

Alt Thirty Six: a cashless solution for the cannabis industry; Interview with Don Schroeder



Don Schroeder
Alt Thirty Six

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I recently interviewed Don Schroeder, veteran payments expert and the man behind taking McDonald's and the rest of the fast food industry to electronic payments. Don has joined Alt Thirty Six, the first digital payment platform designed to help the cannabis industry go cashless, as Chief Architect. I asked Don to describe the problem that Alt Thirty Six is trying to solve and he said, "The cannabis industry is cash-based due to conflicting state and federal laws, which prevent most banks from servicing these businesses and accepting cash deposits. Additionally, cannabis businesses often do not accept card payments due to their merchant category code. We estimate that their relative cost of cash handling is between 15% and 20%."

I asked Don to describe the Alt Thirty Six solution and he said, "We utilize Dash cryptocurrency, which transfers value through a blockchain infrastructure. I joined Alt Thirty Six in January and, through the use of emerging technologies, we have developed a proprietary method for making value transfers simple through a quick and frictionless blockchain-based transaction. Bitcoin does not lend itself to this type of transaction because of the lag-time and its one-tier architecture. Dash, on the other hand, is blockchain-based with a two-tier structure to enable one-second authorizations. Another unique feature offered on the Alt Thirty Six platform is reduced volatility through an auto-conversion function; the USD price of the transaction is locked in during the payment process. After the transaction is complete, the merchant receives the expected amount in a few seconds without worrying about any price fluctuation during or after the payment."

Alt Thirty Six has chosen a money transmitter model to enable it to operate like a bank, but is regulated as a Money Services Business (MSB). The company is in the process of obtaining Money Transmitter Licenses (MTLs) in the states where it will be operating. Their strategy is to target early adopters, according to Don.

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