AARON'S INC
Form DEF 14A
November 03, 2010

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549
SCHEDULE 14A
(RULE 14A-101)

SCHEDULE 14A INFORMATION
Proxy Statement Pursuant to Section 14(a) of the Securities Exchange Act of 1934 (Amendment No.)

Filed by the Registrant þ
Filed by a Party other than the Registrant o
Check the appropriate box:
o Preliminary Proxy Statement
o **Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
þ Definitive Proxy Statement
o Definitive Additional Materials
o Soliciting Material under Rule 14a-12

Aaron s, Inc.

(Name of the Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):
þ No fee required.
o Fee computed on table below per Exchange Act Rules 14a-6(i)(4) and 0-11.

1. Title of each class of securities to which transaction applies:

2. Aggregate number of securities to which transaction applies:

3. Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (Set forth the amount on which the filing fee is calculated and state how it was determined):

4. Proposed maximum aggregate value of transaction:

5. Total fee paid:

o Fee paid previously with preliminary materials:

o Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the

Form or Schedule and the date of its filing.

1. Amount Previously Paid:

2. Form, Schedule or Registration Statement No.:

3. Filing Party:

4. Date Filed:

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Aaron s, Inc.

309 E. Paces Ferry Road, N.E.
Atlanta, Georgia 30305-2377

NOTICE OF SPECIAL MEETING OF SHAREHOLDERS
To Be Held December 7, 2010

A Special Meeting of Shareholders of Aaron s, Inc. (the Company), will be held on December 7, 2010, at 2:00 p.m., Eastern Time, at the Company s headquarters at 309 E. Paces Ferry Road, N.E., Atlanta, Georgia 30305-2377. Shareholders will consider and take action on the following matters:

(1) The amendment and restatement of our Amended and Restated Articles of Incorporation to convert all shares of Common Stock into Class A Common Stock, remove the current class of Common Stock, rename the current class of Class A Common Stock as Common Stock, eliminate certain obsolete provisions of our existing Amended and Restated Articles of Incorporation relating to our dual-class common stock structure and amend the number of authorized shares to be 225,000,000 total shares;

(2) The amendment of our bylaws to establish a classified Board of Directors with three classes of directors each to serve a three-year term;

(3) The amendment of our bylaws to provide that vacancies on our Board of Directors shall only be filled by our Board of Directors;

(4) The amendment of our bylaws to reduce the default approval threshold required for matters submitted to shareholders for a vote; and

(5) Such other matters as may properly come before the meeting or any adjournment thereof.

Information relating to the above items is set forth in the Proxy Statement attached to this notice.

Only shareholders of record of the Class A Common Stock at the close of business on October 28, 2010 (the Record Date) and, with respect to the first proposal only, shareholders of record of the Common Stock at the close of business on the Record Date, are entitled to vote at the meeting.

BY ORDER OF THE BOARD OF
DIRECTORS

JAMES L. CATES
Senior Group Vice President
and Corporate Secretary
Atlanta, Georgia
November 3, 2010

PLEASE COMPLETE AND
RETURN THE ENCLOSED PROXY CARD PROMPTLY,
OR SUBMIT YOUR PROXY BY INTERNET OR
TELEPHONE AS DESCRIBED ON YOUR PROXY CARD,

SO THAT YOUR VOTE MAY BE RECORDED AT THE MEETING
IF YOU DO NOT ATTEND PERSONALLY.
No postage is required if mailed
in the United States in the accompanying envelope.

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE SHAREHOLDER MEETING TO BE HELD ON DECEMBER 7, 2010.

The proxy statement is available at:
www.aaronsinc.com/proxy.

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Aaron s, Inc.
309 E. Paces Ferry Road, N.E.
Atlanta, Georgia 30305-2377

PROXY STATEMENT

SPECIAL MEETING OF SHAREHOLDERS
To Be Held December 7, 2010

QUESTIONS AND ANSWERS

What does this proxy statement and the enclosed proxy relate to?

The enclosed proxy is being solicited by the Board of Directors of Aaron s, Inc. (the Company) for use at a Special Meeting of Shareholders to be held on December 7, 2010 (the Special Meeting), and any adjournment or postponement of the Special Meeting.

References to we, our, us, the Company or Aaron s refer to Aaron s, Inc.

On what matters am I voting?

If you were a shareholder of record of our Class A Common Stock or our Common Stock on the Record Date, you will be asked to vote on the proposal to:

(1) amend and restate our Amended and Restated Articles of Incorporation to effect a reclassification of each outstanding share of Common Stock into one share of Class A Common Stock and to rename the Class A Common Stock as Common Stock, to eliminate certain obsolete provisions relating to our prior dual-class common stock structure, and to amend the number of authorized shares to be 225,000,000 total shares (the aggregate of the current number of authorized shares of Common Stock and Class A Common Stock) (the Capital Simplification proposal). The text of the proposed Amended and Restated Articles of Incorporation that we are asking you to approve, marked to show changes to our current Amended and Restated Articles of Incorporation, is included as Appendix A to this document.

If you were a shareholder of record of our Class A Common Stock on the Record Date, you will also be asked to vote on the proposals to:

(2) amend our bylaws to provide for a classified Board of Directors consisting of three classes, with terms of three years each (the Board Classification proposal);

(3) amend our bylaws to provide that vacancies on our Board of Directors shall only be filled by the directors (the Vacancy proposal); and

(4) amend our bylaws to reduce the default approval threshold required for matters submitted to shareholders for a vote (the Voting proposal).

Our Board of Directors is not aware of any other matters to be presented for action at the Special Meeting.

Who is entitled to vote and how many votes do I have?

If you were a shareholder of record of our Class A Common Stock or our Common Stock on the Record Date, you are entitled to vote at the Special Meeting, or at any postponement or adjournment of the meeting. On each matter to be voted on, holders of our Class A Common Stock may cast one vote for each share of Class A Common Stock they hold. On the Capital Simplification proposal, holders of our Common Stock may cast one vote for each share of Common Stock they hold. Holders of Common Stock are not entitled to vote on the Board Classification, Vacancy or Voting proposals. As of the Record Date there were 11,635,056 shares of Class A Common Stock and 69,427,694 shares of Common Stock outstanding and entitled to vote. A list of all shareholders entitled to vote will be available for inspection at the Special Meeting.

If the Capital Simplification proposal is approved at the Special Meeting, both classes of common stock will be unified, and all of our shareholders will thereafter have the same voting rights.

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What is the effect of each of the proposals, if they are approved?

Capital Simplification Proposal If the Capital Simplification proposal is approved, it will unify the two classes of common stock. The Common Stock will no longer exist with its current rights, powers, privileges, preferences, or qualifications, limitations or restrictions. Instead, the resulting unified Class A Common Stock, renamed as the Common Stock, will generally have the same rights, powers, privileges, preferences, qualifications, limitations and restrictions as the currently existing Class A Common Stock.

Board Classification Proposal If the Board Classification proposal is approved, the members of our Board of Directors will no longer be elected annually as a single class. Instead, the members of our Board of Directors will be divided into three classes as nearly equal in number as possible, with terms of office of three years each, and the term of office of one class of directors expiring each year. To implement the proposal, immediately following the Special Meeting each of our current directors will be placed in one of the three classes, as follows:

Class I R. Charles Loudermilk, Sr., Ronald W. Allen, John C. Portman, Jr., and Ray M. Robinson will be placed in Class I. The initial term for each of the Class I directors would expire at the annual meeting of shareholders expected to be held in May 2011. At the May 2011 annual meeting, the shareholders will elect four Class I directors for a term of three years.

Class II William K. Butler, Jr., Leo Benatar, and John B. Schuerholz will be placed in Class II. The initial term for each of the Class II directors would expire at the annual meeting of shareholders expected to be held in May 2012. At the May 2012 annual meeting, the shareholders will elect three Class II directors for a term of three years.

Class III Robert C. Loudermilk, Jr., Gilbert L. Danielson, and David L. Kolb will be placed in Class III. The initial term for each of the Class III directors would expire at the annual meeting of shareholders expected to be held in May 2013. At the May 2013 annual meeting, the shareholders will elect three Class III directors for a term of three years.

At each annual shareholders meeting at which a specific class term expires, nominees elected or reelected as a director for that class will serve for a term of three years to succeed those of the class whose terms are expiring. Also, as a result of the Board Classification proposal, shareholders will no longer be able to remove directors from office without cause.

Vacancy Proposal If the Vacancy proposal is approved, only members of our Board of Directors will have the ability to fill any vacancies that may occur on our Board of Directors. Currently, our Board of Directors may fill any Board vacancy resulting from an increase in the number of directors, but not resulting from the removal of a director from office by the shareholders, unless the shareholders fail to timely fill the vacancy. With the approval of this amendment to our bylaws, only our Board of Directors shall have the right to fill any vacancy that may occur on our Board of Directors. In the event there are no directors in office, the vacancies would continue to be filled through election by our shareholders.

Voting Proposal If the Voting proposal is approved, the default approval threshold required to approve actions submitted to a shareholder vote will be reduced. Currently, in order for an action to be approved by shareholders, a majority of the outstanding voting shares entitled to vote must be cast in favor of the action. With the approval of the Voting proposal, our bylaws will be amended to provide that an action submitted to a shareholder vote will be approved by shareholders if the votes cast in favor of the action exceed the votes cast opposing the action. This amendment will not affect the election of directors or other matters for which law,

our bylaws or our Amended and Restated Articles of Incorporation prescribe a different vote.

What constitutes a quorum?

A quorum for each proposal is necessary to conduct business at the Special Meeting. The presence, in person or by proxy, of holders of a majority of the outstanding shares of our Class A Common Stock and, separately, of holders of a majority of the outstanding shares of our Common Stock at the Special Meeting is necessary to constitute a quorum with respect to the Capital Simplification proposal. The presence, in person or by proxy, of holders of a majority of the outstanding shares of our Class A Common Stock is necessary to constitute a quorum with respect to the Board Classification, Vacancy and Voting proposals. You are part of the quorum if you have

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voted, or registered an abstention, by proxy. Abstentions and broker non-votes count as shares present at the meeting for purposes of determining whether a quorum exists.

Broker non-votes occur on a matter up for vote when a broker, bank or other holder of shares you own in street name is not permitted to vote on that particular matter without instructions from you, you do not give such instructions and the broker or other nominee indicates on its proxy card, or otherwise notifies us, that it does not have authority to vote its shares on that matter. Whether a broker has authority to vote its shares on uninstructed matters is determined by stock exchange rules.

What vote is required to approve the proposals?

The Capital Simplification proposal must be approved by the affirmative vote of the holders of (1) a majority of the outstanding shares of Class A Common Stock, and (2) a majority of the outstanding shares of Common Stock. The Board Classification, Vacancy and Voting proposals, as well as any other proposal that may be properly brought before the Special Meeting, must each be approved by the affirmative vote of the holders of a majority of the outstanding shares of Class A Common Stock. Abstentions and broker non-votes will have the effect of votes against all of these proposals.

The approval of the Board Classification, Vacancy and Voting proposals is conditioned upon the approval of the Capital Simplification proposal.

How does the Board of Directors recommend I vote on the proposals?

Our Board of Directors recommends that you vote **FOR** each proposal described above for which you are entitled to vote.

How do I vote?

If you hold your shares through a broker, bank or other nominee in street name :

You need to submit voting instructions to your broker, bank or other nominee in order to cast your vote. In most instances, you can do this over the Internet or you may mark, sign, date and mail your voting instruction form (which may resemble a proxy) in the postage-paid envelope provided. Your vote is revocable by the procedures outlined by your nominee. However, because you are not a shareholder of record you may not vote your shares in person at the meeting without obtaining authorization from your broker, bank or other nominee.

If you are a shareholder of record:

You can vote your shares over the Internet or you may vote by telephone, each as described on the proxy card, or by mail by marking, signing, dating and mailing your proxy card in the postage-paid envelope provided. If no direction is specified on the proxy as to any matter being acted upon, the shares represented by the proxy will be voted in favor of such matter. Your designation of a proxy is revocable by following the procedures outlined in this proxy statement. The method by which you vote will not limit your right to revoke your prior vote, and instead vote in person at the Special Meeting.

Different Proxies or Voting Instruction Forms

A holder of our Class A Common Stock will receive a different form of proxy than that received by a holder of our Common Stock, and similarly a street name holder of our Class A Common Stock may receive a different voting

instruction form to instruct their nominees than a street name holder of our Common Stock. We will use different forms of proxy and different voting instruction forms for the different classes because holders of our Class A Common Stock are voting on all four proposals, while holders of our Common Stock are voting only on the Capital Simplification proposal. Record holders of Class A Common Stock will receive a blue-colored proxy and record holders of Common Stock will receive a white-colored proxy.

If you hold shares of both classes, you will receive both kinds of proxies (or voting instruction forms), and must vote both, in any of the ways described above, in order to register your vote with respect to your holdings of both classes.

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Will my shares held in street name be voted if I do not provide instructions to my nominee?

If you hold your shares through a broker, bank or other nominee, your shares must be voted by the nominee, as described above. Your vote will be tabulated and voted as per your instructions. If you do not provide voting instructions, under the rules of the New York Stock Exchange, the nominee s discretionary authority to vote your shares will be limited to routine matters. The proposed items to be voted on at the Special Meeting are not routine matters for this purpose, so your shares will not be voted at the meeting if you do not return your voting instructions.

Can I change my vote?

You can change your vote or revoke your proxy at any time before it is voted at the Special Meeting by: (1) re-submitting your vote on the Internet or by telephone; (2) if you are a shareholder of record, sending a written notice of revocation to our Corporate Secretary at our principal offices at 309 East Paces Ferry Road, NE, Atlanta, Georgia 30305-2377; or (3) attending the Special Meeting and voting in person. Attendance at the Special Meeting will not by itself revoke your proxy. If you hold shares in street name and wish to cast your vote in person at the meeting, you must contact your broker, bank or other nominee to obtain authorization to vote.

Who is bearing the cost of this proxy solicitation?

We will bear the cost of preparing, assembling and mailing the proxy materials to shareholders, and of reimbursing brokers, nominees, fiduciaries, and other custodians for the out-of-pocket and clerical expenses of transmitting the proxy materials to the beneficial owners of the shares. Our officers and employees may participate in the solicitation of proxies, without additional compensation, by telephone, e-mail or other electronic means, or in person.

What if I have additional questions?

If you have additional questions about the Special Meeting or any of the information presented in this proxy statement, you may direct your questions to Gilbert L. Danielson, Executive Vice President and Chief Financial Officer, Aaron s, Inc., 309 East Paces Ferry Road, NE, Atlanta, Georgia 30305-2377, telephone number (404) 231-0011.

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BENEFICIAL OWNERSHIP OF COMMON STOCK

The following table sets forth, as of October 28, 2010 (except as otherwise noted), the beneficial ownership of our Class A Common Stock and Common Stock by (1) each person who owns of record or is known by management to own beneficially 5% or more of the outstanding shares of our Class A Common Stock; (2) each of our directors; (3) our Chief Executive Officer, Chief Financial Officer, and the other three most highly compensated executive officers; and (4) all of our executive officers and directors as a group.

Except as otherwise indicated, all shares shown in the table below are held with sole voting and investment power. The Combined Stock Ownership column represents the aggregate number of shares and pro rata percentage that the named person or group would beneficially own if the classes of shares were unified as of October 28, 2010, and if such person or group, and only such person or group, exercised all options to purchase shares that were exercisable within sixty (60) days of October 28, 2010 by him, her, or it.

	Class A Common Stock		Common Stock			
	Ownership(1)		Ownership(1)		Combined Stock Ownership(1)	
Beneficial Owner	Number of Shares	% of Shares	Number of Shares	% of Shares	Number of Shares	% of Shares
R. Charles Loudermilk, Sr. 309 E. Paces Ferry Road NE, Atlanta, GA 30305	7,151,042(2)	61.46%	242,147(3)	*	7,393,189	9.12%
T. Rowe Price Associates, Inc. 100 E. Pratt Street, Baltimore, MD 21202	1,240,200(4)	10.66%	5,707,435(4)	8.22%	6,947,635	8.57%
T. Rowe Price Associates, Inc. Small Cap Value Fund 100 E. Pratt Street, Baltimore, MD 21202	1,103,550(5)	9.48%			1,103,550	1.36%
GAMCO Investors, Inc. One Corporate Center, Rye, New York 10580	903,635(6)	7.77%			903,635	1.11%
Perkins Investment Management LLC 151 Detroit Street, Denver, CO 80206			4,932,750(7)	7.10%	4,932,750	6.09%
NFJ Investment Group LLC 680 Newport Center Drive, Suite 250,			4,123,500(8)	5.94%	4,123,500	5.09%

Newport Beach, CA 92101						
Allianz NFJ Small-Cap Value Fund 680 Newport Center Drive, Suite 250, Newport Beach, CA 92101			3,500,300(9)	5.04%	3,500,300	4.32%
Robert C. Loudermilk, Jr.	169,656(10)	1.46%	825,309(11)	1.19%	994,965	1.23%
Gilbert L. Danielson	81,750(2)	*	309,482(12)	*	391,232	*
William K. Butler, Jr.	75,000(2)	*	257,946(13)	*	332,946	*
Ronald W. Allen	16,875	*	12,750(14)	*	29,625	*
Leo Benatar	4,672	*	16,785(14)	*	21,457	*
David L. Kolb			67,925(14)	*	67,925	*
John C. Portman, Jr.			46,500(15)	*	46,500	*
John B. Schuerholz			6,419(15)	*	6,419	*
Ray M. Robinson			12,750(14)	*	12,750	*
K. Todd Evans			33,179(16)	*	33,179	*
All executive officers and directors as a group (a total of 15 persons)	7,500,727(17)	64.47%	2,028,905(18)	2.92%	9,529,632	11.76%

* Less than 1%.

(1) Amounts shown do not reflect that the Common Stock is convertible, on a share for share basis, into shares of Class A Common Stock (1) by resolution of our Board of Directors if, as a result of the existence of the Class A Common Stock, either class is excluded from listing on The New York Stock Exchange or any national securities exchange on which the Common Stock is then listed and (2) automatically should the outstanding shares of Class A Common Stock fall below 10% of the aggregate outstanding shares of both classes.

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Beneficial ownership is determined under the rules of the Securities and Exchange Commission. These rules deem common stock subject to options currently exercisable, or exercisable within 60 days, to be outstanding for purposes of computing the percentage ownership of the person holding the options or of a group of which the person is a member, but they do not deem such stock to be outstanding for purposes of computing the percentage ownership of any other person or group. Percentages are based on 11,635,056 shares of Class A Common Stock and 69,427,694 shares of Common Stock outstanding at October 28, 2010.

(2) Includes 75,000 shares of Class A unvested restricted stock.

(3) Includes options to purchase 233,925 shares of Common Stock and 7,500 shares of unvested restricted stock.

(4) As reported on Schedule 13F filed with the Securities and Exchange Commission on August 7, 2010 by T. Rowe Price Associates, Inc.

(5) As reported on Form N-CSR Semiannual Report filed with the Securities and Exchange Commission on August 17, 2010 by T. Rowe Price Associates, Inc. and T. Rowe Price Small-Cap Value Fund, Inc.

(6) As reported on Schedule 13F filed with the Securities and Exchange Commission on August 13, 2010 by GAMCO Investors, Inc.

(7) As reported on Schedule 13F filed with the Securities and Exchange Commission on August 8, 2010 by Perkins Investment Management.

(8) As reported on Schedule 13F filed with the Securities and Exchange Commission on August 8, 2010 by Allianz Global Investors of America, L.P.

(9) As reported in the June 30, 2010 Allianz Domestic Stock Funds Annual Report by Allianz Global Investors of America, L.P.

(10) Includes 78,270 shares of Class A Common Stock held by certain trusts for the benefit of Mr. Loudermilk, Jr. s children, of which Mr. Loudermilk, Jr. serves as trustee, and 75,000 shares of Class A unvested restricted stock.

(11) Includes options to purchase 267,675 shares of Common Stock, 197,409 shares of Common Stock held by certain trusts for the benefit of Mr. Loudermilk, Jr. s children, of which Mr. Loudermilk, Jr. serves as trustee, 39,157 shares of Common Stock held by Mr. Loudermilk, Jr. s spouse, and 7,500 shares of unvested restricted stock. Mr. Loudermilk, Jr. has pledged 300,000 shares of Common Stock as security for indebtedness.

(12) Includes options to purchase 267,675 shares of Common Stock, 2,362 shares of Common Stock held by Mr. Danielson s spouse and 7,500 shares of unvested restricted stock.

(13) Includes options to purchase 182,850 shares of Common Stock, 7,500 shares of unvested restricted stock.

(14) Includes options to purchase 5,625 shares of Common Stock and 750 shares of unvested restricted stock.

(15) Includes options to purchase 750 shares of unvested restricted stock.

(16) Includes options to purchase 29,310 shares of Common Stock and 1,500 shares of unvested restricted stock.

(17) Includes 300,000 shares of unvested Class A restricted stock.

(18) Includes options to purchase 1,121,715 shares of Common Stock and 42,000 shares of unvested restricted stock.

PROPOSAL TO AMEND AND RESTATE OUR ARTICLES OF INCORPORATION TO RECLASSIFY OUR CLASSES OF COMMON STOCK (Item 1)

Our Board of Directors, based on the recommendation and approval of a special committee of the Board, as discussed below, has authorized, and recommends for shareholder approval, a proposal to amend and restate our Amended and Restated Articles of Incorporation to convert each outstanding share of Common Stock into one share of Class A Common Stock, rename the Class A Common Stock as the Common Stock, eliminate certain obsolete provisions of our existing Amended and Restated Articles of Incorporation relating to our dual-class common stock structure and amend the number of authorized common shares to 225,000,000 total shares (the aggregate of the current number of authorized shares of Common Stock and Class A Common Stock). In accordance with the Georgia Business Corporation Code and the terms of our Amended and Restated Articles of Incorporation, our Board is submitting the proposed Amended and Restated Articles of Incorporation for the approval of our shareholders, as described in more detail below. Both classes of our common shares will be entitled to vote on this

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proposal, including our Common Stock which generally does not otherwise have voting rights. Whether you are a holder of our Class A Common Stock or our Common Stock, you are encouraged to read this section carefully.

The primary purpose of this proposal is to eliminate our current dual-class common stock structure by converting our Common Stock into Class A Common Stock, which will result in only a single class of common shares outstanding which means all shares of our common stock thereafter will have identical rights and preferences and, specifically, that each share of our common stock will have one vote per share. We will then rename the single class Common Stock and amend the number of authorized shares to reflect the aggregate number of current Common Stock and Class A Common Stock shares authorized. We refer to this course of action throughout this proxy statement as the Capital Simplification.

The text of the proposed Amended and Restated Articles of Incorporation, marked to show changes to our current Amended and Restated Articles of Incorporation, is included as Appendix A to this proxy statement.

Background of our Dual-Class Structure

We currently have two classes of common stock outstanding Common Stock and Class A Common Stock. The powers, privileges, preferences and relative participating, optional or other special rights and the qualifications, limitations or restrictions of both classes, are identical in nearly all respects except for voting rights. The holders of the Class A Common Stock currently have one vote per share, and the holders of our Common Stock are not entitled to vote on any matters except where otherwise required by Georgia law or where an amendment to the Amended and Restated Articles of Incorporation would adversely affect the rights of the Common Stock.

As of the Record Date, there were 11,635,056 shares of Class A Common Stock outstanding held by 110 holders of record and 69,427,694 shares of Common Stock outstanding held by 259 holders of record. As of the Record Date, the outstanding Class A Common Stock represented approximately 14.35% of our outstanding common shares, and 100% of the total voting power. As of the Record Date, R. Charles Loudermilk, Sr., our founder, former CEO and the Chairman of our Board of Directors, held 7,151,042 shares of Class A Common Stock, representing 61.46% of the outstanding Class A Common Stock, and thus currently holds more than a majority of the outstanding voting shares. Mr. Loudermilk, Sr. also owns 242,147 shares of Common Stock representing less than 0.5% of the outstanding Common Stock.

Our existing dual-class structure was approved by our Board of Directors and shareholders and implemented in November 1992. At that time, each share of our then Common Stock was renamed Class A Common Stock, and a new class of common stock, then named Class B Common Stock but later renamed Common Stock, was created. This new Class B Common Stock was then distributed to the shareholders as a stock dividend, with holders of Class A Common Stock receiving one share of new Class B Common Stock for each share of Class A Common Stock held. With approximately 50% of our outstanding shares at that time held by Mr. Loudermilk, Sr. and other directors and executive officers, the creation of the dual-class structure was primarily intended to increase the liquidity of the common stock overall, provide flexibility to allow us to issue shares in capital raising transactions and allow our shareholders the flexibility to sell a portion of their shares without affecting their voting rights. Based on the information available at that time, our Board of Directors believed that the dual-class structure would be in the best interests of our Company and our shareholders. Before adopting the dual-class structure in 1992, our Board of Directors and a special committee of our Board carefully considered information about similar dual-class structures adopted by other public companies, including information about the impact of these structures on the total market value of the outstanding common equity of these companies, market price differentials between the voting and nonvoting shares, the impact on liquidity and the reaction of institutional investors. Although our Board of Directors recognized that there might be disadvantages to the dual-class structure as well as advantages, our Board believed that the advantages would outweigh the disadvantages.

At the time of the 1992 reclassification, our Board of Directors was concerned that the lack of voting rights in the nonvoting common stock would cause those shares to trade in the public markets at a significant discount to the voting stock. The 1992 reclassification included several provisions that were intended to address this perceived risk:

A common stock protection feature was included in the Amended and Restated Articles of Incorporation to require that any person who acquired more than 20% of the voting Class A Common Stock would be required to make a tender offer for the same percentage of the nonvoting Common Stock;

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Our Board of Directors was specifically permitted to pay a higher dividend on the Common Stock than on the Class A Common Stock;

A provision was included in the Amended and Restated Articles of Incorporation providing that in the event of a merger or similar transaction, the holders of our Common Stock would be entitled to receive the same amount and form of consideration per share as the per share consideration received by any holder of our Class A Common Stock in the transaction; and

A sunset provision was included in the Amended and Restated Articles of Incorporation providing that each share of our Common Stock would be automatically converted, on a one-for-one basis, into our Class A Common Stock if the total amount of shares of Class A Common Stock outstanding were ever to constitute less than 10% of the total number of shares of both classes of common stock then outstanding.

Immediately following the 1992 reclassification, our outstanding common shares were split evenly between Class A Common Stock and Common Stock. Since the 1992 reclassification, we have conducted four registered public offerings solely of our Common Stock, distributed a stock dividend payable only in Common Stock, and engaged in several transactions where our Class A Common Stock was repurchased or exchanged for Common Stock. As a result of these various issuances of Common Stock, there are, today, substantially more shares of Common Stock outstanding than Class A Common Stock, and the outstanding Class A Common Stock now represents approximately 14.35% of the aggregate number of outstanding shares of both classes.

Trading History and Disadvantages of the Dual-Class Structure

During the first approximately eight years after the adoption of our dual-class structure, the Class A Common Stock generally traded on the Nasdaq Stock Market, and then on the New York Stock Exchange, in parity with, or at a slight premium to, the Common Stock. For most of the last ten years, however, the Common Stock has traded at a significant premium to the Class A Common Stock, despite the absence of voting rights for the Common Stock, averaging a mean premium of approximately 10% over that time. In more recent periods, this discount has been even more pronounced, with the Class A Common Stock trading on the New York Stock Exchange at an average discount to the Common Stock of approximately 16% over the past three years, and approximately 20% over the past twelve months, prior to the announcement of our Capital Simplification proposal. On September 10, 2010, the last trading day before we announced our Capital Simplification proposal, the Class A Common Stock closed at $14.00 per share on the New York Stock Exchange, and the Common Stock closed at $16.60 per share, representing a discount on the Class A Common Stock of 16%. Since the announcement, the two classes have traded very closely, though the Class A Common Stock has generally continued to trade at a slight discount to the Common Stock, with the discount averaging less than 1%.

Since the 1992 reclassification, the average daily trading volume of both the Class A Common Stock and the Common Stock has changed significantly. Over that time period, the average daily trading volume of the Class A Common Stock has been approximately 6,500 shares per day, while the Common Stock averaged approximately 334,000 shares per day. Similar to the differences in trading prices, the differences in trading volume have been more pronounced in recent years. For the last three years, the average daily trading volume for the Class A Common Stock has been approximately 1,800 shares per day, while the average for the Common Stock has been nearly 995,000 shares per day. We believe, based in part on advice from an independent, outside financial advisor, VRA Partners, LLC (VRA), that the resulting lower liquidity of the Class A Common Stock is primarily responsible for the price disparity between the two classes. This lack of liquidity and the persistent discount have generated frustration for holders of our Class A Common Stock.

In addition, since the 1992 reclassification, we believe that a significant amount of confusion has arisen among shareholders, analysts, the financial media and other members of the financial community with respect to our dual-class capital structure. The use of different trading symbols by the New York Stock Exchange (AAN and AAN.A) for the two classes has contributed to the confusion, given that these trading symbols have been reproduced, recorded or described in different ways by various sources. Some shareholders have reported an inability to use certain reporting services to find trading prices for the Class A Common Stock. As a result, the public may have obtained conflicting and confusing financial information from various third-party sources. We have been required to spend time and resources correcting flawed information and educating existing and potential investors.

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We believe that the creation of the dual-class structure in 1992 achieved many of its original goals, allowing our Company to conduct four public equity offerings with the nonvoting Common Stock and contributing to a very significant increase in the liquidity of that class of our common stock; however, we now believe that our dual-class structure is no longer necessary, and that the disadvantages of maintaining the two classes now outweigh the advantages.

In summary, we believe that the unwinding of our dual-class common stock structure into a single class of common stock is in the best interests of our Company and the holders of both our Class A Common Stock and our Common Stock. The Capital Simplification will eliminate the disparity in trading prices and liquidity profiles between our two classes of common stock, and we expect that it will also improve the liquidity profile of our common stock overall, allow for easier analysis and valuation of the new single class of common stock and eliminate confusion within the financial community regarding the current dual-class structure. However, we cannot guarantee that the benefits of a simplified capital structure will be accomplished to the extent and in the manner we currently expect, if at all.

Considerations Involving the Proposed Capital Simplification

This persistent, long-term trading volume disparity and price differential led our management at various times over a period of more than ten years to explore with outside legal counsel and financial advisors ways to improve the liquidity of the Class A Common Stock or to make other changes to our capital structure that would eliminate the differences in the two classes over time. During this time, our management and our Board of Directors have, from time to time, reviewed the dual-class structure, considered whether the anticipated benefits were being realized and assessed the disadvantages. It was recognized, however, that because of the significant difference between the number of outstanding shares of Common Stock and Class A Common Stock, any recombination of the two classes on a one-for-one basis would likely cause a dramatic reduction in the voting power of Mr. Loudermilk, Sr., the holder of approximately 61.46% of the Class A Common Stock, and that any such change would thus require the approval of Mr. Loudermilk, Sr. to voluntarily give up voting control. As a result, no recombination was ever implemented. Our management and our Board of Directors have also from time to time considered the impact of the dual-class structure on the liquidity of our shares, and, recently, Mr. Loudermilk, Sr. and, occasionally, some of our other investors have expressed concerns about the liquidity of our Class A Common Stock under our dual-class structure. As the trading volume disparity and price differential became more pronounced in recent periods, Mr. Loudermilk, Sr. became more willing to consider a recombination of the two classes if our Board were to determine that the recombination was in the best interests of all of our shareholders.

At a July 12, 2010 special Board meeting held for this purpose, our management and our outside legal counsel, Kilpatrick Stockton LLP, discussed with our Board of Directors the possibility of combining our two classes of common stock into a single class. Kilpatrick Stockton summarized the corporate procedures and approvals that would be required to eliminate the dual-class structure, discussed other means of addressing the liquidity of the Class A Common Stock and advised our Board on its fiduciary duties in considering any action. Our Board was also mindful of the sunset provision in the Amended and Restated Articles of Incorporation that would automatically unwind the dual-class structure on a one-for-one basis if the outstanding Class A Common Stock were to constitute less than 10% of the aggregate number of outstanding shares of both classes. It was discussed that it was likely inevitable that this 10% sunset provision would eventually be triggered at some point in time, perhaps in the near future, whether caused by additional issuances of Common Stock in capital raising transactions and employee equity incentive grants, by stock splits or by acquisitions of Class A Common Stock from time to time by our Company. Our Board considered, for instance, that a stock dividend of sufficient size approximately three-for-two distributed with respect to both classes, but only in shares of Common Stock, would alone likely be sufficient to trigger the sunset provision and automatically combine the two classes into a single voting class on a one-for-one basis without any further Board action or vote of either class of shareholders. Our Board took no action at the meeting, but determined to consider the matter again at its regularly scheduled meeting the following month.

At its August 3, 2010 regular meeting, our Board of Directors revisited the possible elimination of the dual-class structure. Our Board was mindful that the Class A Common Stock had consistently traded at a significant discount to the trading price of the Common Stock, averaging approximately 20% over the prior twelve months, and recognized that upon the public announcement of any combination of the two classes that the trading price of the Class A Common Stock was likely to increase significantly to a price much closer to the trading price of the

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Common Stock. Because of the significant share holdings of Mr. Loudermilk, Sr. and the impact that a reclassification would have on his voting power and the likely value of his share holdings, and because Mr. Loudermilk, Sr. s son, Robert C. Loudermilk, Jr., is our President, Chief Executive Officer and a member of our Board, our Board considered that Mr. Loudermilk, Sr. and Mr. Loudermilk, Jr. may be deemed to have an interest in the Capital Simplification that is different from the interests of certain classes of our shareholders or our shareholders as a whole. For these reasons, our Board of Directors determined to delegate consideration of the proposal to a special committee of independent directors to review, consider and, if it deemed appropriate in the exercise of its independent business judgment, recommend to the full Board the Capital Simplification and the terms thereof, including the manner and basis for combining the two classes. At this meeting, our Board appointed directors Leo Benatar, David L. Kolb and Ronald W. Allen, whom our Board considered to be independent and disinterested with respect to the Capital Simplification, to serve as the special committee (the Special Committee), and delegated authority to the Special Committee to engage professional advisors (including attorneys, investment advisers and other such advisers as the Special Committee deemed prudent) for the purpose of assisting in the review and evaluation process and to provide such opinions, reports and other advice and information as the Special Committee deemed prudent. The Special Committee then interviewed and hired the law firm of Rogers & Hardin LLP as its independent counsel, and VRA Partners as its independent financial advisor. Neither Rogers & Hardin nor VRA had been, in the past, engaged to provide services to us, and neither firm is currently providing us with any other services. The engagement of Rogers & Hardin and VRA by the Special Committee was the result of arm s-length negotiations.

Over the next four weeks, the Special Committee held four meetings with its legal and financial advisors and with Company counsel Kilpatrick Stockton.

On August 20, 2010, the Special Committee met to consider the dual-class structure, including the reasons for its implementation, the market prices and trading dynamics of our Class A Common Stock and our Common Stock since the inception of the dual-class structure, the express terms of the shares and information regarding similar reclassification transactions at other companies. At the meeting, VRA presented information about other public companies with two classes of publicly traded common shares and information about certain transactions in which two classes of publicly traded common stock were combined into one. The transaction information included preliminary information about the exchange ratios used in combining the shares, liquidity and market price differentials before the combination and liquidity and market prices after the combination. At the meeting, Rogers & Hardin advised the members of the Special Committee on their fiduciary duties and discussed the corporate approvals and procedures that would be required to implement a combination of the two classes. Certain potential benefits to be derived from combining the two classes of shares were articulated, including increased liquidity, improved access to capital markets, closer alignment of voting rights with economic ownership and increased acceptance by investors. The Special Committee also discussed the various means by which the combination could be implemented, including the possibility of intentionally triggering the 10% sunset provision in the Amended and Restated Articles of Incorporation, which would automatically convert all outstanding Common Stock into Class A Common Stock on a one-for-one basis without any shareholder action, by declaring a stock dividend payable only in Common Stock.

On August 27, 2010, the Special Committee met again and considered updated information about our Company s dual-class structure and about other companies with two classes of publicly traded common shares. VRA identified 261 public companies traded on the New York Stock Exchange (NYSE), American Stock Exchange (AMEX) and Nasdaq Stock Market (Nasdaq) that currently maintain dual-class capital structures, and provided detailed analysis on a subgroup of 18 companies that had similar market capitalizations to our Company. At the request of the Special Committee, VRA also presented more detailed information about the potential benefits of a combination of the two classes, including information showing improvements in liquidity experienced by other public companies that had combined their shares. VRA noted that they examined 22 comparable reclassification transactions at other public companies where dual-class capital structures were combined, and provided information on the effects of these other transactions on liquidity, trading prices and relative discounts before and after the reclassification proposals were

announced and implemented. The Special Committee closely examined the exchange ratios used in these similar dual-class combinations, and discussed whether the combination of our Class A Common Stock and Common Stock should be effected at other than a one-for-one basis, including consideration of both a higher ratio and a lower ratio. VRA reported that in the 22

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comparable reclassification transactions they examined, a one-for-one exchange ratio was used in 19 of the transactions, and that in the remaining three transactions the exchange ratios were 1.09:1, 1.15:1 and 1.22:1, meaning that in those three transactions the holders of the higher voting stock received more than one share for each voting share when combined with the lower or nonvoting stock. As it considered the appropriate exchange ratio, the Special Committee also took into account that the Class A Common Stock had consistently traded at a discount to the Common Stock, but was also mindful that the holders of the Class A Common Stock would be giving up voting control if the Capital Simplification were approved. The Special Committee noted that Mr. Loudermilk, Sr. would experience a dramatic change in his voting control, with his voting shares falling from 61.46% today to approximately 9.15% if the Capital Simplification were effected at a one-for-one exchange ratio. The Special Committee instructed VRA to consider the fairness of the proposed Capital Simplification to the holders of both classes, and notified VRA that the Special Committee would request an opinion that the exchange ratio used in the Capital Simplification would be fair from a financial point of view to the holders of both classes.

On August 31, 2010, the Special Committee met again to consider and act upon the proposal to combine the two classes of shares. At this meeting, VRA presented updated information about our Company s dual-class structure and instances in which other companies had combined two classes of publicly traded shares, including the exchange ratios used in combining the shares, the anticipated benefits of the reclassification and the likely effects on the trading prices of both classes. The Special Committee examined in detail the trading prices of higher and lower voting/nonvoting classes in similar reclassification transactions at various intervals immediately before, immediately after and 30 or more days after these other transactions were announced and implemented. Mr. Benatar, as chairman of the Special Committee, reported that he had briefed Mr. Loudermilk, Sr. on the work of the Special Committee, and had asked Mr. Loudermilk, Sr. for his views of the proposed reclassification. Mr. Benatar reported that Mr. Loudermilk, Sr. had indicated he was generally supportive of the Capital Simplification if implemented at a one-for-one exchange ratio, notwithstanding the substantial and immediate reduction in his voting power. After considering all of the information presented to them and discussing the merits of the proposed reclassification in detail, the Special Committee preliminarily determined that it would recommend to the full Board approval of the Capital Simplification at an exchange ratio of one-to-one, conditioned upon receiving a fairness opinion from VRA as to that exchange ratio. VRA indicated that, based on its analysis, it expected to be able to deliver the requested fairness opinion. The Special Committee also discussed the means by which the combination should be implemented, and concluded that the combination should be structured as an amendment to the Amended and Restated Articles of Incorporation and be submitted to a majority vote of each class of common stock, voting separately as a class, so that our Board could be assured that the Capital Simplification was favored by holders of a majority of both classes. The Special Committee was particularly mindful that though Mr. Loudermilk, Sr. could alone cast sufficient votes to cause the Capital Simplification to be approved by the Class A Common Stock, Mr. Loudermilk, Sr. owns less than one-half of one percent of the Common Stock.

On September 10, 2010, the Special Committee held its final meeting to consider the Capital Simplification. At this meeting, VRA presented its financial analysis of the Capital Simplification and delivered its oral opinion and written opinion to the Special Committee that, as of that date, from a financial point of view, the one-for-one exchange ratio was fair to the holders of the Common Stock and the holders of the Class A Common Stock. VRA also indicated it would deliver its written opinion to the full Board of Directors. After a review of all the factors, and receipt of the presentation and opinion of VRA, the Special Committee determined to recommend to the full Board that the Capital Simplification be approved and submitted to both classes of our shareholders for approval.

Factors Considered by the Special Committee

In determining to approve and recommend the Capital Simplification proposal, the Special Committee considered a number of factors, including the possible benefits that our Company and our shareholders may derive from each of the following:

Increased Liquidity. The Special Committee believes that the Capital Simplification will provide investors with greater liquidity and an enhanced quality of trade execution. Prior to the public announcement of the Capital Simplification proposal, the Class A Common Stock generally traded at a significant discount to the Common Stock, despite the fact that the Class A Common Stock has superior voting rights and that the rights and preferences of the two classes are otherwise identical in all material respects. The Special Committee believes that the trading discount, to a significant degree, results from the substantially higher liquidity, or

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trading volume, of the Common Stock, and the substantially larger number of shares of Common Stock outstanding. The greater liquidity in the Class A Common Stock following the Capital Simplification may also allow investors to buy and sell larger positions in that class with less impact on the stock price. By combining the Class A Common Stock and the Common Stock, the Special Committee hopes to facilitate enhanced liquidity for all of our shareholders by aggregating the volume of our common shares that are traded and thereby removing a possible impairment to efficient trading of our common shares.

Align Voting Rights with Economic Ownership. The Special Committee believes that our shareholders may benefit from aligning their voting interests with their economic interests. Converting the Common Stock into Class A Common Stock would eliminate the disparity between voting interests and economic interests and may make our common shares a more attractive investment.

Increased Acceptance by Institutional Investors. The Special Committee believes that simplifying our capital structure and increasing liquidity by combining the two existing classes into a single class will address the concerns that have been expressed by institutional investors about the liquidity of our shares and the complexity of the dual-class structure, and will allow our common shares to be held by certain institutional investors whose investment policies do not permit them to invest in nonvoting shares or in companies that have disparate voting rights in their capital structure.

Elimination of Investor Confusion. The Special Committee believes that some investors may not understand the differences between our two classes of common stock. Converting the Common Stock into Class A Common Stock and renaming the class Common Stock would simplify our capital structure and eliminate this potential confusion, including confusion as to the calculation of our total market capitalization, shares outstanding and earnings per share.

Improved Ability to Use Equity as Consideration. The Special Committee believes that the use of a single class of common shares could provide increased flexibility to use equity as acquisition currency and for possible future offerings of our capital stock to potential investors.

The Special Committee also considered the following factors in connection with its approval and recommendation of the Capital Simplification proposal:

The holders of the Class A Common Stock and the holders of the Common Stock currently have the same economic rights, with voting rights representing the only material difference in the rights of the holders of the two classes;

The historical trading price and trading volume differentials of the Class A Common Stock and the Common Stock;

The historical trading price and trading volume differentials between the two classes of publicly traded stock of other companies with dual-class capital structures;

The trend of publicly traded companies away from dual-class capital structures, consistent with the policies of the NYSE and the other major stock exchanges in favor of one vote per share of common stock;

The exchange ratios adopted by other companies that have eliminated their dual-class structures;

The opinion of VRA that, as of September 10, 2010 and subject to and based on the considerations described in such opinion, the one-to-one exchange ratio was fair, from a financial point of view, to the holders of our

Class A Common Stock and the holders of our Common Stock;

The holders of both our Class A Common Stock and the Common Stock will have a right to vote on the Capital Simplification proposal, with each class voting as a separate class, and therefore each class will have the opportunity to decide for itself whether the Capital Simplification should be implemented, which can occur only if holders of a majority of the outstanding shares of both classes vote in favor of the proposal; and

The Capital Simplification, if implemented, is not expected to result in taxable income to our Company or to the holders of the Class A Common Stock or the Common Stock.

This discussion of information and factors considered by the Special Committee is not intended to be exhaustive, but includes the material factors considered by the Special Committee in making its decision. In view of the wide variety of factors considered by the Special Committee in connection with its evaluation of the Capital

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Simplification proposal and the complexity of these matters, the Special Committee did not consider it practicable to, nor did it attempt to, quantify, rank or otherwise assign relative weights to the specific factors it considered in reaching its decision. In considering the factors described above, individual members of the Special Committee may have given different weight to different factors. We cannot assure you when or if any specific potential benefits considered by the Special Committee will be realized.

Factors Considered by the Board of Directors

At a special Board meeting held on September 10, 2010 for this purpose, the full Board of Directors reviewed and discussed the recommendation of the Special Committee with the Special Committee, Rogers & Hardin and VRA, and with Kilpatrick Stockton. At this meeting, VRA presented its financial analysis of the Capital Simplification and delivered its written opinion to the full Board as to the fairness, from a financial point of view, of the one-for-one exchange ratio to the holders of the Common Stock and the holders of the Class A Common Stock. Based on all of the information considered by it, our Board of Directors unanimously determined to adopt the recommendation of the Special Committee and approved the Capital Simplification proposal and recommended that it be submitted to the shareholders for their approval at a special meeting. At this meeting, Mr. Loudermilk, Sr. indicated that he supported the Capital Simplification proposal as presented.

In determining the Capital Simplification proposal to be advisable and fair to, and in the best interests of, our Company and our Class A Common Stock and the Common Stock holders, our Board of Directors carefully considered (1) the conclusions and recommendations of the Special Committee, (2) each of the factors referred to above as having been taken into account by the Special Committee, and (3) the opinion of VRA, dated September 10, 2010, to the Special Committee and our Board of Directors as to the fairness, from a financial point of view, and as of the date of the opinion, of the exchange ratio provided for in the Capital Simplification to the holders of the Class A Common Stock and the Common Stock as more fully described below in the section entitled Opinion of the Financial Advisor. Our Board of Directors considered these factors and other factors as a whole and did not quantify or otherwise assign relative weights to the different factors. Individual directors may have assigned in their own view varying weights to different factors. We cannot assure you when or if any specific potential benefits considered by our Board will be realized.

Opinion of the Financial Advisor

We retained VRA on August 18, 2010 to act as financial advisor to the Special Committee in connection with the proposed Capital Simplification. On September 10, 2010, at a meeting of the Special Committee held to consider and evaluate the Capital Simplification, VRA delivered to the Special Committee an oral presentation, which was confirmed by delivery of a written opinion dated September 10, 2010 to the Special Committee and our Board of Directors, to the effect that, as of the date of the opinion and based on and subject to various assumptions and limitations described in its opinion, the exchange ratio provided for in the Capital Simplification was fair, from a financial point of view, to the holders of Class A Common Stock and the holders of Common Stock.

The full text of VRA s written opinion to the Special Committee and our Board of Directors, which describes, among other things, the assumptions made, procedures followed, matters considered and limitations on the review undertaken, is attached as Appendix B to this proxy statement and is incorporated by reference herein in its entirety. The description of the VRA opinion set forth herein is qualified in its entirety by reference to the full text of the VRA opinion. Holders of the Common Stock and Class A Common Stock are encouraged to read VRA s opinion in its entirety.

VRA s opinion is directed to our Board of Directors and relates only to the fairness, from a financial point of view, of the exchange ratio to the holders of shares of Common Stock and to the holders of shares of Class A

Common Stock. VRA s opinion does not constitute advice or a recommendation to any shareholder as to how such shareholder should vote or act with respect to any matters relating to the Capital Simplification. VRA has consented to the inclusion of its opinion and the disclosures under the heading Opinion of the Financial Advisor in this proxy statement.

In arriving at its opinion, VRA, among other things:

(1) reviewed certain publicly available business and financial information relating to our Company;

(2) reviewed our internal financial forecast for the fiscal year ending December 31, 2010;

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(3) discussed with management and the Special Committee the rationale for the Capital Simplification and for the original creation of a dual-class structure and certain information related thereto;

(4) reviewed the reported prices and trading activity for the Common Stock and the Class A Common Stock from November 6, 1992 to September 8, 2010 and a comparison of such reported prices and trading activity with each other, and with the reported prices and trading activity of other companies which VRA deemed relevant;

(5) reviewed the reported prices and trading activity for the common stock of certain other companies with two classes of publicly traded stock which VRA deemed relevant;

(6) reviewed the financial terms, to the extent publicly available, and the reported prices, trading activity and post-announcement stock price performance for the common stock in certain comparable transactions which VRA deemed relevant;

(7) reviewed the current ownership structure of our Company;

(8) reviewed our Amended and Restated Articles of Incorporation and documents related thereto; and

(9) performed such other analyses and considered such other factors as VRA deemed appropriate.

In arriving at its opinion, VRA assumed and relied upon, without independent verification, the accuracy and completeness of the financial and other information discussed with or reviewed by VRA in arriving at its opinion. With respect to our financial forecasts, VRA assumed that such forecasts have been reasonably prepared on bases reflecting currently available information, estimates and judgments of the management of our Company as to our future financial performance and, accordingly, VRA expressed no opinion with respect to such forecasts or the assumptions on which they are based. VRA has not conducted a physical inspection of our properties and facilities and has not made nor obtained any evaluations or appraisals of our assets or liabilities (including, without limitation, any potential tax or environmental liabilities), contingent or otherwise. VRA also assumed that the Capital Simplification will be treated as a tax-free exchange and recapitalization for federal income tax purposes. VRA notes that it is not a legal or tax expert and relied upon, without assuming any liability therefor, the assessment of our legal and tax advisors with respect to the legal and tax matters related to the Capital Simplification.

VRA s opinion is limited to the fairness, from a financial point of view, of the exchange ratio to the holders of our Common Stock and the holders of our Class A Common Stock. No opinion or view is expressed with respect to the relative fairness of the exchange ratio to the holders of Common Stock as compared to the holders of Class A Common Stock. Additionally, VRA expressed no view or opinion as to any terms or other aspects of the Capital Simplification (other than the exchange ratio to the extent specified herein), including, without limitation, the form or structure of the Capital Simplification.

VRA s opinion does not address the merits of the Capital Simplification as compared to other alternative transactions or strategies that may be available to us nor does it address our underlying decision to effect the Capital Simplification. VRA s opinion is necessarily based upon market, economic and other conditions as they existed on, and could be evaluated as of September 10, 2010. VRA expressed no opinion as to the underlying valuation, future performance or long-term viability of our Company or the value or prices at which the Common Stock or Class A Common Stock will trade at any time. It should be understood that, although subsequent developments may affect the opinion, VRA does not have any obligation to update or revise its opinion.

In preparing its opinion, VRA performed a variety of financial and comparative analyses, a summary of which are described below. The summary is not a comprehensive description of the analyses underlying VRA s opinion. The

preparation of a fairness opinion is a complex analytical process that involves various determinations as to the most appropriate and relevant methods of financial analysis and the application of those methods to the particular circumstances and, therefore, a fairness opinion is not readily susceptible to summary description. Accordingly, VRA believes that its analyses must be considered as an integrated whole and that selecting portions of its analyses and factors, without considering all analyses and factors or the narrative description of the analyses, could create a misleading or incomplete view of the processes underlying its analyses and opinion.

In performing its analyses, VRA made numerous assumptions with respect to our Company, industry performance and general business, economic, market and financial conditions, many of which are beyond our control. No company, transaction or business used in VRA s analyses is identical to our Company, the Capital

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Simplification or our business, and an evaluation of these analyses is not entirely mathematical. Rather, the analyses involve complex considerations and judgments concerning financial and operating characteristics and other factors that could affect the recapitalization, public trading or other values of the companies, business segments or transactions analyzed. Accordingly, these analyses and estimates are inherently subject to substantial uncertainty.

The following is a summary of the material analyses performed by VRA in connection with the rendering of its opinion on September 10, 2010 to the Special Committee and Board of Directors.

Analysis of Current Ownership of the Common Stock and Class A Common Stock

VRA noted that the ownership of our common shares was concentrated among several large shareholders. Our top 20 shareholders represented 73.5% of the economic interest, defined as the sum of (1) the number of shares of Common Stock outstanding multiplied by its share price plus (2) the number of shares of Class A Common Stock outstanding multiplied by its share price, and approximately 76.9% of the voting interest. In particular, Mr. Loudermilk, Sr. s holdings represented approximately 9.15% of the total shares outstanding and 7.5% of the economic value of our Company but approximately 61.46% of its voting interests.

Analysis of Historical Stock Price Performance and Trading Activity for the Common Stock and Class A Common Stock

VRA analyzed the historical trading activity of shares of our Common Stock, which generally do not have voting rights other than as required by law, and shares of our Class A Common Stock, which are entitled to one vote per share. This analysis included an examination of the price and trading volume of each class of publicly traded stock as well as the average percentage by which the price per share of Common Stock exceeded the price per share of Class A Common Stock over various periods of time, including a one year period ended September 8, 2010, a three year period ended September 8, 2010, a five year period ended September 8, 2010, a ten year period ended September 8, 2010, and an 18 year period ended September 8, 2010 from the creation of the dual-class structure on November 6, 1992.

VRA noted that the shares of the Class A Common Stock have traded at an average discount to the shares of Common Stock of approximately 20% over the last year, 16% over the last three years, 13% over the last five years, 11% over the last 10 years, and 10% since 1992. VRA also noted that the average daily trading volume of Common Stock shares was approximately 790 times that of Class A Common Stock shares over a one year period, 550 times that of Class A Common Stock over a three year period, 340 times that of Class A Common Stock over a five year period, 150 times that of Class A Common Stock over a ten year period, and 50 times that of Class A Common Stock since November 6, 1992. Since 2000, VRA observed a significant divergence in the trading volume of the two classes. When considering a volume weighted average price, the difference expanded dramatically over time due to the fact that the volume of Class A Common Stock shares traded was dramatically higher relative to the Common Stock shares for a period of time immediately after the creation of the dual-class structure in November 1992.

	Class A Common Stock (Discount) or Premium to Common Stock		**Absolute Values**		
Average Closing Price:		**Average Daily Volume:**		**Volume Weighted Average Price:**	
1 Year	$ (3.80)	1 Year	(843,750)	1 Year	$ (3.48)
3 Year	$ (2.79)	3 Year	(993,212)	3 Year	$ (3.18)
5 Year	$ (2.30)	5 Year	(778,492)	5 Year	$ (2.76)

10 Year	$ (1.48)	10 Year	(498,291)	10 Year	$ (5.63)
Since 1992	$ (0.87)	Since 1992	(327,591)	Since 1992	$ (8.87)

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Class A Common Stock (Discount) or Premium to Common Stock Relative Values

Average Closing Price:		Average Daily Volume:		Volume Weighted Average Price:	
1 Year	(20.0)%	1 Year	(78,733)%	1 Year	(18.3)%
3 Year	(16.2)%	3 Year	(54,205)%	3 Year	(18.2)%
5 Year	(13.4)%	5 Year	(33,928)%	5 Year	(15.9)%
10 Year	(11.4)%	10 Year	(15,163)%	10 Year	(35.5)%
Since 1992	(9.6)%	Since 1992	(5,070)%	Since 1992	(62.5)%

Analysis of Price and Volume of Reference Dual-class Publicly Traded Companies

VRA initially identified 261 companies on the NYSE, AMEX and Nasdaq stock exchanges that currently maintain dual-class stock structures. This population of reference companies included publicly traded companies that possess a non-publicly traded class of stock. From the population of 261 companies, VRA selected 18 public companies with market capitalizations between $140 million and $2.9 billion that it deemed relevant as reference companies. For each of these reference companies, VRA reviewed and analyzed the following information: (1) the economic interest of the lower vote or no vote shares versus the higher vote shares, (2) the voting interest of the lower vote or no vote shares versus the higher vote shares, (3) the average price premium or discount for the higher vote shares relative to the lower vote or no vote shares over one year and three year periods, (4) the trading volume of the higher vote shares relative to the lower vote or no vote shares over a one year period, and (5) the relative liquidity of the higher vote shares versus the lower vote or no vote shares over a one year period.

After examining the selected reference companies, VRA found the following:

(1) The economic interest of the lower vote or no vote shares ranged from 47.1% to 90.8%. For 17 of the 18 selected companies, the lower vote or no vote shares comprised a majority of the economic value of the company, despite having limited voting rights. As of September 8, 2010, our Common Stock comprised 87.8% of the economic interest of our Company, while the Class A Common Stock comprised 12.2% of the economic interest;

(2) The voting interest of the lower vote or no vote shares of the selected reference companies ranged from 0.0% to 9.1%. Seven of the 18 selected reference companies had 0.0% voting interest. As of September 8, 2010, the Common Stock had 0.0% voting interest, and the Class A Common Stock controlled 100% of the voting interest;

(3) The average price premium for the higher vote shares relative to the lower vote or no vote shares of the selected reference companies over one year and three years was 1.9% and 2.8%, respectively. The table below outlines the selected companies range, mean and median of the higher vote share price premium / (discount) relative to the lower vote or no vote share price over the time periods analyzed;

Higher Vote/Lower Vote	One Year	Three Years
High Premium/(Discount)	31.7%	36.6%
Mean Premium/(Discount)	1.9%	2.8%
Median Premium/(Discount)	(0.1)%	0.1%
Low Premium/(Discount)	(20.5)%	(17.7)%

Aaron s Premium/(Discount)	**(19.9)%**	**(15.5)%**

(4) The trading volume of lower vote shares relative to the total number of lower vote or no vote shares outstanding was slightly better than the trading volume of higher vote shares relative to the total number of higher vote shares outstanding for the selected reference companies. The table below outlines the selected companies range, mean and median of trading volume for the higher vote shares and lower vote or no vote shares. Our higher voting shares trading volume ratio is lower than any of the selected companies, while our

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lower voting or nonvoting shares trading volume ratio is dramatically higher than any of the selected reference companies.

Trading Volume/Shares Outstanding	**Higher Vote**	**Lower Vote**
High Ratio	437.6%	999.6%
Mean Ratio	57.9%	220.3%
Median Ratio	7.1%	116.7%
Low Ratio	0.7%	22.3%
Aaron s Ratio	**0.4%**	**1,837.0%**

(5) Based on the table above, the lower voting or nonvoting shares for the reference companies are approximately 160% (on average) more liquid than higher voting shares; however, at our Company, the Common Stock is over 1,800% more liquid than the Class A Common Stock.

The tables below outline the information discussed for each selected reference company.

			Economic Interest		**Voting Interest**	
Company	**Classification**	**Market Capitalization(1)**	**Low Vote Shares**	**High Vote Shares**	**Low Vote Shares**	**High Vote Shares**
Bel Fuse Inc.	Communications equipment	$ 218.6	80.9%	19.1%	0.0%	100.0%
Central Garden & Pet Co.	Household Products	$ 612.1	70.9%	29.1%	0.0%	100.0%
Crawford & Co.	Insurance	$ 139.6	47.1%	52.9%	0.0%	100.0%
Forest City Enterprises Inc.	Real estate manager	$ 1,907.4	86.3%	13.7%	9.1%	90.9%
Greif, Inc.	Industrial Packaging	$ 2,681.3	53.5%	46.5%	0.0%	100.0%
Haverty Furniture Companies, Inc.	Home Furnishing Retail	$ 220.4	84.5%	15.5%	9.1%	90.9%
HEICO Corp.	Aerospace, defense manufacturer	$ 1,165.2	52.7%	47.3%	9.1%	90.9%
Hubbell Inc.	Electronic products	$ 2,805.1	88.5%	11.5%	4.8%	95.2%
International Speedway Corporation	Entertainment	$ 1,141.9	56.8%	43.2%	4.8%	95.2%
John Wiley & Sons, Inc.	Publishing company	$ 2,285.3	84.0%	16.0%	9.1%	90.9%
Kelly Services, Inc.	HR and Employment Services	$ 432.3	90.4%	9.6%	0.0%	100.0%
Lennar Corp.	Home builder	$ 2,572.0	86.3%	13.7%	9.1%	90.9%
Molex Inc.	Electronics manufacturer	$ 2,901.2	50.6%	49.4%	0.0%	100.0%
Moog Inc.	Aerospace, defense manufacturer	$ 1,570.0	90.8%	9.2%	9.1%	90.9%
Rush Enterprises, Inc.	Industrial equipment	$ 496.7	73.7%	26.3%	4.8%	95.2%
Seneca Foods Corporation	Packaged foods	$ 284.1	81.0%	19.0%	4.8%	95.2%
Tecumseh Products, Inc.	Manufactures compressors	$ 216.3	73.7%	26.3%	0.0%	100.0%
Watsco, Inc.	HVAC Distributor	$ 1,806.5	81.5%	18.5%	9.1%	90.9%

	High	$ 2,901.2	90.8%	52.9%	9.1%	100.0%
	Mean	$ 1,303.1	74.1%	25.9%	4.6%	95.4%
	Median	$ 1,153.5	80.9%	19.1%	4.8%	95.2%
	Low	$ 139.6	47.1%	9.2%	0.0%	90.9%
Aaron s, Inc.	Rent-to-Own Household Products	$ 1,317.3	87.8%	12.2%	0.0%	100.0%

(1) As of September 8, 2010

Source: CapitalIQ and relevant filings.

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