

**THE ARTICLES/INTERVIEWS ON BARTER BY JOHNNY BLUE STAR**

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## **THE DARK SIDE OF BARTER**

**BY JOHNNY BLUE STAR**

A few close friends of mine in the barter industry tell me very often they want to get out. The reason they want out is because they themselves, with all their experience, have been scammed and they know the industry is full of scamming. Of course, this is true of many industries- from the credit card industry to the car industry, from Wall Street to Hollywood. This is a scammy type of world. But the Barter World is fairly close-knit and this adds to the confusion and concern.

I am not disillusioned about barter. I keep a positive attitude.

### **CASH CONVERSION DELAY**

One of the most popular types of scamming these days, practiced with prodigious care by at least one trader I know of, is the “Cash Conversion Delay.” This occurs when you lay down your money, expecting some trade credits for your dollars. Suddenly, you find yourself plunged into a whirlwind of back-pedaling and your trade credits just don’t ever seem to arrive. In another article, we will be discussing the anatomy of a specific cash conversion deal that TradeWorld News attempted to resolve.

### **INFLATED PRICES SCAM**

Another type of scamming is the “Inflated Price” scenario. We invite any of our readers to send us concrete examples of this- with proof about the particular deal they have seen. Yes, this is a free market, but when people charge four or ten times the price in trade dollars, they enter into a dark world. They are basically taking advantage of people’s desperation.

### **THE BEST PART IS THE GRAVY**

Related to the “Inflated Prices” prices scenario is another interesting scam. I call it- the “The Best Part is the Gravy” scam. This is a part cash/part trade blend, where the seller sets up the deal so he really gets the full amount in cash, including his profit and then the rest is gravy. People who do this are often remarkably consistent. They are just ripping off their customers and the barter organization right and left. They are not policed at all by the Barter Club.

### **DON’T SERVICE YOUR CUSTOMER SCAM**

Here’s another common scam. It is the “Don’t Service Your Customer” scam, practiced throughout the Industry. As a Barter Organization, you sign people up, get them all

excited about trade and then don't do anything- don't return their phone calls, don't help them with account problems, don't help them with their searches, don't teach them how to use their website, etc. And, sometimes, in the case of a very large club, this doesn't just happen with the local broker, it happens with the Corporate office, too. People run to the Corporate office and all they get is "duh" or pure silence. But, when it comes to accounting or collections, hey, Corporate and even the local broker suddenly gets very active.

### **"AFTER ALL, YOU SIGNED A CONTRACT DIDN'T YOU?"**

Related to the "Don't Service Your Customer" scam is the "After all, you signed a contract didn't you?" scam, I just mentioned. But I think this point should be amplified. The scam is three-part: 1) At port of entry to the Barter Club, you are told about the myriad wonders of trade 2) When you start to participate, you get nothing in the mail, you get no phone calls and all you get are bills- and nobody returns your inquiries. Or maybe you get some of that, but then your broker disappears and nothing happens. Just silence. Or maybe you get great service and then, suddenly, absolutely nothing. 3) But when Collections called, you signed a contract- and, what do you know? They are going to the Credit Bureau if you don't pay. And, you know, it's just too expensive, too time-consuming or too much of a pain- and so you pay. In effect, you got nothing for your fees, except headaches.

### **"HIDING THE REALITY" SCAM**

Or, how about this? You join a Barter Club, but they really don't have any members who trade- or, if they do, they do so reluctantly, with a very bad attitude. Or, it's kind of funny, but the owners or brokers seem to always be trading, but the members just don't seem to get any. This is "Hiding the Reality" scam, where despite all the promises of trading paradise, there is no real backing to the Trade Dollars, except for the people who run the Club. They eat in nice restaurants.

Oops- I bet I forgot a few and I'll bet there's quite a bunch I haven't even heard of. Please tell me about your favorite scam. Be generic in your descriptions. We don't need to know the names, places or dates for the moment. We just want to expand our categories for the purpose of expanding this article. We won't use any names. Send a description of your favorite scam to [cvnewz@aol.com](mailto:cvnewz@aol.com). Coming soon, more on Cash Conversion, as we examine an anatomy of a barter deal gone very, very bad. Sometimes, the devil is in the details.

**MORE ON THE DARK SIDE**  
**THE CASH CONVERSION DELAY SCAM**  
**EXPLAINED**  
**BY JOHNNY BLUE STAR**

There is a kind of scam going on now. I call it the Cash Conversion Delay Scam.. Someone contacts a person to acquire trade dollars for cash. They say you can get a multiple of those dollars in trade- say, a ratio of four to one or five to one. So, you contact the Converter, who asks for your money in the quickest possible way- perhaps a Western Union telegram, a way that virtually guarantees it will be difficult to get your money back if something goes wrong.

Then something does go wrong. The Converter who is selling you these trade credits does not really have their own trade credits. The Converter is using other people's accounts to pay you- and suddenly, there is a problem with these accounts. First, one account; then another. Now, suddenly, it is Converter who you paid the money to who is the victim. It's not the Converter's fault. It's the person who owes him the trade dollars- that's the guilty party. Of course, the Converter never disclosed these difficulties to you- in the first place- that the only way the Converter could obtain these trade dollars was by collecting on a debt. That the Cash Converter never had these trade dollars in his own account and, for the most part, always uses other people's accounts.

So, now you play an infinite waiting game. You are constantly lulled into thinking that your trade credits are just around the corner. Perhaps you think about small claims court or even Superior Court. But, do you really have the time, the money- or the patience? Well, then, what happens next? Now, you cannot pay some of your own trade debts. Now people are bothering you- but all you can do is point to the Converter and all those wonderful people who owe the Converter money.

Do you blame the Converter? Do you blame the people who owe him money? Do you blame the people who advertise him- who allow him to promote himself? Maybe now, you think you can call the FBI or the police or the District Attorney's office. Maybe then you find out, there is something called "Justice by Prioritization" and you are rather low on the list. Maybe they think this is a civil matter and not really criminal fraud. Maybe they just don't understand what trade credits are. Or maybe you never contact them in the first place.

And, if one believes that the Converter really is in a jam now- and really has to solve his problem- you may imagine that the Converter now has to seek other victims- in order to pay his last victims; find other more reliable accounts to use- because after all, he doesn't have his own funds in the first place. So the Converter is on a merry chase. The only thing we can say- is don't be the Converter's next victim! Here's what to do:

**TRADERS BEWARE!**  
**CONSIDER TAKING THESE FOUR STEPS**

1. Don't deal with someone in trade- unless you know them or have a truly reliable referral, hopefully from someone you know to be reliable and to whom you have done business with before.
2. Don't send money in a way that you can't get back or trace easily. Better still, use a third party or escrow company to make sure you get your merchandise before you lose your money.
3. Make sure this person actually has trade dollars.
4. Consider the possibility that cash conversion is a very controversial issue in trade clubs and that it is a better idea to earn trade credits rather than cash convert.

**“BARTER CLUB”- SHOULD THE TERM STILL BE  
USED?  
THE ECONOMY OF RETAIL BARTER  
-COMMENTARY BY JOHNNY BLUE STAR**

Should the term, Barter Club, still be used?

In several cases, I received complaints about my use of the term, “Club,” in references to barter organizations, in general. I thought this discussion was worth pursuing and so I would like to make my views on the subject known, with the understanding that I am open to having my opinion changed. Please address your opinions and comments to [cvnewz@aol.com](mailto:cvnewz@aol.com). If they address this particular question, I would like to print them.

I believe that a retail barter organization that retains exclusivity in any categories of its membership- deserves and possibly should use the term, club. A “club” denotes some type of category of membership and limiting membership is one of the factors that make a barter economy work.

In my view, the growth of retail barter organizations in the world is an indication of the failure of conventional economies to properly reward businesses that participate in their economic systems. It does not take any magic lightening to shed light on the fact that ownership of many categories of businesses grows narrower and narrower as giant corporations, multi-nationals and even regional giants gobble up various industries. This factor is apparent on a grassroots or local scale over the past four decades in the United State, as small drugs stores, candy stores, grocery stores, electronic stores and family-owned restaurants' market share disappear into coffers of mega-sized business. This is partially achieved through the magic of discount purchases, where both expenses and inventory are significantly lowered through the power of volume discount buying. Government increasing favors the monopolization and oligopolization of the world's assets.

Go into a grocery store these days and look at the number of products actually manufactured and distributed with the grocery store label. Quite a few years ago, the United States government effected an anti-trust action against movie production companies for owning theaters, the means for controlling the distribution of these products. One of the by-products of this action was probably, in part, the destruction of the studio system. Another by-product was the opening of the film industry to many level of newcomers. So, government can affect broad anti-trust restraints, effecting an entire industry if it wants to. But that is not the tendency now. Look at the way, the United States Government, through the FCC, has allowed the giant communications companies to gobble up the industry. It used to be that ownership of radio stations was rigidly limited. One company has approximately nine signals in Coachella Valley (Palm Springs metro area).

Freedom of enterprise is a kind of peculiar phenomenon. If you let it go unchecked, it allows for some companies to grow massively, if they gain enough market share. Then, they can go, if still unchecked, go and devour all the Ma and Pa businesses, by either buying them out or destroying them through price competition. So, this perfect freedom of enterprise can lead to no freedom of enterprise, in certain industries. So, in some measure, restraints on growth through anti-trust laws and regulation can help preserve the possibility of free enterprise. The existence of barter companies is another type of hedge against the injurious impact of big business crowding out the potential of small business.

To me, small business is the custodian of the collective dreams and aspirations of mankind. And, as fate would have it, the world economy has made some type of allowance for the development and persistence of a mechanism that restores an element of free enterprise to the business community and allows honest, working business people to recoup their efforts properly by joining a retail barter organization. A barter organization is an alliance or, as much as many barter organizations resist the term, an exclusive club, which rations the type of businesses which participate- so reasonable competition is possible. As an example, the owner or director of a barter club will only accept a certain number of chiropractors, dry cleaners or dentists in a certain area. The micro economy of barter serves like a union for small businesses, guaranteeing that the number of members of a certain category doesn't choke out the capacity for the membership to enjoy profitability or to have work. In a fact, that is why the term, "club," is appropriate for this type of business that permits for "membership."

## **DISCIPLINING AN AREA**

### **-WHAT DO YOU DO WITH DEADWOOD?**

**BY JOHNNY BLUE STAR**

After having managed something like ten discreet trading areas over the past few years, I have come to some tentative conclusions of a subject that should be of great concern to many trading company managers and owners: Deadwood. By Deadwood, I mean members of a barter organization who do not actively trade, but engage the barter business' services (mostly the accounting department for billing purposes), as passive and disinterested participants. Many of these pay all their membership dues and renewal fees, without question, but they refuse to trade. Many others just tie up collections and thwart brokers' activities by having their accounts perennially in deep freeze.

The question that I have- and I certainly would like feedback- what does it cost a barter organization to keep such a member? I personally believe, although I cannot measure it, at the moment, there is a severe negative cost. The cost is not just billing statements and processing loose slips of paper. Perhaps one comes out on top because of this, making even perhaps a \$150-\$100 a year on the deadwood. But what does it do to the psychology of trading and to the actual furtherance of transactions? Members are called upon to trade, but they refuse to for a variety of reasons. Often they refuse to even though their excuses are not acceptable in official policies of organization. Yet, they are tolerated because of the love of their precious membership and renewal fees. After all, may be their interest could be activated in a few years. Yet- what does this do for the actual progress of transactions?

I believe the policy of tolerating Deadwood stifles transactions. People can only look for an ink cartridge or a winter jacket for so long. They are not brokers. And sometimes brokers have even stricter limits on conducting searches. In one organization I belonged to, I would access a category of member in the web site and find six or seven nationally-listed members who refused to trade or, even worse, would not return phone calls or respond to e-mail.

#### **1. Determine what constitutes an active member**

In my view, there are certain fundamental criteria for establishing that a member is truly active. First, of course, that the member is accepting trade. Purchasing behavior, depending on organization and payment arrangement will vary. However, if the member goes on standby and refuses to purchase- that is a problem. Secondly, there is also a problem when non-payment of fees frequently freezes an account. Thirdly, it is also a problem when a member trades a minuscule amount, although regularly. It really doesn't do him any good or the barter organization any good.

#### **2. Formulate a policy**

I guess the question here is who stays in the organization. That is the ultimate criteria. If the goal is to have true activity, then perhaps it will be necessary to demand an average volume traded per month. Now, it is one of my best-loved aphorisms that “the road to great customer service is paved with exceptions.” If a good member gets sick or suffers a sudden financial downfall or if there is a death in the family, etc., etc.- there is no need to get impatient with a member. It is the member who does not and will not trade; does not and will not pay their fees; does not and will not treat other members and officers of the organization with politeness and honesty; who inflates prices out of reality, who tries to inject cash into trading to such an extent the trade becomes mere gravy, creating excess profits- these are the people who should be eliminated. These are the people who are sapping the life out of your trade organization.

3. **Show members the door**

If members do not adhere to the trading policies of the organization, they should Polately shown the door. This may be radical advice and it will elminate a large percentage of a lot of barter organizations, but, what again, is the cost of this deadwood? They destroy the integrity, viability and power of the organization. The organization should be a sleek, lean, transaction-producing machine.

My last comment revolves around the ethics of maintaining non-active members just for the sake of making a profit. Is that really ethical? It’s like gyms basing their economies on non-active memberships and using the courts to enforce contracts that were the result of bad decisions or, worse, intimidation and deception. I am not saying that this is true of every work-out franchise. I am just saying it is a problem that many people have noticed.

As my ideas and my solutions are somewhat tentative, I am interested in feed back from other professional barter companies, particularly from brokers and traders with a lot of in the field experience. I am also interested in some shrewd accounting guestimates as to the cost of Deadwood.

## **INTERVIEW WITH MARTIN HALFORD, TRADE DIRECTOR FOR PROBARTER EXCHANGE**

### ***How did you first get involved in the Barter Industry?***

Johnny, I used to own MOBILE RV SERVICE AND REPAIR, and MOBILE RV RENTALS. We provided onsite RV repairs for recreation vehicle owners, and we rented Class A Motor homes, for eleven years. We became members of BXI, and began utilizing bartering techniques as part of our overall business plan. Business BOOMED. I started telling all of my friends, family, and customers about the Bartering. Soon I was referring into the exchange an average of 8-10 new members a month. Not long after that, the local Trade Director set me up as an outside Sales Rep, and I started earning an extra \$2-3,000.00 a month just spreading the word about something I really believed in, and had personally experienced so much benefit through.

Eventually, my Trade Director, who was looking to retire, started grooming me to take the area over, which I too was forward to do. The Trading had been so good for me, I had decided if I ever had a chance to own my own area... I would. By the grace of God, time, and a whole lot of hard work, I did just that.

***Tell us a little about your geographical structure. You are primarily based in Boise.***

I am an Idaho native. This is truly God's country! Boise is the Capital City, and is nestled at the east end of the Treasure Valley. Rich soil lends to Farming, Ranching, Orchards, and Woodlands. Surrounded by foothills, Boise rests at 3100 feet elevation. World class skiing in Sun Valley and McCall are just a short drive away. Some of the Northwest's finest Hunting, Fishing, and White Water Sports are common fare. The Frank Church Wilderness Basin is the largest Primitive Forrest region in the Country. Hell's Canyon, less than an hour away is the deepest gorge in the Continental US.

But undoubtedly, the greatest asset is the Idaho people... they are why we are so fortunate! We are blessed with a broad spectrum of culture. From the Native Idaho Indian tribes, to the rich diversity of Hispanics, Basque, African American, Asian, and many others, all working together to make Boise a welcome place for everyone.

Interestingly, we are getting an increasing number of members from all over the country as well. Only time will tell where we actually will end up!

***What excited you about Barter?***

Many years ago, a customer couldn't pay the bill he owed me for some service work I had performed. I offered to accept something else, and he traded me an antique tractor, and several implements that went with it. It was a beautiful machine... a restored 1946 McCormick Farm-All, model BN, and it ran like a top. It was painted bright red. I figured I had done a good deal, but discovered, much to my consternation, that I could sit on these items a long time before I could hope to get my money back out. (Stick to what you know...)

Any way, I listed the equipment on the website, and *in less than two weeks, I sold the entire lot for 2.5 times what I gave for it!* A nurseryman in Somis California bought it all and offered me an extra thousand dollars in trade to deliver it, plus covered the hard cost of the rented U-Haul truck and trailer.

This was when it really hit me... **I HAD JUST USED BARTER TO TURN A BAD BUSINESS DEAL INTO A WINNER.** When I delivered the equipment, he was like a kid in a candy store. He told me he would have happily paid TWICE what I was asking!

Another time, a friend bought an investment piece of real estate. He paid \$80,000.00 cash at closing, and put another \$50,000.00T into it. He replaced the Garage doors; landscaped front and back yards complete with automatic sprinkler system; installed a pond; painted inside and out; refinished the hardwood floors; and new kitchen cabinets ALL ON TRADE. Now follow the math... This brought the total monies invested to \$130,000.00. But, the market would only bring \$120,000.00 for the house. Why would he do that? Because his cost in his trade dollar was less than .30 cents at that time. That means that he actually invested the \$80,000.00 cash plus another \$15,000.00 hard cost in his trade... bringing the actual total investment to only \$95,000.00!

When he sold the house for \$120,000.00 (and it sold very fast at that price...) he cash converted \$25,000.00 for his pocket, and showed a \$10,000.00 loss on the property overall at tax time. I AM STILL LEARNING NEW BARTERING TECHNIQUES! There seems to be no end to the ways barter can make the difference in the hands of an expert practitioner.

### ***Was striking out as an Independent a little frightening?***

Yes it was Johnny. It was something we did only after a great deal of thought and circumspection. Thanks to Divine Providence, things have a way of working out just the way they're supposed to. One thing is for sure and for certain; being Independent is the best thing that ever happened to Lee and I and our trade clients!

- Rather than waiting for the 'scraps' to be thrown down to us Area Directors while the Corporate Officers took all the cream, and...
- Rather than paying the highly inflated prices the Corporate Office quoted us after they marked up certain items as much as 2-300%, (weeklink weeks sell for \$420.00T for example, but I couldn't buy them for my clients through the Corporate Office for less than \$1,200.00T!)
- And finally rather than being limited to just trading within the confines of a single national trade organization, **we are free now to trade with them all!**

This is what really opens up the world of trade and organized barter to our clients. Again, through our reciprocal affiliations we currently have access to over 220 Barter Organizations globally using 17 different currencies... and we are making new friends every day!

If any one is thinking about going out on their own, my heart goes out to them. I know their fear, and their pain, but I would tell them to press on... it is worth it! And I will help them anyway I can. Other Independents I know are really great people! There is a lot of support for you if you decide to make the break. Breaking out on you own is kind of like your baptism by fire... but for me, the

things we went through only served to strengthen our character, and our resolve. We are now a much better Trade Exchange for it.

Let me say right here however, I do not advocate illegally breaching contracts to go out on your own... in my case the company I held my license through merged with another company, and tried to force a franchise agreement on me while significantly modifying the terms I enjoyed under my former license agreement. This was definitely a breach of contract on their part, and for this reason, as well as others... I decided to go independent. If you are serious about launching out... you should do things right and consult with a good contract lawyer first, and be sure and 'count the cost' before you jump.

### ***How do you decide how and when to recruit new members?***

The HOW I'll explain in a moment, the WHEN is now. It's always now. Right now, especially in this economy, is the time for Trade Exchanges to saddle up, lock and load, and get ready to ride hard. Businesses are really hurting right now, and they are looking for answers. Barter can make the difference for many of them.

As far as how, the single most effective reason new members are coming into ProBarter is because of member referrals. Our members only receive a fifty trade dollar reward for telling other people about the exchange... not much in and of it's own right, so it must be for the same reason I used to refer so many people in; because their just plain happy!

I also network very effectively through our local Chamber of Commerce, where I serve as an Ambassador. Trade Shows, Business Expos, and After Hours are excellent forums for your sales staff to work in. Sponsoring Community events are also beneficial. Even the website and graphics on company cars has brought in a few new members.

What we do not do is telephone solicitation. I know how irritated I get when I am called for a sales pitch, and I believe most folks in my neck of the woods feel the same way. I have heard of telephone solicitation programs being extremely effective in other areas however; so don't rule this technique out until you've tried it.

### ***How do you look at your infrastructure at this moment?***

We are a solid Trade Exchange Johnny, with several hundred account holders. We are broad based and richly divers with just about everything to offer our members locally available. There are many service providers of all types, and also merchandisers, offering tremendous hard goods. We have several e-tailers offering products to a World market, and this pleases our recips. We have Media, most professional services as well.

Thank God for our staff! I made a mistake with three individuals in the past, but the crew I have now has proven themselves to be indispensable, loyal, and highly skilled. **Training is important, but personal character is critical!** BE VERY SELECTIVE AS TO JUST WHOM YOU BRING ON STAFF! Unscrupulous competing Barter Companies will try to entice your staff away, and you wouldn't want any formerly trusted individuals turning on you... believe me, I know. They will take the inside knowledge of your company, and your client list, and if they have no conscience... THEY WILL USE IT AGAINST YOU.

***How important are reciprocals for an individual trader?***

Very. But the problem is that individual members can't get access to the member list or websites of most of our reciprocals. And for good reason. That is why I developed the BOISE BARTER COMMISSION website. (BBC) This give me a totally separate forum to feature excellent quality hard goods that is totally accessible to anybody... especially individual members of affiliated trade Clubs.

If I can plug the BBC for just a moment Johnny, please feel free to give the url [www.boisebarter.com](http://www.boisebarter.com) directly to all your readers. They are most welcome to shop the site using their dollars, as the sight is fully accessible without the need to login or passwords. Through the BBC's reciprocal affiliations we are currently offering merchandise to over 220 Barter Organizations globally using 17 different currencies... and we are making new friends every day!

Copies of the site are also for sale very reasonably, and at full trade to interested Trade Directors, and can be fully customized with your organizations Name, Logo, and graphics. This would mean you too could offer products to the Barter World in a separate forum from your "Members only" site... that provides excellent access to *individual members of your recip organizations*. This should greatly increase the velocity of your trade dollars, and promote better trading between groups, while keeping you securely in control.

***Tell us something about the philosophy that drives your column in TradeWorld News.***

Johnny, it's simple... **EARN YOUR CLIENTS TRUST AND CONFIDENCE, AND NEVER, EVER VIOLATE THAT TRUST!** Earning trust means working very hard to service your client. To do it consistently, and faithfully, day after day, after day. It means never misrepresenting what you can do for them. And it means DOING what you say you will do. It means being a person of integrity, along with every member of your staff.

Above all, it means putting the interests and needs of the client ahead of your own! Too many times I see company policy formulated on behalf of the "Board of Directors" or for the benefit of the company itself... at the expense of the clients!

It's all about confidence. And if the client loses confidence in you or your program, it is already too late. That is why I title my column "THE INDEPENDENT'S VOICE." Now we make decisions based on what works for our clients, and for Idaho... we are no longer subject to some out of State National Franchise, dictating changes for it's benefit, not ours.

Happy trading! M.

### **INTERVIEW WITH AMANDA SMITH BY JOHNNY BLUE STAR**

Amanda Smith is the Area Director of the BXI Desert Empire Office, which oversees Coachella Valley and the legendary oasis of movie stars, a burgeoning area of film production and the Nortel Palm Springs International Film Festival. We asked her to fill us in on the scope of the Film Festival. How central is it to the Palm Springs community?

The Nortel Networks Palm Springs International Film Festival is one of the largest film festivals in the country, screening over 180 films from more than 55 countries to an audience of over 70,000 from around the world. It is also the largest event in Palm Springs Proper. It is the "start" of our season. It brings over 70,000 people to our City for two weeks. That translates to people staying in hotels, eating in our restaurants and shopping in our stores.

**The phrase "Hollywood East" has been coined and thrown around of late. And we (Palm Springs) truly are. There has always been a synergy between Hollywood and Palm Springs since the beginning, but it was more a get-a-way for the Hollywood Jet Set. Now, we have not only Production companies from LA and other parts of the country shooting here, we have several "resident" production companies, large and small making movies, TV productions and two of the largest and most well known infomercials companies, right here in our Desert Area.**

#### **How and when did BXI originally hook up with the Film Festival?**

In 1998 I had one of my members make a request to purchase Film Festival tickets on BXI. This had never been done before, but I had recently met the former Executive Director, Craig Prater at a function and decided to give him a call. I had heard through the City grapevine that the Festival is always under funded, over budget and seeking new sources of revenue. I thought it would be a perfect way to bring the Film Festival a new source of revenue and help the bottom line.

In my meeting with Mr. Prater, no matter how I explained membership, he just didn't "get it". So I tried a new approach, "Sponsorship." In my meeting with him I determined that my only way to teach him how valuable BXI trade credits could be to the Festival, I

would give him some, knowing that even though he did not understand the concept, he would not say no to a donation. Contingent on receiving the donation was that they also had to sell a certain amount of Film Festival tickets, from which they receive certain trade revenue.

I went to our former President, Robert G. Bessler of BXI Exchange and pitched him the idea. He was in agreement that the sponsorship could bring some exposure and much need credibility. We started with Bronze Sponsorship of \$15,000 BXI Trade Credits.

An account was set up, the BXI donation made and ticket sales were deposited. They had approximately \$19,000 of trade revenue to spend. We started on their list. They not only spent their entire account balance; they over spent by \$4,000 BXI. Craig Praters response "What do I do about this?" My response was- "Tell everybody you know!" It shows that BXI trade credits are an invaluable asset to any size business. We literally saved them \$23,000 in cold hard cash. That is a good thing for a non-profit Film Festival.

The next year, we increased the donation to \$30,000, a silver sponsorship, they over spent that donation. The next year I went to our New CEO, Peter A. Korda, he agreed that we should continue the sponsorship, as it was making BXI a household name in the Desert Region, but his concern was their over-spending. My reply, "Then, let's give them more." He agreed and we made a three year \$150,000 commitment to the Festival The exposure has been great for BXI.

**Who are the people you currently work with?**

I currently work with current Executive Director and CEO, Mitch Levine and Harold Matzner, Chairman of the Board of Director.

**Obviously, this is a very unique and prestigious Film Festival. Do you know of any other BXI trade club/Film Festival relationships from the past?**

No, none. I think we are the only one.

**What exactly does the Film Festival sell on trade in order to procure trade dollars?**

Their largest source of course is our donation. But it is supplement by selling a variety of ticket categories. They have varied from year to year, but they always make available, Opening Night, Closing Night, General Admission and what is being called this year, Spotlight Screening.

**What are the things they gotten on trade? What are the more unusual or difficult things you have been able to get on trade?**

They have gotten so many different goods and services and there needs vary year to year. Staples that we do each year have been: Hotel Lodging in Palm Springs, Limousine Service, Florists, Party Rentals, Furniture Rental, Klieg Lights for special events, Editorial Services on the Souvenir Program Book, Gift Baskets for the VIPs and Magnetic Signs for the Courtesy Cars.

Other items include Tee Shirts for the Volunteers, Shelving Units for the hundreds of Films they store through out the festival and over the year. We did the wine at the Gala one-year. We also had the Opening Night Walk Up constructed on BXI for several years.

The most unusual or hard to get items I would say is the 16' wide by 170' Red Carpet for the High School Theater, where most of the High Profile Events are held. They still use that carpet and they get it cleaned each year on BXI. The other item was requested one year by the designer of the Gala Event, which is held at the Convention Center. The ceilings are quite high there and her concept was to lower the ceiling height with the use of GIANT balloons. They wanted these special 3', 5' and 10' balloons. I thought, "No way!"- but we found them from a BXI Ventura Member. They were thrilled, even though they weren't cheap. The room was beautiful.

**Have you had to work directly with any actors or directors we may have heard of?**

They use a lot of Limousine Services for the various celebrities and directors. Somehow, after arranging a few of the limousines one-year, it just became my job for many years. I dealt with a variety of actors and directors, Joan Collins, Lynn Redgrave, Pat Morita, Mark Harmon, Gayle O'Grady, and Kirk Douglas. I think my favorite was Sam Elliott. I have our picture together in my office. The most humble and charming is the Director of Crouching Tiger, Hidden Dragon, Ang Lee.

**This is a complex event. What are some of the challenges you have had in working with the Festival over the years?**

The staff changes. Over the course of the year, you have a staff of four to deal with. A couple of months prior to the event, you have a whole new crop of staff and volunteers to "re-train". There is much confusion in the normal course of putting this event together, add to the mix teaching people to do business in a whole different way. Most Sponsors write a check and walk away. They don't have to help the Festival spend the money as well, like we do.

**Regarding the picture of the check: Tell us some of the circumstances regarding your contribution that led to this picture.**

When Peter Korda generously committed to the increased donation, we wanted to bring some attention to BXI and our commitment to the Festival and the community. I had the check made on trade and presented it to Harold Matzner, Chairman of the Board of

Directors and Denis Pregalato, the then Executive Director of the festival. We had KESQ, KMIR, the Desert Sun and other media present. It was great exposure.

**What do you like best about your relationship with the Festival?**

I think the best part of our relationship with the Film Festival is that it started with them taking the donation with reservation and wound up with adding me to the Staff meetings. They now feel BXI is a “department” within the Festival. They have come to rely on it. We have already started speaking about next year.

I think it shows what barter can bring to the table of any size business. They value our donation as much as they do their cash donations. It also is not a one-way relationship. Can you go to Cannes, Toronto or Sundance on BXI? No, only the Palm Springs International Film Festival.