

Alternative trade system begins its rollout

BY JOHN SEELMEYER

Ezio and Rebecca Valentini spent the better part of the past decade figuring how to develop a trade cooperative in which member companies their own electronic form of money in transactions with one another.

They think they've got it right, and their Reno-based American Trade Co-operative is gearing up its sales effort.

The company has hired its first seven sales people, and the owners say it's possible that American Trade Co-operative could employ as many as 250 people within the next 24 months. They're already scouting office locations to house call centers.

"We are a sales and marketing company," says Rebecca Valentini.

The Hawk Group, the privately owned parent of American Trade Co-operative, operated call centers for 20 years, ran a time-share marketing company that had an office in South Lake Tahoe and developed residential and mixed-use projects in the West.

After selling those companies, the Valentinis began development of the trade company.

Modeled after Swiss cooperative that was created in 1934, American Trade Co-operative seeks to create a network of business that do business with one another for a combination of U.S. dollars and private money — so-called "ATS dollars."

When a business signs up, it provides American Trade Co-operative with lists of customers and vendors that might also want

to do business in ATS dollars as a way of preserving their own cash.

(Transactions conducted in the ATS currency are just as taxable as sales that involve traditional U.S. dollars.)

American Trade Co-operative jump-starts the process by providing lines of credit in ATS dollars that are secured by personal and corporate guarantees from participating companies. The borrowings of ATS dollars are repaid as participating companies generate revenues through the American Trade Co-operative network.

The Valentinis take their cut through a \$500 sign-up fee from a new business member, transaction fees that typically run about 3 percent, monthly administrative fees to handle the paperwork and the interest they collect on the ATS-dollar credit lines.

Those revenues could be substantial for The Hawk Group.

The Valentinis project 1,500 members in the trade group in northern Nevada by 2013, and they project the regional system could be handling \$480 million a year in business-to-business sales in less than five years.

Right now, membership is far more modest — fewer than 20 companies.

Ezio Valentini notes that the value of the network depends in large measure on the number of participating companies. The more options that members have for buying and

selling to one another with ATS dollars, the more likely they are to regularly utilize the network.

In an effort to get membership numbers up quickly, the Valentinis are working to win the support of the Reno-Sparks Chamber of Commerce as well as the Northern Nevada Development Authority in Carson City. Rob Hooper, executive director of the development authority, sits on the advisory board of American Trade Co-operative.

Membership is limited to companies in six sectors — retail, manufacturing, construction, hospitality, professional services and real estate.

And the participating companies need to be credit-worthy — they'll be borrowing ATS dollars — and profitable.

The Valentinis pitch the network as a way to get unused capacity in the northern Nevada economy back into operation during a time when many potential buyers of business merchandise and services are short on cash.

Ultimately, Ezio Valentini hopes American Trade Co-operative can launch its own banking services. That would follow the model of the company's Swiss model, WIRBank, which added a bank in 1990 to serve its 62,000 business members in the European nation.

The Valentinis each own 50 percent of American Trade-cooperative. So far, the business has been entirely self-funded by its owners.



Ezio Valentini



Rebecca Valentini