

## ProTrader stocking up

Day-trading company rides wave of higher revenue, pursues consolidation of Austin offices

[Amanda Bronstad](#)

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The recent stock market plunge may have forced some day-traders off line, but one Austin company expects to nearly double its revenue from those traders, many of whom are conducting business as usual.

ProTrader Securities Corp., an 8-year-old brokerage company based in Austin, had its highest-ever revenue growth in 2000 -- 77 percent. Climbing from \$30 million in 1998, ProTrader expects \$85 million in revenue this year. And in 2001, it expects the same year-to-year growth, bringing revenue to \$150 million.

As a result, the company is seeking to consolidate its three Austin offices into a 50,000- to 60,000-square-foot site, says Jay McEntire, CEO of ProTrader. The company now occupies a total of 36,500 square feet.

"I'd like to move the office as soon as possible, as soon as we can find the right deal and the right space," says McEntire, who took over after Russell Grigsby, the longtime chairman and CEO, stepped down in May.

"We are seeking to hire somebody right now to be our adviser on that. We have been looking for options. Other than that, we've looked at buildings on [Loop] 360 and the existing building we're in."

ProTrader, based at 504 Lavaca St. downtown, occupies 9,000 square feet in Hartland Plaza at 1717 W. Sixth St. and 3,500 square feet at 804 Las Cimas Parkway in Southwest Austin. The Lavaca space is about 24,000 square feet.

Founded in 1993 as Cornerstone Securities Group, ProTrader provides brokerage services for 650 clients -- individual affluent stock traders as well as hedge fund managers, who handle money for affluent individuals. ProTrader generates revenue from commissions on trades.

With \$85 million in revenue for 2000, ProTrader has more than three times the revenue of local competitor CyBerCorp Inc., a provider of financial brokerage software that's now part of Charles Schwab Corp.

Unlike ProTrader, CyBerCorp doesn't have day-trading rooms, says Trey Robinson, a spokesman for CyBerCorp.

ProTrader is looking to expand its offices from 19 to 24 worldwide, including new locations in Europe, Israel and the Far East. It now has one international office. At 180 employees nationwide -- 100 of them in Austin -- ProTrader plans to add 30 employees companywide next year.

Much of the company's growth stems from added business as well as a strong Nasdaq trading market, McEntire says.

About 2 1/2 years ago, ProTrader began developing its own software -- rather than purchasing software from companies such as CyBerCorp or Houston-based TradeCast Securities Ltd. -- and now offers the software as part of its full services, McEntire says.

Although ProTrader doesn't license its software, the company is seeking a partner to possibly sell it in the future, he says.

By developing its own software, which lets traders access real-time market data, ProTrader puts itself in a tight-knit group of brokerage software providers in the financial services industry, says Greg Smith, senior research analyst at Chase H&Q in San Francisco.

"There's a market opportunity there," Smith says. "The major hurdle they face is competition. They've now developed their own software platform; there's only a handful of five to seven high-end software platforms out there, one of which is their own."

#### About Kershner Trading Group

Kershner Trading Group is a proprietary trading business where professional short-term traders can experience unlimited income potential. Kershner Trading provides full service, support and capital to our traders including state-of-the-art proprietary technology applications with direct market access to US markets. Our internally produced software is trader driven, extremely customizable by the trader, and provides the fastest quotes and executions available.

Kershner empowers traders to automate any or all parts of their trading process. We place a key emphasis on creating autotrading capabilities. Kershner traders can create highly adaptable strategies and execution methods without waiting for the technology team to hard code new functionality or strategies.

Since 1993, Kershner Trading Group has been built on the idea of shared success. Fueled by the combined efforts and teamwork of traders, technologists and support specialists, Kershner believes in rapidly converting innovative ideas into reality. Driven by a passion for the trading business, Kershner remains today at the forefront of proprietary trading. Kershner Trading Group is headquartered in Austin, Texas with an office in Chicago and is a member of the NASD/SIPC.

For more information, please go to [www.kershnertrading.com](http://www.kershnertrading.com).

Interested media should contact Holt Hackney at [hhackney@hackneycommunications.com](mailto:hhackney@hackneycommunications.com) or 512-478-8858, Ext. 115