form S-1 (File No. 33-86504)

(14) Incorporated herein by reference to Exhibit 10.6 to the registrant's Registration Statement on Form S-1 (File No. 33-86504)

(15) Incorporated herein by reference to Exhibit 10.7 to the registrant's Registration Statement on Form S-1 (File No. 33-97012)

(16) Incorporated herein by reference to Exhibit 10.8 to the registrant's Registration Statement on Form S-1 (File No. 33-97012)

(17) Incorporated herein by reference to Exhibit 10.10 to the registrant's Registration Statement on Form S-1 (File No. 33-97012)

(18) Incorporated herein by reference to Exhibit 10.11 to the registrant's Registration Statement on Form S-1 (File No. 33-97012)

(19) Incorporated herein by reference to Exhibit 10.12 to the registrant's Registration Statement on Form S-1 (File No. 33-97012)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this Report to be signed on its behalf by the undersigned duly authorized.

RENTERS CHOICE, INC.

By: DANNY Z. WILBANKS
Danny Z. Wilbanks
SENIOR VICE PRESIDENT-
FINANCE AND CHIEF
FINANCIAL OFFICER

Date: August 11, 1997
Renters Choice, Inc.

COMPUTATION OF EARNINGS PER COMMON SHARE

	For the period ending June 30, 1997	
	Three months	Six months
PRIMARY EARNINGS PER SHARE		
Net earnings	$ 6,356,640	$11,768,698
Weighted average number of common shares outstanding	24,817,346	24,804,747
Net effect of dilutive stock options based on the treasury stock method of using average market price	326,240	386,763
Weighted average number of common and common equivalent shares outstanding	25,143,586	25,091,511
PRIMARY EARNINGS PER COMMON AND COMMON EQUIVALENT SHARE	$ 0.25	$ 0.47
FULLY DILUTED EARNINGS PER SHARE		
Net earnings	$ 6,356,640	$11,768,698
Weighted average number of common shares outstanding	24,817,346	24,804,747
Net effect of dilutive stock options based on the treasury stock method using the greater of the average or ending market price	437,809	343,159
Weighted average number of common and common equivalents shares outstanding	25,255,155	25,147,906
EARNINGS PER COMMON AND COMMON EQUIVALENT SHARE ASSUMING FULL DILUTION	$ 0.25	$ 0.47

THE FINANCIAL DATA SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE CONSOLIDATED BALANCE SHEETS AND CONSOLIDATED STATEMENTS OF EARNINGS FOUND ON PAGES 1 AND 2 OF THE COMPANY'S FORM 10-Q FOR THE SIX MONTHS ENDED JUNE 30, 1997.

1,000
6-MOS
DEC-31-1997
JUN-30-1997
6,446
0
1,825
129
25,893
0
25,797
10,482
205,330
0
0
0
0
248
137,428
205,330
22,918
155,389
20,333
124,988
9,421
0
590
20,391
8,622
11,769
0
0
0
11,769
.47
.47

RENTAL MERCHANDISE, HELD FOR RENT.
BALANCE SHEET IS UNCLASSIFIED.
ADDITIONAL PAID IN CAPITAL AND RETAINED EARNINGS.
STORE AND FRANCHISE MERCHANDISE SALES.
STORE AND FRANCHISE COST OF MERCHANDISE SOLD.
GENERAL AND ADMINISTRATIVE EXPENSE AND AMORTIZATION OF INTANGIBLES.