

PAWN AMERICA

On August 18th of 1991, the first Pawn America store opened in Robbinsdale, Minnesota. The opening came after considerable planning and a few setbacks. Brad Rixmann, owner and founder of Pawn America, was first inspired after visiting a pawn shop in Bloomington. The great deals on stereo equipment, televisions and other items inspired Brad so much that he decided to approach the owner of the Bloomington shop with a business offer— a new location at a vacant building in Eagan, owned by Brad's father. The owner was definitely not interested and asked Brad to leave the store.

Not wanting to give up, Brad tried to open his own pawn store in the vacant Eagan building. Again, he found himself in an uphill battle, this time with local leaders. Brad went in front of the Eagan City Council to plead his case. But, he lost after Eagan leaders drafted new zoning laws that shut out Brad's plans for a pawn shop. After two strikes, Brad knew he had to hit one out of the ballpark on his next try. Turns out, he did just that.

Brad began pursuing a pawn shop for sale in Robbinsdale, but was put off by the high price tag. Then, not long after he initially inquired about the property, the price dropped significantly. Brad got the building and began a business venture that would forever change his career and his life.

Since the opening of his first store in 1991, Brad has added 16 more locations to his growing Pawn America list. The stores employ about 115 people and serve an impressive 200,000 customers. Brad says he remains open to opportunities for careful regional growth throughout the Midwest.

PAYDAY AMERICA

Payday America first opened its doors in Bloomington in 2000 specializing in short-term consumer loans at a highly competitive rate. Brad specifically designed Payday America to compliment Pawn America. Typically, the two businesses share a common counter space or vestibule. The proximity exposes Payday America customers to the offerings at Pawn America and vice versa.

The idea for short-term consumer lending was not new at the time Payday America began. However, lending rates at Payday America are somewhat unique. Typical fees on a short-term loan are around 15-20 percent. The average fee at Payday America is 8 percent. The company is very conscious about lending to the right individual. For example, of the 109,000 loans Payday America advances per year, only one-percent of the total money loaned is not repaid by the customer. Payday America has 12 locations and about 30 employees.

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CASHPASS NETWORK

Originally, Brad wanted to get into the check-cashing business. Like with all his ventures, Brad did his research. Unfortunately, he learned the costs to open this type of business were very high despite his plan to offer the check-cashing service in proximity to his existing Pawn America locations. After factoring in the cost of required security measures, the total rang up at about \$50,000 per location. Brad was put off by the cost and how the security measures could affect his stores. He didn't want bullet proof glass to threaten the culture of Pawn America, its customers and employees. So, Brad dropped the idea, only to come up with a much better plan B.

Brad realized the dependence many of us have on our credit cards and debit cards. We use them to pay at the pump, buy groceries, rent a car or reserve a hotel room. Imagine trying to buy plane tickets without a credit or debit card? Would you be willing to drive to the airport to make that purchase?

Knowing many people are unable to obtain a credit or debit card for whatever reason, Brad found someone developing the Cashpass Network, a product to address this issue. Brad decided to partner with Jason Martin, now Cashpass Network Vice President of Operations. MasterCard signed on in the early stages and the program launched April 15th of 2003.

People who use the Cashpass card are able to direct deposit money into an account or have their employer do so with payroll. The CashPass card then draws from that account and can be used like a debit or credit card enabling the user to enjoy the privileges many of us take for granted.

Since signing on with the Cashpass Network, Pawn America has enjoyed a 30% increase in sales and 20% increase in gross margins. Brad says offering the Cashpass product in Pawn America stores has opened up a new customer base and given Pawn America tremendous leverage, making the company all-around more competitive.

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