

**GUIDELINES FOR “DEMAND LETTER” TO CUSTOMERS FOR FAILURE TO
RETURN RENTED PROPERTY AS REQUIRED UNDER
SECTION 578.150, R.S.Mo. 1992**

Section 578.150, R.S.Mo. 1992, allows the commencement, under certain circumstances, of criminal proceedings for failure to return leased or rented property. A copy of Section 578.150 is attached hereto as **Exhibit A**.

Section 578.150.2 provides that it shall be “prima facie evidence” of the crime of failing to return leased or rented property when a person who has leased or rented personal property to another willfully fails to return or make arrangements acceptable with the lessor (i.e. business) to return the personal property to its owner within ten- (10) days after proper written notice following the expiration of the lease or rental agreement...

The requirements to satisfy the “notice” requirement under section 578.150 are as follows:

1. The notice sent by the lessor (i.e. business) must consist of a written demand addressed and mailed by either certified or registered mail to the lessee (i.e. customer) at the address given by the customer at the time of making the lease or rental agreement. (**Section 578.150.4**) (Note: Notice sent by “regular” U.S. Postal mail is not sufficient);
2. The notice must further contain a statement that the failure to return the property may subject the lessee (i.e. customer) to criminal prosecution. (**Section 578.150.4**); and
3. The written demand must allow the lessee (i.e. customer) ten- (10) days to return or make arrangements acceptable with the lessor (i.e. business) to return the personal property to its owner after proper written notice following the expiration of the lease or rental agreement.

A sample “demand letter” from Disney Rent To Own, Inc. to its customer, Mr. Willard Smith, dated August 21, 1992, is attached as **Exhibit B** for your reference.

Also attached as **Exhibit C** is a copy of a “form” demand letter that may be utilized by your business (should your legal counsel approve the same) that should satisfy the notice requirements under **Section 578.150** by inserting the proper information in the “blanks” set forth on this “form” demand letter.

It is strongly recommended that you consult with your legal counsel with respect to any “form” demand notice that you may utilize to meet the notice requirements under **Section 578.150**. It is further recommended that you consult with your legal counsel prior to “turning over” any matters for possible criminal prosecution to the appropriate law enforcement authorities in the event that a customer fails to return the property to you or make other acceptable arrangements for the return of this property within ten- (10) days from the date of the demand notice. There are cases where a rent to own business has been successfully sued by a customer for malicious prosecution, false arrest, etc., where the rent to own business has violated the requirements of the rent to own law and/or has provided false or inaccurate information to the local law enforcement authorities at the time criminal prosecution is requested.

578.150 1. A person commits the crime of failing to return leased or rented property if, with the intent to deprive the owner thereof, he willfully purposefully fails to return leased or rented personal property to the place and within the time specified in an agreement in writing providing for the leasing or renting of such personal property. In addition, any person who has leased or rented personal property of another who conceals the property from the owner, or who otherwise sells, pawns, loans, abandons or give away the leased or rented property is guilty of the crime of failing to return leased or rented property. The provisions of this section shall apply to all forms of leasing and rental agreements, including, but not limited to contracts which provide the consumer options to buy the leased or rented personal property, lease-purchase agreements and rent-to-own contracts. For the purpose of determining if a violation of this section has occurred, leasing contracts which provide options to buy the merchandise are owned by the owner of the property until such time as the owner endorses the sale and transfer of ownership of the leased property to the lessee.

2. It shall be prima facie evidence of the crime of failing to return leased or rented property when a person who has leased or rented personal property to another willfully fails to return or make arrangements acceptable with the lessor to return the personal property to its owner at the owner's place of business within ten days after proper notice following the expiration of the lease or rental agreement, except, that if the motor vehicle has not been returned within seventy-two hours after the expiration of the lease or rental agreement, such failure to return the motor vehicle shall be prima facie evidence of the intent of the crime of failing to return leased or rented property. Where the leased or rented property is a motor vehicle, if the motor vehicle has not been returned within seventy-two hours after the expiration of the lease or rental agreement, the lessor may notify the local law enforcement agency of the failure of the lessee to return such motor vehicle. The local law enforcement agency shall cause such motor vehicle to be put into any appropriate state and local computer system listing stolen motor vehicles. Any law enforcement officer, which stops such a motor vehicle, may seize the motor vehicle and notify the lessor that he may recover such motor vehicle after it is photographed and its vehicle identification number is recorded for evidentiary purposes. Where the leased or rented property is not a motor vehicle, if such property has not been returned within the ten-day period prescribed in this subsection, the owner of the property shall report the failure to return the property to the local law enforcement agency, and such law enforcement agency may within five days notify the person who leased or rented the property that such person is in violation of this section, and that failure to immediately return the property may subject such to arrest for the violation.

3. This section shall not apply if such personal property is a vehicle and such return is made more difficult or expensive by a defect in such vehicle which renders such vehicle inoperable, if the lessee shall notify the lessor of the location of such vehicle and such other defect before the expiration of the lease or rental agreement, or within ten-days after proper notice.

4. Proper notice by the lessor shall consist of a written demand addressed and mailed by certified or registered mail to the lessee at the address given at the time of making the lease or rental agreement. The notice shall contain a statement that the failure to return the property may subject the lessee to criminal prosecution.

5. Any person who has leased or rented personal property of another who

destroys such property so as to avoid returning it to the owner shall be guilty of property damage pursuant to section 569.100 or 569.210, RSMO, in addition to being in violation of this section.

5.6. Venue shall lie in the county where the personal property was originally rented or leased.

5.7. Failure to return leased or rented property is a class A misdemeanor unless the property involved has a value of one hundred fifty dollars or more, in which case failing to return leased or rented property is a class C felony.