

The Future of Forex Trading

By JASON KLEINMANN

Avalon Capital Holdings (OTC: AVAL.PK) now offers a complete turnkey solution to banks, hedge funds, broker dealers, futures commissions, merchants, and other investment companies, which includes a complete foreign-exchange trading platform, connectivity to liquidity providers, automated-management systems, risk-management solutions, marketing support, and education. The services offered by Avalon are developed through its wholly owned subsidiary, Traders Development LLC. The trading platform known as the Avalon FX Pro Trading System is one of the most advanced on-line forex trading systems in the world.

Avalon's technological ex-

pertise has enabled the company to produce one of the fastest and most stable on-line currency-trading platforms available. The Avalon FX Pro's features are designed to maximize an investor's online forex trading experience and give the trader more control and flexibility, including analytical tools and advanced execution of trades. The complete Avalon system incorporates software for front-end, back-end, liquidity solutions, and a risk-management system.

There are several types of participants in the forex market: banks, which profit by providing liquidity for the participants in the forex market; brokers, which act as intermediaries between banks and their clients; and traders, who are a fast growing segment of the forex market. Avalon's technology connects all participants, allowing the world to connect, participate, and profit.

"Avalon's development team began building the Windows-based platform while the rest of the industry was still primarily working with Java," says Dr. Vladimir Karpenkov, president and CEO of the company. "It wasn't until 2004 that other development teams attempted to do what Avalon's team had been doing for years.

Because of this head start, we have the most sophisticated development team and a first-mover advantage."

The company intends to leverage its first-mover advantage and well-trained development team not only in forex but also in other asset classes. The platform was originally designed with symbol-driven technology, meaning the platform will allow order execution on any type of trading instrument. The platform's symbol-driven approach makes it easy to expand the system into a multi-asset platform. The company has already begun research and development on a fully integrated multi-asset class platform.

The Avalon FX Pro Trading platform uses multiple, highly stable programming languages that enhance the stability and speed of trade executions and all other functionalities. Contracts are processed rapidly under normal and fast market conditions, delivering real-time currency price feeds through nearly seamless connectivity to the global Forex marketplace. Using Microsoft's ribbon navigation system, the interface looks and feels like a Vista product. The system provides single-click execution, trading from charts, and gives users access to 44 technical indicators, real-time news feeds, and advanced technical analysis tools. It is also available in many languages, such as Chinese, Japanese, French, Russian, and Turkish. The Avalon FX Pro platform does not require any additional downloads to view the sys-



tem in other languages, and traders can customize the front end to meet their particular needs.

The back-end product, Avalon FX Pro Back Office, can also be customized to the needs of each licensee and includes legacy solutions, making it easy for businesses to make the transition to Avalon's product. The Avalon FX Pro Back Office system has specific interfaces for each type of foreign-exchange participant, risk-management tools, and continuous paperless reporting in an environment that provides advanced network security.

For financial companies that license Avalon's software, Avalon offers liquidity solutions allowing connection to multiple liquidity providers. These solutions represent a great advantage for businesses that offer Forex trading to their clients. A company that anticipates licensing Avalon's technology can be up and running in as little as two to four weeks, depending on the level of customization they require. And the licensee does not need to set up their own servers or hire their own tech support because Avalon provides all of these services from its facilities. "Because of the intellectual planning and time required in setting up



such type of systems," says Karpenkov, "even multi-billion dollar companies will benefit from using Avalon's services.

The company has multiple revenue streams: a setup fee, a customization fee, a monthly technical-support fee, and a royalty based on the profitability of the firm that uses Avalon's software. "In essence, every time someone trades on the platform, we make money," says Karpenkov.

Avalon provides two types of education software packages. Its core program is called the Avalon FX Academy, which provides the fundamental knowledge necessary for retail traders to understand the foreign exchange market in 21 interactive lessons. The Avalon Futures and Options Academy provides traders an understanding of the futures and options market from a professional's point of view, and provides a preparation course for future Series 3 brokers. The company is currently offering a free demo trading contest on its website to familiarize users with its latest trading platform, Avalon FX Pro 4.1. The most successful traders in the contest will win an assortment of prizes.

Avalon became a public company through a reverse merger in September

2006. In the summer of 2007, it acquired Traders Development (owner and developer of Avalon FX Pro technology). The company is in the process of becoming a fully reporting company. Karpenkov holds two M.S. degrees and a Ph.D. in computer science. He is the principal architect of Avalon's software products and has extensive experience as a designer of information systems, data warehousing, and Internet solutions within a broad range of industries. "One of the greatest challenges that financial institutions are facing is building a team of programmers that understands the industry. In my experience, it takes approximately one-and-a-half years to prepare an experienced programmer and provide him or her with comprehensive knowledge of the financial markets. Due to the extensive training and experience of our development team, we can accomplish in months what takes other companies years to do." **E**

RISKS: *Avalon is not up to date with its SEC filings, so reliable information on the company is hard to come by. The company must continue to upgrade its technology to remain competitive. Despite the reported advantages of its technology over its competitors', no assurances can be made that the platform will be accepted and used by financial service providers.*



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SHARE DATA

52-Week Price Range: \$0.07 - 0.99
 Shares Outstanding: 75.9 million
 Market Cap: \$14.5 million