The President's Club Monthly

THE MONTHLY NEWSLETTER FOR THE AMERICAN HOMESTAR CORPORATION

Get Ready for One of the Most Exciting Trips Ever!!! Top President's Club Gold Members to Cruise Caribbean on New Ocean Liner *Century*

Gold Level Pros of '95 and Special Guests Gear Up for Big Cabo Trip!!!

FINALLY, ON TO CABO!... Gold Level President's Club members of Fiscal Year 1995, the big trip is only a month away! With Hurricane Season over and the Storm of the Century passing safely to the North, nothing is left to stop the company's top people from enjoying four wonderful days in the sunshine. Live Large, Sales Pros! Guests of the President's Club will be the Home Office's Barbara Silvertooth, Laura Wilson (of Western), Kim Werner and Roberta Mikel. From Manufacturing, Glenn Meier, Ronnie Richards (marketing), Charley Boyer and Redman's Gregg Melton will be making the trip. Have a great time, President's Club Stars!

A Five Star Cruise for a Five Star Team...

Attention all sales pros! The annual President's Club Trip, always the most exciting of the year, will have the beautiful Caribbean as its destination this year. The top ten salespeople along with all qualifying Gold Level General Managers will cruise aboard the *Century*, Celebrity Cruise Line's brand new, luxuriously appointed ship. The seven day vacation originates in tropical Fort Lauderdale, Florida on July 13th and arrives in Ocho Rios two days later. In the following week, it makes stops in Grand Cayman, Cozumel and a place considered by many to be the most interesting of all Caribbean destinations, Key West, Florida.

Celebrity Cruises is considered one of the world's best cruise lines. It was voted one of the top ten lines in *Conde Nast Traveler* magazine's annual poll and enjoys a reputation rivaled by few in its business.

When not visiting one of the many tropical destinations, passengers can find much to do on the ship. The 800-foot-long, 70,000 ton *Century* offers many activities such as gambling, swimming (in two different pools) and, during the evening, grand dining in one of its three restaurants. BON VOYAGE!

What it Will Take to Get You on the Big Trip

It's best to start by selling lots and lots of houses...

You don't want to sit *baking* on your sales center while the company's top money earners cruise in the lap of luxury, do you? I didn't think so! Take matters into you own hands today and put yourself on board the *Century* in July. Earn enough President's Club Points (see page 2 for a recap of how to earn P.C.P's) to place in the top 10 and you're there, Bud. How many points will that need to be? Well, currently the 10th ranked salesperson in the company has 166.5 points, and assuming a 20% increase in sales during the Spring selling season, will probably finish the fiscal year with approximately 325 points. Use this as an approximate minimum goal for reaching the necessary level. If you think that it is too late to earn enough points to make the grade, remember that last year, new salespeople (with less than nine months of experience) and lower ranking salepeople (ranked 25th or lower) made the cruise in the final month of eligibility. Its NEVER too late!

General Managers must make the Gold Level of the President's Club to attend. Their year-to-date rankings are listed on page 2.

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TOP 25

in Pres. Club Points. President's, V.P.'s and General Managers, Year to Date as of 11/31/95

Larry Speck
NW of Mesquite, 940.3
Jim Clark
NW of East Texas, 919.6
Jack 'Maximum' Maxey
NW of Fort Worth, 487.9
Ray McKinney
NW of Fort Worth, 460.8
the above members are in the Gold Level (400 pts. plus)
Don Simonson
Lancaster, 392.4
Dave Shetler
NW in Mesquite, 386.1
Dave Davis
Instant Granbury, 382.5
Robby Golden
NW of N. Texas, 321.7
Jim Taylor
NW South, 288 (really)
Chuck Carney, Sr.
Channelview, 278.6
Larry Moran
Roadmasters, 274.2
Dawn Clark
Jacksonville, 247.6
Jim Lee
Albuquerque, 227.5
Jim Rudolph
Key-Athens, 227.3
John Raine
DeSoto, 225.3
Rick Carver
ARG, 224.9
Chuck Cantu
Seguin, 221.8
Jim Tierney
Lufkin, 203.7
Randy McCarver
Abilene, 199.3
Craig Pickett
Longview, 196.8
Jeff Goodrich
OKC, 177.0
Dave Miller
Huntsville, 157.8
Randy Coffman
Cedar Park, 153.6
Brian Shear
Greenville, 136.8
Bob Legg
Spring/Bryan 133.2

Decide today to do what you must to make the year end trip...

Fiscal Year 1996 President's Club

Salespeople

The top ten salespeople qualify to go on the annual President's Club Trip held in July. Gold levels who do not finish in the top ten qualify for the second trip, usually held in September. All Gold Level Participants also receive a gold P.C. watch, with diamonds added in subsequent years when Gold level is reached again. Silver level winners receive a clock from Nationwide Housing Systems, Inc. honoring their achievement in Customer Satisfaction, Sales and Service. Bronze levels receive a certificate from Nationwide Housing Systems, Inc. honoring their achievement. Points are earned in the following manner:

President's Club Levels Fiscal Year 1996
Gold 325
Silver 275
Bronze 225

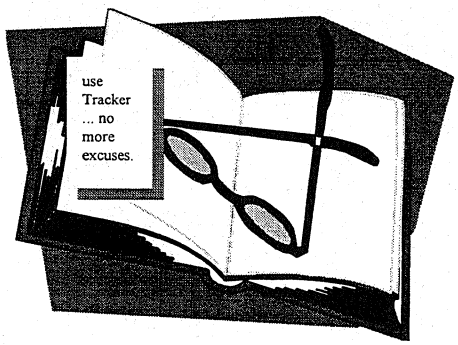
1 pt each $1,000 payable gross
1 pt each PD policy 2+ years
4 pts each CL policy
1 pts each extended warranty
2 pts bonus for selling four new units in a month.
5 pts bonus for selling 5+ new units in a month.
2 pts Fast Start for completed deal in Home Office by 15th of Month
1 pt Fast Start for completed deal in Home Office by 20th of Month

In the event of a split deal, **John Smith** must be notified in Austin [(512)320-9035] by 15th of the month following the closed month. If information is not given, points will not be split - no exceptions. Split deals are split by money and points - no exceptions. Special programs may be developed during the year, rules will be given at the time special programs are established. Enrollment forms will be kept by personnel and the list of enrolled personnel will be kept by the home office. Salespeople who enroll in the President's Club with a start date between June 1st and November 30th will be eligible for the program on a pro rata basis. Date and month will be determined by hire date. Points will be calculated by John Smith at the end of the month from the accounting data compiled at the home office. Levels are shown above. Good Luck, Sales Pros... see you on the cruise!

New Tracker Manual Finished

Please Memorize It

Three weeks in the making, over 110 pages long, and printed in multiple colors (black, grey and white), the new American Homestar Tracker manual is the most comprehensive explanation of the software to date. If you feel your location does not maximize a particular part of the program (or, as in most cases, doesn't maximize any part of it), pick up the manual (included in this newsletter mail-out) and make a quick read of the appropriate section.

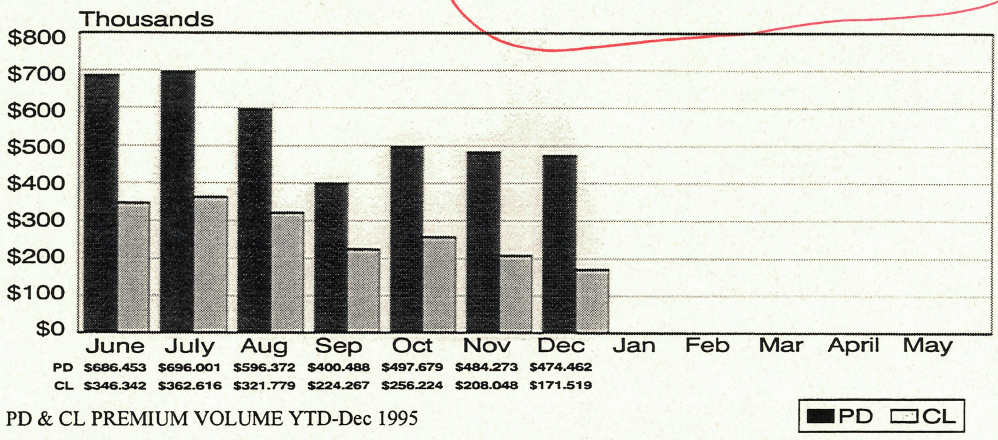


The manual is laid out with pictures of all important screens and step by step instructions on how to navigate through the system. The table of contents is written in a manner to address any problem you may have at the time. For example: How to print call back sheets, page 8; how to print a traffic report, page 19, etc. The manual is the responsibility of the location management and is not allowed to leave the location. Please take care of it, there will be no replacement.

Laurie Lowery
Insurance Today

CREDIT LIFE MELTDOWN

December was marked by the lowest credit life sales volume since January 1995. Out of our 38 company stores, 10 did not produce business at all. At risk of sounding like a broken record, credit life generates one of the highest percentages of profit of any product or service sold by American Homestar. It is also our biggest opportunity for growth. So, what's the problem? I hear repeatedly that when given the choice between multiple years PD and one year PD with a credit life policy, customers choose the first. The fact is a one-two year PD policy and a reasonable term credit life policy is best for both the customer and the company and should be pitched first. If the customer declines credit life you can always add additional years PD. When the 10% cap keeps you to one year PD, the challenge is finding a method of selling escrow. For those of you who have had experience selling escow, please call 713-334-9776 so we can share some of your knowledge.



PD & CL PREMIUM VOLUME YTD-Dec 1995

FOR YOUR INFORMATION...

American Modern Rating Discs (Texas): Everybody should have loaded these discs on their computers by now. I would like to point out that the rating program not only quotes for you but will also generate an application. We would prefer you use this application because it automatically completes the coverages, endorsements, chart numbers and territories...these being the details most often left off our "tracker" application and most important to processing the policy. Even if you continue to use the "tracker" app you may want to print the AMH application and copy the coverage details over. Also, there is a feature in the system to assist you with territory definitions so you do not have to pull out your book to determine the territory. When you get down to the territory prompt, it gives you the option to enter "0" for a listing of territory definitions.

Replacement Cost on PE available (Texas): American Bankers new and improved rates, effective Jan 1st, include the opportunity to add on an endorsement for Replacement Cost on personal effects. This is not available through any other carrier. Keep it in mind when your customer inquires about this type of coverage. All other policies are ACV. **Full Repair Cost (NM & LA):** Recently we received a clearification on this endorsement. Full Repair Cost applies to the Mobile Home and Adjacent Structures and "will pay the full cost of repair without deduction for depreciation for an insured loss except partial loss caused by hail." FRC only costs $10 and is an important addition to your customer's policy. Please begin adding it into all quotes. **Windstorm policies available (Texas):** For those homes going into American Modern and Foremost restricted areas , there is hope. Please call for quotes at least 24 hours prior to ordering loan documents. **Claims Phone Numbers:**

PD & Ext Svc: Am Mod: 1-800-543-2244
Bankers: 1-800-852-2244
Foremost: 1-800-527-3907
Green Tree: 1-800-772-5361

Credit Life: AmeriCoast: 1-800-833-8071

RACE FOR GOLD

Bus Mgr PC Club

Single Store

Marc Beauchamp	336pts
Jim Rea	334pts
Mitch Brown	203pts
John Gutierrez	156pts
Randy Wilson	128pts
Brad Carlton	120pts
David O'Reilly	114pts
Ken Johnson	98pts
Peggy Romero	93pts
Karen McVey	91pts
Teri Raymond	90pts
Richard Eklund	78pts
Mutt Way	68pts
Jim Stovall	67pts
Angela Jackson	66pts
Ron Burnett	59pts
Mark Pell	56pts
Ken Andoe	54pts
Virginia Pearson	53pts
Steve Crain	43pts
Tony Kalenkosky	39pts
Barry Gilliland	30pts
Janice Dent	13pts

Multi-Store

Cathy Jackson	311pts
Bruce Reynolds	268pts
Bryan Grace	132pts
Phil Kussman	70pts

WHO'S HOT

The Company's TOP 20 Salespeople

1. **M'Lissa Manning** Tyler 249.1 pts
2. **Richard Loftin** Cleveland 219.0 pts
3. **Phil Essex** Mesquite, 211.2 pts
4. **Bill Hopkins** Instant Gulf 209.0 pts
5. **John Estes** Lufkin 190.5 pts
6. **J'Nette Allred** Mesquite 183.9 pts
7. **Susan Lewis** Denton 179.1 pts
8. **Mike Levin** Mesquite 176.7 pts
9. **Christi Lancaster** Denton 167.4 pts
10. **Paul Taylor** Lufkin 166.5 pts
11. **David Fortriede** Tyler 164.1 pts
12. **Greg Culverhouse** Seguin 162.0 pts
13. **Daryl Wilkinson** Greenville 161.4 pts
14. **Tom Threadgill** Inst. Albuquerque 158.3 pts
15. **Randy Tyler Taylor** Tyler 154.7 pts
16. **Bill Yokum** Midland 156.5 pts
17. **Tim White** Instant Granbury 151.8 pts
18. **Clint Fawcett** Instant-Gulf 151.8 pts
19. **Craig Geffert** Instant-Spring 151.6 pts
20. **Dave Crocker** Longview 149.4 pts

David Fortriede Nationwide in Tyler

He's a superhuman sales machine, programmed for maximum volume and always in overdrive when it comes to customer service! David, one of the company's brightest up-and-coming stars, sold an amazing seven homes in December, earning 50.7 President's Club Points in the process. Go, cat, go!

Clint Fawcett Instant-Gulf

Big Clint Fawcett, great salesman and all-round good guy, showed everyone what he could do in December. His four deals, 25k in payable gross and 40 PCP's earned him a second place standing in the big 3rd quarter contest!

William Fortney Nationwide Burleson

Bill sold four big new multi-sectionals last month and he made every one of them count to the tune of $6,400 per home (average p.g.). That great production earned him third place in the contest with two months to go!

Jack Williams Advantage Jacksonville

Watch out, Jack is in his zone! People near him say his eyes are glazed, he's constantly murmuring things like "payable" and "one more house" and he seems to be in some kind of SALES TRANCE. His numbers in December seem to prove this... 5 big deals, 28k in p.g. and 37 President's Club Points. Look out, competition, Jack's in his zone!

George Bush Nixon Instant - Gulf

The Commander in Chief of the Department of Manufactured Housing Sales continues to earn lots of "Presidential Points." In December, he rocked the free world to the tune of five big deals and 37 PCP's. Folks, it looks like Nixon is *resigned* to selling lots of houses every month!

Nedra Ware Nationwide Bossier City

Nedra made things happen in a big way in Bossier last month! Her four new home deals were good $22k in payable gross and 31 PCP's. Keep it up, Nedra, you're doing great!

David Rexrode Nationwide in Boerne

Future Star Alert: Look out for the name "David Rexrode" in future "who's hot" columns... he seems destined for greatness! His five deals in December earned him seventh place in the big contest. Pour it on the next two months, David, and you'll be in the money!

Christi Lancaster Nationwide in Denton

Don't stand in Christi's way. Month after month, she's going to get her fair share of deals! December was no exception for her as she sold five deals for 28.8 PCP's. Alright!

Charles Jerger Nationwide in Monroe

Well, its about time that someone from Monroe made this section! Its fitting that their star on the rise, Charles Jerger, was the one. Big Charles made the difference on that sales center last month, selling five big deals for 26.7 President's Club Points!

Daniel Conley Nationwide in Lufkin

A new name to this column, Daniel is ready to make a name for himself within the American Homestar Corporation. In January, he lit up the sales stat sheets with five big deals and 26.4 PCP's! Yeah, Daniel!

Richard Loftin Nationwide in Lufkin

Editor's Note: I had the opportunity to meet Richard on the year-end trip to Alaska last year. I initiated a conversation with him in hopes of getting some idea how he sold so many darn houses. Well, 20 minutes into the talk, I not only had a deep appreciation of his talents, I was also the proud owner of a new 14x80 Galaxy. The guy brought his whiz box with him. Wow. Richard scored big as usual in December: four deals and 26.1 President's Club Points. Keep doing it, superstar!

Randy Tyler Nationwide of Taylor

This man's name has become synonymous with bigtime manufactured housing sales in Tyler, Texas! When you see the Tyler team at the top of the sales results month after month, you always know that Randy's contributions played a big part in getting them there! In December, he exploded for five deals and 24 PCP's. Way to go!

The Lowdown on Status's

John Smith

John Smith, of Nationwide's Tech Support Team, is the inspirational founder of many 12 step programs for people suffering from caffeine toxima. Just the same, he's usually pretty darn jacked up.

Salespersons should be well aquatinted with the status assigned to the prospects coming to the location.
Every person who visits the sales center should be logged into Tracker regardless of their viability as a customer. Frequently we are asked, "Why should someone who absolutely cannot buy a home be logged into rhe system?" Management is concerned not only with the quality but also the quantity of traffic. Failing to log prospects who cannot buy understates the quantity of traffic and overstates the quality of the traffic. All prospects should be logged.

Artist's Rendering of Tech Support's John Smith, the reigning "King" of Caffeine

More interesting to all concerned is the status of potential buyers. Although the primary goal of every salesperson is to be a "first call closer," successful salespersons are continue to emphasize the importance of follow-up. In order to allow each salesperson to focus his attention on his best prospects Tracker was devised with a means of classifying prospects in order of their likelihood of buying soon. Prospects that have few hurdles to overcome and show a high likelihood of buying a home soon (within a month) should be assigned a status of **A**. Potential buyers with some obstacles to overcome that will be able to buy within three months should be assigned a status of **B**. **C** is given to those folk that will probably buy within a year. After having done a adequate job in the interview and consulting with her sales manager a salesperson should know whether or not a prospect should be rated a **D**, a long shot. On the initial visit only impossible cases should be relegated to **0**.

At the time of logging a prospect into Tracker, a callback date is assigned. This date allows the salesperson to specify when they will next call each prospect. When the callback sheet is returned to the salesperson she is then able to follow up on the prospect; she can make any additional notes regarding the prospect. At this time the status may be changed to reflect the likelihood of buying. In the sad event that a prospect has bought somewhere else the prospect may be reassigned to **Zero.**

When a deposit is taken on a prospect she is then assigned to **0**. If that prospect is indeed approved or cons her uncle into buying her a house, She should be given a status of **X**. The purpose of X is to differentiate prospects form real customers. The status of **X** allows a salesperson to seek referrals from real satisfied customers.

The latest classifications are **P** and **M.** Much confusion exists concerning the use of these. When a status of **P** or **M** is given to someone it should be noted that they have not been to the sales center. **P** is reserved for people that have called the location only. If one is capable of interviewing a person on the phone, much information can be obtained. Such prospects have not been to the location, but can be put on mailing lists. The status of M is reserved for information derived from mailing lists or other "Misc" sources.

Most Important to remember is the following: Do not change A,B,C,D customers to either M or P. If a salesperson wants only to mail information to prospects, set the callback date into the future. Mailing Lables and letters are based on Date of Contact not Callback Date. Neither Ps nor Ms effect the Traffic Report.

Cedar Park wins Nationwide of Mesquite's President's Award for 2nd Quarter of FY 1996! *"Randy Coffman has put together a great team of top gun players who know how to get the job done," says Mesquite President Larry Speck. Pictured on top row:* ***Mark DeRuitter, Red Abels, Richard Bennett, Randy Coffman, Trey Webb, Wayne Peacock*** *(front)* ***Richard Ecklund, Linda Lewis and Elsie Selfridge.***

more 21st Century NEWS

Information on "How to Sell the Bi-Weekly Payment Plan" is in section 50.00 of the 21st Century Dealer Manual. In this section, you can find feature/benefits, sales language and even sample ads. Everyone should read this!

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As stated in faxed memos, the Tracker documentation for the BUBBA rider and the normal conventional paperwork is available for downloading from the guys in Austin. Call (512)320-9035 to get yours today!

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21st Century revises policy on insurance ESCROW. In an effort to simplify loan closings, 21st is no longer requiring an Insurance Escrow Agreement on loans where the customer is financing two years or more of insurance coverage. They will continue to require escrow on loans where the initial paid premium is less than two years.

Getting to know BUBBA

Your Financing Friend

21st Century Mortgage Corp. announces the biggest thing to hit manufactured home financing since the credit bureau... the BUBBA program. BUBBA, an achronym for ***Buying Under the Biweekly Budget Advantage***, is a new financing package designed to increase your rate of approvals while decreasing the amount the customer spends on interest. This is how it works... Instead of your approved customer making payments once a month (twelve times a year), he/she will make half payments, drafted directly from their bank account, every two weeks (26 times a year). Consequently, the customer will pay off their loan in up to 1/3 less time, reducing risk for 21st Century (which reduces risk for the entire company), while establishing a stronger credit record for the buyer. "We really like to see a customer get financed using the BUBBA program," said 21st Century President, **Tim Williams**, "Knowing up front that we're getting paid regularly by bank draft makes us much more inclined to take more serious looks at marginal customers."

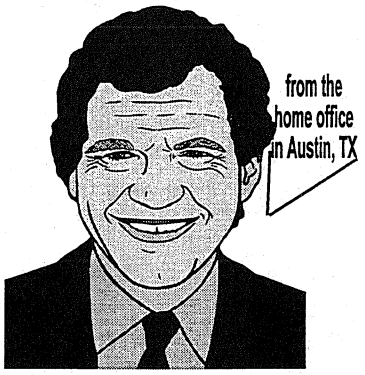
Your customers will like the idea of bi-weekly payments because it allows them to pay off the home faster than using straight conventional financing. This means they can be in a position to trade-in their home years earlier. The increased speed of establishing equity is only one reason why BUBBA makes sense for a customer, though. They will also enjoy the added benefits of not having to hassle with filling out checks or coupon books nor will they have to incur the cost of buying postage for their payments... it's all handled automatically for them every two weeks!

Signing a customer up for the BUBBA program involves the same easy paperwork as a 21st Century conventional loan, with the exception of one additional document, the Bi-Weekly Payment Rider. This easy-to-fill-out form is an addendum to the contract which states that the customer agrees to the bank draft and the bi-weekly payment method. Be sure to have your Business Manager provide you with the proper numbers and terms for the rider, or call 21st Century and they will assist you with the computations.

Folks, this is a financing program that makes great sense for both the customer and for us, American Homestar. Start signing your customers up for BUBBA today!

IMPORTANT LEGAL DISCLAIMER
Any similarity between the following top-10 list and that included in a certain nightly talk show is entirely coincidental. That picture of a guy named Dave is of Dave Clemmer of Seattle, Washington.

Dave's TOP TEN



Reasons to use the BUBBA Plan

10. Interest Savings can be 1/3 Cost of Home
9. Rhymes with Flubba.
8. 100% equity in up to 1/3 less time!
7. You're soaking in it... Lowers your payments while you do the dishes!
6. Lower Equity Costs frees up more income for buying Elvis Memorabilia.
5. No Check or Money Order Hassles, freeing time to watch infomercials with your salesman!
4. *Four Words*: ***Contains no tropical oils!***
3. Funny name can break ice with surly customers with slow credit.
2. Because your boss may kick your butt if you don't.

And now, the #1 reason to use 21st Century's BUBBA plan...

1. It is totally different from the competition's **BOBBITT** plan! *(loud applause)*

Listen to the Whispering Oak...

Under the Oaks

Charley Boyer

Charley, the only man to ever beat Bobbie Fisher in a chess match, is Sales Manager of the Super-Successful Oak Creek plant in Fort Worth

Fast Times at Oak Creek of Fort Worth!!!

1996 has started strong at Oak Creek!! Preparations by our production teams prior to the Christmas shutdown is starting to pay off. January 15th started our journey to produce 9 high quality floors per day or a 45 per week production rate. This increase in production will provide you with the confidence that timely deliveries of those precious customer sold units will be fulfilled. In addition to our increase in production, we have also increased the production of single sectional homes by developing methods to build 2 single section homes between each double section home, thus, increasing our ability to produce twice as many of those "Hot Selling" Southern Star single sectionals.

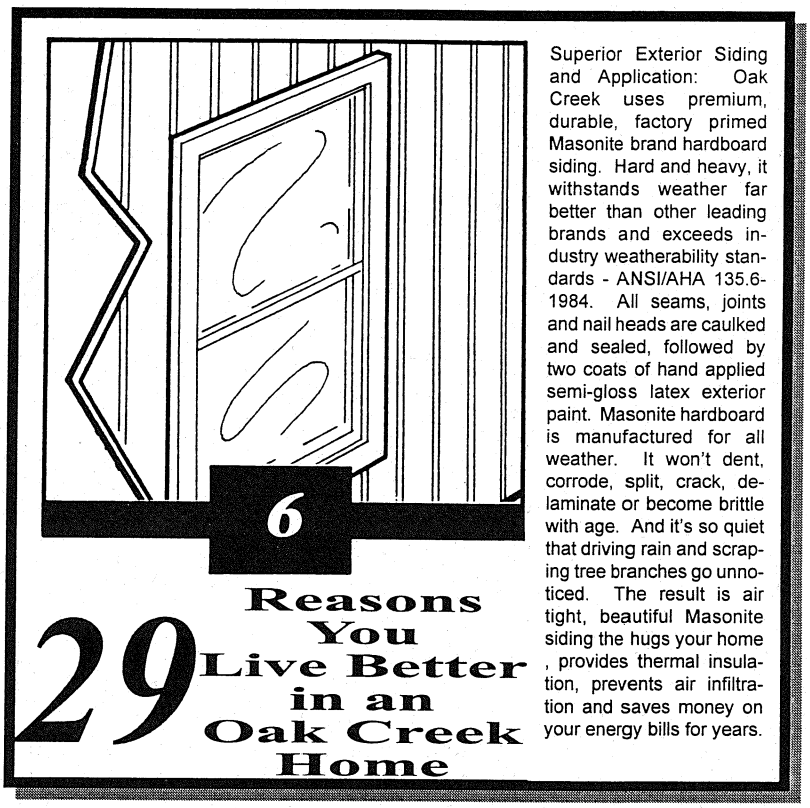
Model #964 Design Change Reminder!!!

Under a previous letter, we advised everyone of a design change in the Model #964 which includes the omission of the Master Bathroom built-up Tub Deck with laminate finished top and edge. We have found deficiencies in the corner tub and in the design of the laminate tub deck and replaced the entire assembly with a fully molded tub assembly. We built a limited number of homes with this design and if your sales center still has the old style, you will need to advise your customers of this change. All Southern Star #962, 964, 1760, 1762 & 1780 models use the new corner tub. The Southern Star Model #969 uses an oval tub and the laminate tub deck is extremely functional and will still be utilized.

The Whispering Oaks Says.... They who sell many Southern Stars - Make lots of MONEY!

Santa Fe Decor is Replaced by "Sienna"

Hat's are off to **Nancy Cantu** - "Designer of the Year!!!" On January 24th, we reviewed the new replacement decor for Santa Fe (this decor enjoyed a 4 year acceptance), the new decor now called "Sienna" and it has the southwest flare of Santa Fe with higher impact appeal. Remember, at Oak Creek, the Decor selection generally refers to the draperies and wallboard/laminates/ceramics are your choice. The Santa Fe drapes had become very plain; they needed more color and a richer look. Nancy has really punched up this feature for our best selling decor.



29 Reasons...

Each month, we feature one of our copyrighted "29 Reasons" to assist in your education of "Why You Live Better in an Oak Creek Home." This information is also listed in detail in our famous "29 Reasons" brochure. Each sales center has this brochure to use as a sales training tool and point of purchase sales brochure.

Good Luck and Good Selling!

BURLESON STAR NOTES

by Mike Barrett

Welcome Aboard!

We are pleased to welcome **Derell Nicklas** as the new General Manager of the Burleson plant. Many of you know Derell from brand "R" where he was most recently a Director of Marketing. With his extensive background in marketing, sales and plant management, he will be a positive addition to the Burleson Plant.

776... A Number to Remember

With all the products introduced by the plants recently, here's a little reminder concerning the number one selling Burleson floor plan... the 776! Designed to serve the residential buyer on a budget, this home should always have a prominent position in your model display. So, replace the competition with the new offerings from Company plants, but don't forget the hot selling 776!

T & T Forever

The plant expansion is now complete. We are now moving our tape and texture process to the new line. The new process allows us to build the home with unfinished sheetrock, move it to the T & T pad, set & level, hook up heat, and tape, bed and texture while the home is level. This allows proper drying time between coats and vastly improves the finished product. It also allows us to run vinyl interiors and sheetrock interiors at the same time with no loss of production. We invite you to come on by and see our new process. We know you will be impressed.

Morningstar News

Have you heard, the Morningstar is in full-swing. The models 544 and 546 are in rolling off line as we speak and models 258 and 2876-4MB are headed to your location soon. These floorplans offer the spacious feel and quality of an American Homestar product, as well as the pricing for the main line market. If you haven't seen this new series, you'll need to do so quickly. Otherwise, the only time you'll get to see them is as they are rolling down the highway headed to a customer's location. Unless you're a stuntman who likes to jump onto moving vehicles, I'd suggest you check out the one on your lot.

Postcards from Home

If you are not taking advantage of the 4" x 6" American Homestar postcards, then you should be. In case you aren't familiar with them, they are printed in full color and available from the American Homestar plant in Burleson. They are recommended for use as follow-up mailers, to confirm appointments, as thank-you notes or as part of any Tracker direct mail campaign. If you've run out of these or have a new sales center, call Burleson for more.

AMERICAN HOMESTAR REACHES AGREEMENT FOR OPTION TO ACQUIRE GUERDON HOMES

HOUSTON< TEXAS< January 25, 1996 - American Homestar Corporation (NASDAQ-HSTR), today, announced that it has entered into a definitive agreement to obtain a nine-month option to acquire Guerdon Homes, Inc. In connection with the option, the Company agreed to loan Guerdon $3 million and to manage Guerdon's operations during the option period. The transaction, which remains subject to certain conditions, is expected to close in mid to late February.

Founded in 1953, Guerdon produces manufactured and modular homes in four facilities located in Oregon, Idaho, Nebraska and Mississippi. A fifth facility is under construction in Oregon. Guerdon sells its homes through independent retailers located in the Pacific Northwest and Rocky Mountain states and in the South. In the year ended April 1995, Guerdon had revenues of $103 million.

Lad Dawson, President and Co-CEO of American Homestar, stated "Guerdon represents an important and strategic opportunity for American Homestar. The ultimate acquisition of Guerdon would allow American Homestar to continue its growth strategy in the Pacific Northwest and Rocky Mountain regions. In addition, Guerdon's Mississippi operations would allow American Homestar to extend its current market area to the east. The plant would also provide additional capacity to supply the Company's growing retail base in the Southwest and South Central markets. We plan to use the option period to improve Guerdon's operations and confirm the merit of bringing Guerdon into our organization. If our expectations are confirmed, we would exercise the option at the earliest opportunity."

If American Homestar exercises the option to acquire Guerdon, the Company would issue, subject to certain adjustments, a maximum of 256,495 shares of Common Stock to Guerdon's shareholders. In addition, the Company would issue $6 million of 8.5% convertible notes (with a $20 per share conversion price) to Guerdon's subordinated lenders and would assume or repay Guerdon's remaining indebtedness and preferred stock, which totaled approximately $14.0 million as of December 1, 1995. The Company's $3 million loan to Guerdon will be in the form of an 8.5% subordinated debenture and will be primarily used to fund Guerdon's working capital needs.

American Homestar produces manufactured homes from its three plants in the Dallas-Fort Worth area and retails its products through 40 company-owned and more than 100 independently-owned retail locations in Texas, New Mexico, Oklahoma, Louisiana, Colorado, Missouri, Arkansas and Kansas. The Company also provides retail financing through its new mortgage affiliate - 21st Century Mortgage Corporation.

The Secrets of Inbound Telemarketing

Lanette Carpenter

Secret #7, Multiple Listing Service

The first person I worked for a on a manufactured housing retail center was a former realtor/broker. He introduced me to the wonderful world of M.L.S. Multiple Listing Service is a computer service that is offered to realtors. If a Real Estate office subscribes to MLS, they can access from their computer hundreds of homes that are listed throughout their marketing area. You can imagine the positive impact this resource can have on sales.

Since this service became available to realtors years ago, it has substantially changed the way they handle their prospects. They found that they could advertise one specific house that would get the phone to ring. If the incoming caller did not like the home for whatever reason, it really didn't matter. Because whenever the prospect eliminated the advertised house, the realtor introduced them to the concept of Multiple Listing Service.

Let's pretend a REMAX real estate office has placed the following ad in the paper and we are listening in on how they handle the call.

Beautiful 4/3 with den and formal dining room has just become available. Owners transferred, priced to sell fast. Call REMAX real estate 800-888-8888.

Lisa - "REMAX realty, this is Lisa. How may I help you?"

Fred - "His, Lisa, my name is Fred Jones and I just saw your ad in the paper, the one that says owners transferred... must sell. Can you tell me something about that house?"

Lisa - "Fred, I am just finishing up with another client right now, but I'll be finished in about 10 minutes. I'll call you back then and tell you all about this great house. What's your number, Fred?"

Fred - "452-9646"

Lisa - "Great, I'll get back to you soon."

Lisa calls back...

Lisa - "Fred, this is Lisa from REMAX realty. You wanted to know about the home we have advertised. Well, the owners are in a real bind. You see he was transferred to Chicago and he has to be there in two weeks. This promotion came very suddenly and although he is very happy about it, he wants his wife and children there with him immediately. So he told us to basicly do whatever it took within reason to get his home sold."

Fred - "How much is he asking?"

Lisa - "I knew you were going to ask me that so I tried to get the file before I called you back. Unfortunately, it is in my manager's office and he is in the middle of a closing. If this afternoon would be good for you, we can meet at my office and I'll have the file at that time."

Fred - "I'll tell you Lisa, I'm really busy so if you would, I'd like you to call me back with those figures.

Lisa - "No problem, Fred, I'll get back to you as soon as I get the file."

Lisa calls back 30 minutes later...

Lisa - "Fred, this is Lisa and I have all the information you wanted. It has four thousand square feet and it appraised for $285,000 and they are asking $249,000. Does that sound like the range you wanted to stay in?"

Fred - "No, I'm afraid that is quite a bit more than we wanted to pay."

Lisa - "What price range would you feel comfortable with?"

Fred - "We want to stay under 125k."

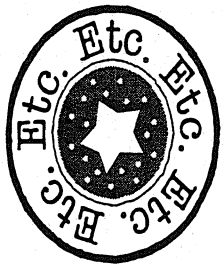
Lisa - "Well, that's certainly no problem. Fred, the way I like to work for my clients is to get a list of what they want, then enter that information in our computer system. From there, I can retrieve a list that fits that information. Then we can get together and only look at houses that fit. How does that sound?"

Fred - "That sounds great, that approach will save me a

Office Manager's President's Club

Through Nov. 95'

Linda Toombs
Lanc./ 330 pts.
Bobbi Watson
Longview/262 pts.
Devra Norton
Lufkin/ 227 pts.
Kim Stafford
Mesquite/ 224 pts.
Karen Stevens
Albu./ 223 pts.
Cheryl Cowie
Houston/ 210 pts.
Debbie Maxey
Burleson/ 200 pts
Cindy Garcia
Ins. Gulf/ 179 pts.
John Hamilton
OKC/ 176 pts.
Susan Smiley
Corpus/ 171 pts.
Dru West
Granbury/ 139 pts.
Rhonda Inman
Denton/ 123 pts.
SaDonna Rogers
Midland/ 114 pts.
Gracie Hernandez
Abilene/ 107 pts.



Hitting the Bigtime... A recently released list of Texas' largest companies shows our own little company, American Homestar Corporation, a respectable 337th out of 500 listed. The companies are measured in terms of sales dollars, so our acquisition of Guerdon homes is bound to propel us much higher next year.

Changes in General Manager Tracker Training Program: Not only has the computer training class for G.M.'s doubled in length to a two day course, it will also be taught more than twice as often than orginally planned. In total, there will be 26 days of computer training between now and late May. All current managers and candidates, sign up now with Lanette Carpenter!

Top Secret: Look for an announcement of further retail expansion in the next newsletter!

Due to Changes in the Payroll Dept, Birthdays will not be listed in this newsletter until further notice.

The Secrets of Inbound Telemarketing

Continued...

lot of time."

Lisa - "OK, I already have your price range, tell me what you want and need for the home to have."

At this point, Lisa will get Fred's list. She will then read it back to him to assure him she listening and to make sure she didn't miss anything. She will then make an appointment with Fred to show him every home that she pulls up on the MLS that fits his list.

Hey, Sales Managers! Use these Exercises During Your Next Meeting!!!

EXERCISE

As an exercise to help you realize what a powerful tool this MLS approach can be, write out your answers to the following questions and then discuss the questions and answers in a team meeting.

1. Why did Lisa get Fred's phone number right up front?
2. Why did Lisa tell Fred the "story" about the house being a bargain instead of telling Fred about the house itself?
3. Why did Lisa wait to give Fred the price on the call back?
4. Why did Lisa give Fred the price of the home?
5. Why didn't Lisa care if Fred liked the price she gave him on the advertised house?
6. Lisa took the time to get Fred's list. Why didn't she just tell him that she had lots and lots of homes to show him?

Last quarter's sales appreciation dinner. Take a good look and see the next generation of American Homestar sales professionals and the managers of tomorrow! What an impressive group of people!

***David Sampsel** (Mesquite), **Grayson Schwepfinger, Dave Shetler** (Mesquite), **Chuck Carney, Jr., Art Tyde** (Mesquite), **Buck Teeter** and Lancaster's **Brian Owens** celebrate the graduation of Mesquite's sales team from Basic Training, 101.*

Lancaster News

Brian Shaw

Get the Lowdown on those Livin' Large Mammajammas in Lancaster!

New 28x44 is on the way...

The new model 2840-3k is finally here! The 2840-3k is a 28x44 that will be prototyped and in production by the time you read this. We have a feeling that everybody will want to get their selling fingers on this bad boy! This house is part of the Northstar line that will be available to ALL company retail sales centers. Enclosed with the newsletter is a copy of the floorplan, pricing and F.O.B.

Ruff Stuff is Hot!

RUFF STUFF has been refueling the "Hot Wheels." We have accumulated many orders with the ruff stuff feature panel. Ruff stuff, a white vinyl panel that has a tape and texture appearance, is available as an option in all of our models. This option is great for customers that want the tape and texture white look in their home. Also, this will give them a vinyl panel throughout the home.

Model 640 is starting to Retail

One of our newest models for the new year is already starting to retail. We have already received a hand full of retail sold orders in the months of December and January. The 640 is a 16x76 that is a 72 foot long floor with three bedrooms, 2 baths and the feel of an eighty footer.

16x60's are Ready to Rumble

The 16x60's are going to shake up the new year. Lancaster has prototyped 2 out of the 3 16x60's and are ready to take your order. The 602 and 603 are the two 16x60's that compliment each other with either a 3 bedroom or 2 bedroom variation (both have two baths). On the way to be prototyped is the 2 bedroom, 1 bath 16x60 model 601. If you just sold your existing 16x60, replace it with one of our 16x60's and give it a whirl. WARNING: THIS MIGHT CAUSE A CASE OF SALES URGENCY ON YOUR LOCATION! Available from me by request is a comparison of your company product versus the Crestridge.

Vinyl Siding Happenings...

We have been building two to three houses a week with the new white vinyl siding. If you think you have a market for vinyl siding, let us build a "Hot Wheels" with this new and exciting exterior. Remember, you and the customer can choose from any of the nine Sherwin Williams paints for use in matching the shutters to the vinyl.

Who says they don't wear ties in Jacksonville!?!? From left, **Leon Dooley** (new G.M. of Monroe), **Jack Williams** (this is the 1,438th time his name has appeared in this newsletter), **Mark Pell, Garland Gregory** and **Daniel Griffin** raise a toast at a recent shindig. With all the money they've made, the staff of #49 has reason to smile!

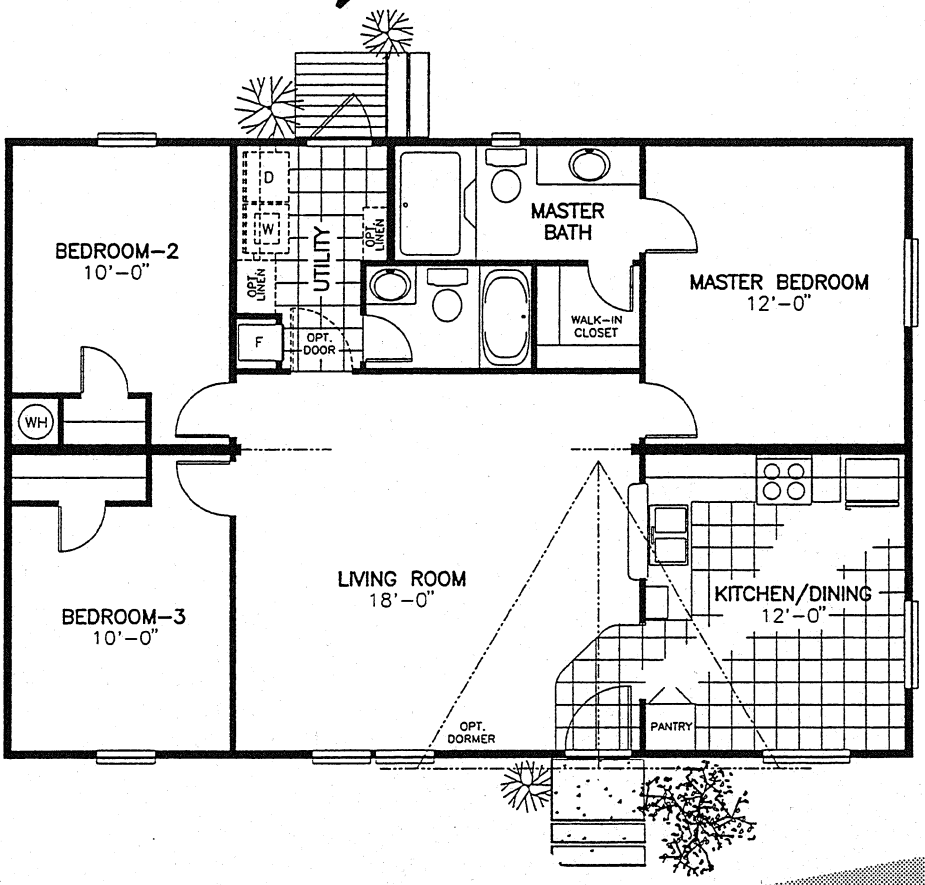
Promotions

Savant-Turner, Dooley Move up

Well, as always at American Homestar, there are plenty of company sales pros moving their way up the corporate ladder. Recently wed sales star **Peggy Savant-Turner** has taken over the reigns of the Lumberton location. Peggy is a get-things-done kind of lady and we expect her to do very well. She'll remain in that capacity until her new location in Louisiana is opened. **Leon Dooley** (pictured at left with an unsightly group of Hell's Angels), longtime sales star from Jacksonville, has been promoted to General Manager of the Nationwide location in Monroe, Louisiana. One of the Company's more consistent sales pros, Leon is also expected to excel in his new position. We wish both of these pros great success!

NorthStar

Model 2840-3K

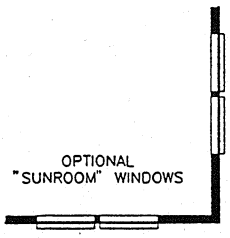


$29,995*

Target Retail Sales Price

El Paso	$30,995 - $130.17 Pmt.
New Mexico	$31,495 - $132.27 Pmt.
New Iberia	$32,825 - $137.86 Pmt.

*Direct delivery to customer's site
*No A/C or cooler
*Does not include sales tax in NM and LA price/Pmt.



28' x 44' 3Bedrooms, 2Baths 1095 sq. Ft.

TARGET PAYMENT $125.97*

*Bi-weekly Payment on 21st Century Bubba Plan 9.65% APR, 494 Bi-weekly Payments, $28,495 Balance Financed, $1500 Down.

***INCLUDES MANUFACTURER'S DISCOUNT OF $495**

STANDARD FEATURES AND POPULAR OPTIONS

- Hardboard siding by Masonite
- Composition shingle roof
- Full length outriggers 8ft. o.c..
- 6" overhang on sides and 12" ends
- 2x6 Floor joists at 16" o.c.
- 2x4 Exterior wall studs at 16" o.c.
- R-11/R-11/R-22 Insulation package
- Water shutoff valves (option)
- Exterior GFI receptacle
- House-type front door with storm
- Exterior porch light
- Cladboard shutters (front door side)
- Utility room with freezer space
- Lined cabinets
- G.E. Appliances
- 16 Cu. Ft. FF Refrigerator
- 30" Gas range
- Plumb and wire for W/D
- 30 Gal. electric water heater
- Efficient gas furnace
- Porcelain commodes
- Utility room shelf
- Wire & brace for fan
- Power range hood
- Residential light switches
- Sherwin Williams paint
- Ceiling lights in all bedrooms
- Pass-through bar into kitchen
- 60" Garden tub (master bath)
- Cathedral ceilings throughout
- Dual steel drawer quides
- Center shelves in cabinets
- 3/8" Rebond pad
- Armstrong vinyl floors
- Entry linoleum
- Mini-Blinds throughout
- Designer drape package
- Walk-In master bedroom closet
- Dining room chandelier
- Brass door knobs and hinges
- Large kitchen pantry
- Deluxe mirror in master bath
- Wrapped border chair rail

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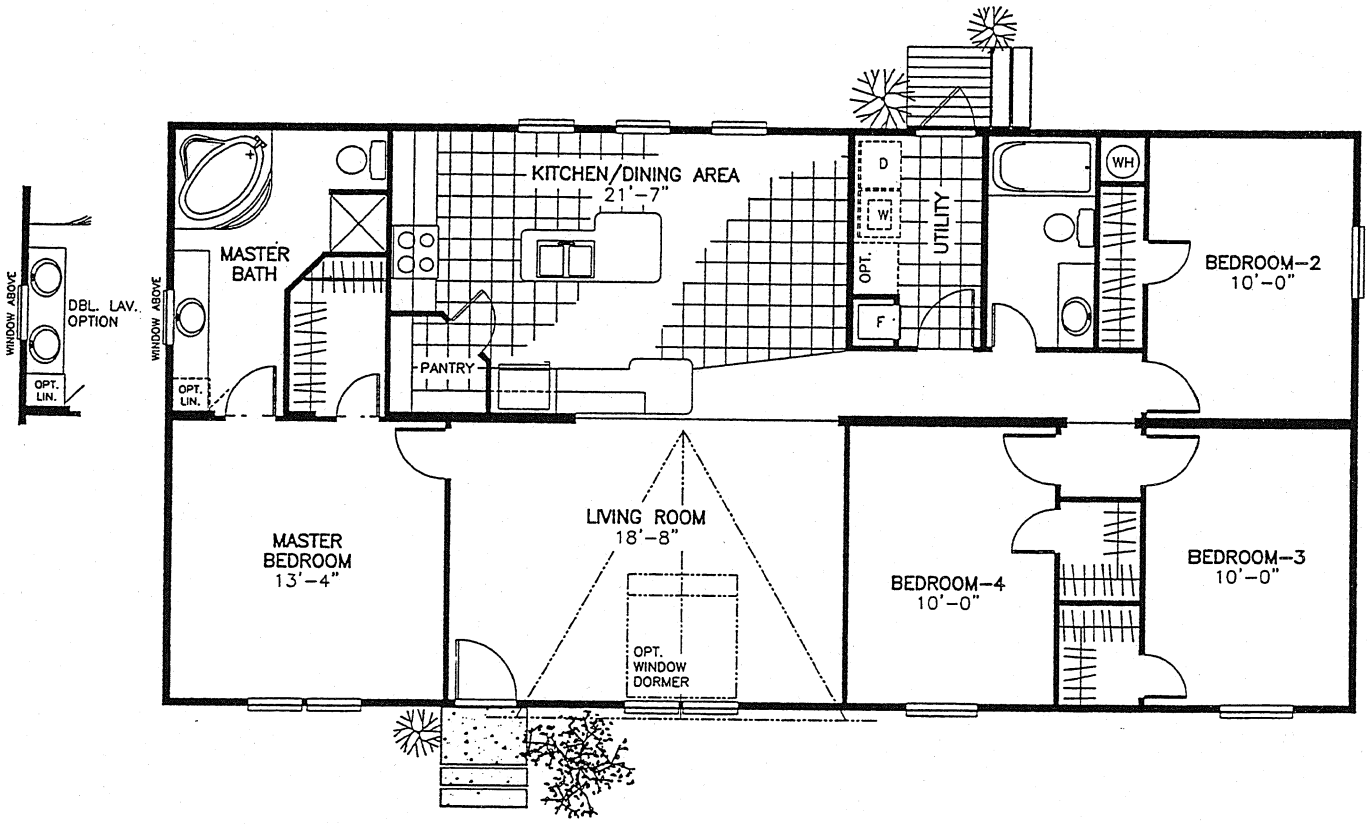
MORNINGSTAR

★548★

28' x 60' (56' Floor)
4 Bedrooms, 2 Baths



Standard Features and Popular Options

- Detachable Hitch
- Exterior w/Gable and shutters
- HT Door w/Storm
- 30 Gal. Electric Wtr. Htr.
- Water Shutoff Valves
- R-22/11/11 Insulation Pkg.
- Total Electric
- Plumb and Wire W/D
- Wire and Brace Fan (LR)
- Vaulted Ceilings Thru-out
- Entry Linoleum
- Vinyl Interior Wall Covering
- Dlx. Cabinet Construction
- Dining Room Chandelier
- Dual Steel Drawer Guides
- 16 cu. ft. FF Refrigerator
- Kitchen Pantry
- Brass Hardware
- Wrapped Moldings
- Bedroom Ceiling Lights
- Valances and Mini-Blinds
- Full Drapes in LR/DR
- Glam. Bath Corner Tub/Shower
- Construction Value Package:
  1. 90" Sidewalls
  2. Fiberglas Heat Duct
  3. 1/2" Rebond Carpet Pad
  4. Sprayed Accoustical Ceiling
  5. Nominal 4/12 Pitch Roof
  6. 60" Tub (Guest Bath)
- Designer Value Package:
  1. Upgrade Carpet (Sahara)
  2. Upgrade Recessed Doors
  3. Designer Wrapped Border

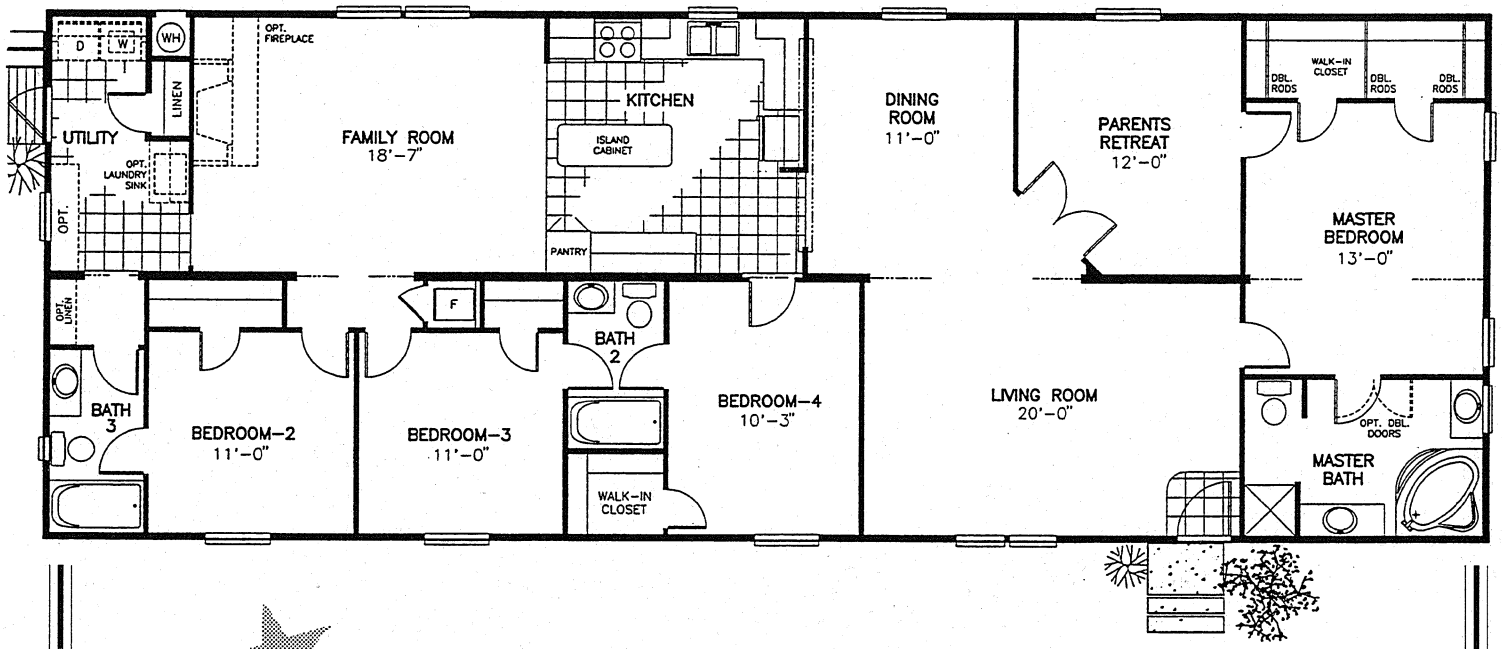
American Homestar of Burleson, Texas ★ Phone (817)295-8108 or (800)817-4150

MORNINGSTAR

PARENTS RETREAT

★2876-4MB★

28' x 80' (76' Floor)
4 Bedrooms, 3 Baths



Standard Features and Popular Options

- Detachable Hitch
- HT Door w/Storm
- 30 Gal. Electric Wtr. Htr.
- Water Shutoff Valves
- R-22/11/11 Insulation Pkg.
- Plumb and Wire W/D
- Vaulted Ceilings Thru-out
- Entry Linoleum
- Vinyl Interior Wall Covering
- 3rd Bathroom
- Parents Retreat
- Huge Utility Room
- Dlx. Cabinet Construction
- Dining Room Chandelier
- Dual Steel Drawer Guides
- 16 cu. ft. FF Refrigerator
- Kitchen Pantry
- Brass Hardware
- Wrapped Moldings
- Bedroom Ceiling Lights
- Valances and Mini-Blinds
- Full Drapes in LR/DR
- Glam. Bath Corner Tub/Shower
- Construction Value Package:
  1. 90" Sidewalls
  2. Fiberglas Heat Duct
  3. 1/2" Rebond Carpet Pad
  4. Sprayed Accoustical Ceiling
  5. Nominal 4/12 Pitch Roof
  6. 60" Tub (Guest Bath)
- Designer Value Package:
  1. Upgrade Carpet (Sahara)
  2. Upgrade Recessed Doors
  3. Designer Wrapped Border

*TARGET RETAIL SALES PRICE....

*Includes Texas Tax.
*No A/C or Cooler

$49,995**

**Direct Delivery To Customer's Site.
**Add $2000 for New Mexico, El Paso and New Iberia

American Homestar of Burleson, Texas ★ Phone (817)295-8108 or (800)817-4150

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