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 Payments Experts. Powerful Data.
THE STRAWHECKER GROUP



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[Regulation & Security](#)

[Economy](#)

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TSG Resources

eProcessingNetwork Introduces iEMVPay

- Our Secure, Mobile Chip Reader
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Trending this week...

This week, Square priced its IPO at \$9 per share, giving the company a valuation of \$2.9B - or half of its value from last year. The shares began trading yesterday and have since increased, trading now at around \$13.50.

[See below for a round-up of Square related articles](#) from the week. Also, don't forget to check out [TSG's analysis](#) that was published while Square's IPO was pending.

Other highlights this week include:

- [Amex Sued in CA Over Alleged Anti-Competitive Practices](#)
- [Coinbase Debuts the First Bitcoin Debit card in the U.S.](#)
- [Michaels Breach: How the fraudsters Pulled it Off](#)
- [Apple Pay Lands in Canada With a Tiny Step](#)
- [For Retailers, Confusion Reigns After EMV Rollout](#)

TSG Factoid of the Week:

TSG is able to provide clients with a high ROI by increasing company value through a change from 'ISO' to 'Technology Solution Provider' or a valuation and subsequent enhancement strategies.

NEW eReport: Nonprofit ISV Directory

[ROI: Did you know that the average Charitable And Social Service Organizations \(MCC 8398\) produce \\$3,998 of](#)

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[Transaction Advisory](#)

[Merchant Aggregation](#)

[Case Study: Driving Value Through Competitive Bidding](#)

[What Benefits Me By Paying a Credit Card Swipe Fee?](#)

[Use a SmartPhone to Buy Things!](#)

[The Top Ten Ways Acquirers Can Block the Breach](#)

This Day in History: 1945

Nuremberg Trials Begin

Twenty-four high-ranking Nazis go on trial in Nuremberg, Germany, for atrocities committed during World War II.

The Nuremberg Trials were conducted by an international tribunal made up of representatives from the United States, the Soviet Union, France, and Great Britain. It was the first trial of its kind in history, and the defendants faced charges ranging from crimes against peace, to crimes of war, to crimes against humanity. Lord Justice Geoffrey Lawrence, the British member, presided over the proceedings, which lasted 10 months and consisted of 216 court sessions.

On October 1, 1946, 12 architects of Nazi policy

lifetime net revenue for merchant acquiring companies? This information is valuable to penetrate this market.

This report identifies 70 independent software providers (ISVs) that serve the nonprofit business space. [Download a sample.](#)

Payments companies involved in the nonprofit space will find value in this report for potential partnerships, acquisitions, or as a benchmark. [Click here to purchase.](#)



Featured

[For Its I.P.O., Square Scales Back Valuation by \\$3 Billion](#)

11/18/15 *The New York times*

The long-running gold rush into hot technology start-ups showed signs of faltering on Wednesday, as a much-anticipated market debut had to scale back its ambitions. Square - valued in a private financing last year at \$6 billion - priced its initial public offering at a level that gave the payments company a valuation of \$2.9 billion. The difference between the two may be seen as a sign that the market for venture-backed companies has reached too high.



Related:

- [Square's Current Stock Price](#)
- [Why Square Has to Get Out of the Payments Circle](#) (May require subscription)
- [Square's IPO Achieved Something That Hasn't Been Seen in 17 Years](#)
- [Square 'Seems' More Like Another Payment Processor' in IPO Valuation](#)
- [Why Square Wound Up Pricing its IPO So Low](#)
- [An Insider's Perspective: What Square's IPO Really Means](#)
- [Square Surges After Raising Less Than Sought in IPO](#)
- [Square IPO Pops, But Only After It Lowered Price](#)

[American Express \(AXP\) Sued in California Over Alleged Anti-Competitive Practices, Merchant Restraints](#)

11/19/15 *StreetInsider*

San Francisco City Attorney Dennis Herrera is suing American Express Company in a statewide consumer protection action over anti-competitive and illegal merchant restraints alleged to be "responsible for billions of dollars in excessive and improper costs" borne directly by retailers and, indirectly, by all California consumers. Herrera's civil suit follows a federal court decision from earlier this year, in which the U.S. Justice Department and 17 state attorneys general prevailed in their case that restrictions long imposed by the global charge card giant on

were sentenced to death. Seven others were sentenced to prison terms ranging from 10 years to life, and three were acquitted. Of the original 24 defendants, one, Robert Ley, committed suicide while in prison, and another, Gustav Krupp von Bohlen und Halbach, was deemed mentally and physically incompetent to stand trial. [Click here to read more.](#)

participating merchants unlawfully restrained trade and violated federal antitrust laws.

[Coinbase Just Debuted the First Bitcoin Debit Card in the US](#)

11/20/15 Wired

People are using the bitcoin digital currency more than ever before. That's good news for this decidedly democratic money system, a system controlled not by big governments and big banks and big credit card companies but by a vast network of computers set up by users around the world. The more people who use bitcoin, the more useful it becomes - the closer we get to a place where we can send money across the Internet as easily as we send texts or emails.

[Michaels Breach: How the Fraudsters Pulled it Off](#)

11/20/15 Bank Info Security

More than four years after the point-of-sale attack that struck 80 Michaels craft stores throughout the U.S., compromising nearly 100,000 payment cards, details about how the attackers pulled off their scheme have finally emerged. On Nov. 17, Crystal Banuelos of California, a lead defendant named in the 2011 Michaels debit breach, pleaded guilty to conspiracy to commit bank fraud and aggravated identity theft.

[Mum About the Details, MCX's Mooney Hints at 'Plans on the Table' Beyond Chase Deal](#)

11/20/15 Digital Transactions

Last month, the spotlight shone on Merchant Customer Exchange LLC when JPMorgan Chase & Co. officially unveiled its Chase Pay wallet, set to launch next year, and said it will be included in MCX's merchant-controlled CurrentC application. But, as big as that deal is for MCX, the 3-year-old company's chief executive Brian Mooney tells Digital Transactions News his consortium of 40 big-box retailers, mass merchandisers, grocery chains, and petroleum marketers has more major agreements in the works. "Chase Pay is probably the biggest deal MCX has ever announced," Mooney says.

[Chase Teams Up with 18 Technology Partners to Help Merchants Accept Chase Pay](#)

11/16/15 BusinessWire

Chase Pay is a simple, rewarding and secure payment experience that enables merchants to accept consumer payments in-store, online and in app. "These industry leaders will help merchants integrate Chase Pay into their overall payment acceptance strategy," said Michael K. Passilla, CEO of Commerce Solutions, the global payment processor and merchant acquirer of JPMorgan Chase & Co. "Chase Pay solves a number of pain points for consumers and merchants to improve the customer experience and drive down the cost of payments."

[For Retailers, Confusion Reigns After EMV Rollout](#)

11/16/15 CIO

Still, this is just the beginning of a lengthy migration process, says **Jared Drieling, Business Intelligence Manager at The Strawhecker Group**, a management consulting company focused on the global electronic payments industry. "There are pluses and minuses associated with EMV but all in all, we need to view this as the starting line versus a deadline," he says. "I don't think that this confusion is a bad omen for EMV's future - this is a large and complicated migration, so it will take time."

[Q&A: Ben Milne, CEO, Dwolla](#)

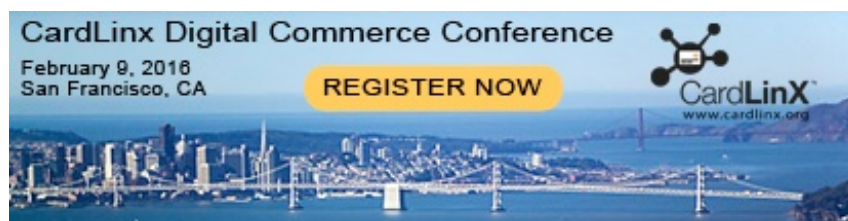
11/19/15 Finextra

Ben Milne, who founded Dwolla in 2008 after growing frustrated with high credit card fees, talks to Finextra about America's slow move towards faster payments, his firm's foray into the exchange world, the blockchain, and the idea of being bought by Apple.

Chip Credit Cards Give Retailers Another Grievance Against Banks

11/16/15 The New York Times

The employee perched on a stepstool by the checkout at Trader Joe's in Union Square in Manhattan is like an air traffic controller: Register 6 for one customer. Register 9 for the next. The routine helps move traffic quickly through the store, where the lines can often snake around the aisles of whole grain cereal, mixed nuts and Fair Trade coffee. Trader Joe's, like many retailers around the country, recently upgraded its payment terminals around the Oct. 1 deadline to accept debit and credit cards with a new security chip.



Mobile Payments & Bitcoin

Apple Pay Lands in Canada With a Tiny Step

11/17/15 CNET

Canada is a step forward, but the initial support for Apple Pay will be limited. Neither Visa nor MasterCard will work with Apple Pay in the big North American nation. The agreement is solely with American Express, and even then, only Amex cards issued directly by American Express will support Apple Pay. Those issued by Canadian banks, such as Scotiabank, are excluded. Further, American Express represents only a small percentage of all credit card transactions in Canada.

LG Pay Joins the Mobile Payments Parade

11/19/15 PC Mag

LG Electronics announced plans to develop and deploy its own mobile payment service. "It's official! We have partnered with Shinhan Card and KB Kookmin Card to prepare for the launch of LG Pay," the company wrote in the caption of a photo posted to Facebook. Details are light, though reported the function will work on most LG phones with NFC, and is not compatible with other platforms or manufacturers.

Apple Pay Now Supports TSB and Tesco Bank in the UK

11/17/15 Engadget

Apple Pay is now firmly established in the UK, but since the service went live in July, a handful of banks have bided their time and left customers waiting for smartphone payments. Luckily, two more can be ticked off the list today after TSB and Tesco Bank confirmed they have enabled Apple Pay support for their payment cards. If you are a TSB or Tesco Bank customer, you can either open the Wallet app and scan your card or simply authenticate the account you already have set up on your iTunes and App Store accounts.

Mining (And Learning) With The 21 Bitcoin Computer

11/18/15 TechCrunch

A few days ago a \$400 charge hit my credit card and Amazon notified me that my 21.co bitcoin computer was on its way. Essentially a Raspberry Pi connected with a custom bitcoin-mining ASIC and a heatsink, the computer is one of the most interesting MVPs in modern memory. While you could easily recreate it yourself, the fact that 21 is building and selling these for a few hundred dollars is a testament to the future widespread adoption of BTC systems.

Bank of Canada: Bitcoin Could Create 'New Monetary Order'

11/16/15 CoinDesk

Central banks would "struggle" to implement monetary policy in a world where digital currencies are more widely used, a senior official from the Bank of Canada said in a speech last week. During an appearance at the Rotman School of Management and Munk School of Global Affairs in Toronto, senior deputy governor Carolyn Wilkins spoke about innovation and the changing face of central banking in a post-financial crisis world.

Regulation & Security

Harbortouch Survey: 20% of Users say EMV Payments Take Too Long

11/17/15 The Green Sheet

Harbortouch, a leading national point of sale (POS) system and merchant services provider, today published the results of a national survey examining consumer sentiment and usage trends among early adopters of EMV or 'chip' enabled credit cards. Just one month after the Oct. 1 EMV transition deadline, the survey of more than 5,000 U.S. adults found that one in five consumers consider transaction time as their top concern when using an EMV-enabled credit or debit card. These concerns could spell trouble for brick-and-mortar retailers this holiday season.

Why Fraudsters Have Shifted to 'Shimming' Attacks

11/18/15 Bank Info Security

As U.S. merchants shore up physical point-of-sale security by upgrading their terminals to accept EMV chip cards, attackers are turning their aim toward unattended self-service terminals, such as ATMs and self-service gas pumps. While the EMV fraud liability shift date for U.S. merchants was Oct. 1, Visa's and MasterCard's liability shift date for self-serve gas pumps is not until Oct. 1, 2017. For ATMs, the liability shift is Oct. 1, 2016, for MasterCard and Oct. 1, 2017, for Visa.

Online Retail Fraud Attempts Increased by 30% in Past Year

11/18/15 BusinessWire

As retailers and consumers prepare for the holiday shopping season, they should brace for a higher level of fraud online and across all channels, according to new benchmark data from ACI Worldwide. The data, based on hundreds of millions of transactions from large global retailers, forecasts consumer behavioral shifts and warnings ahead of this year's holiday shopping season.

Dominant Theme at Finovate: Authentication Needs Fixing

11/17/15 BTN

If the identity management system is broken, it's not for lack of vendors offering solutions. Banks have been on a mission to find the right technology to verify mobile and online customers in a way that is highly

secure, yet "frictionless" (quick and painless for the consumer). Many banks have rolled out voice, fingerprint, iris, and facial recognition software during the past year. Time will tell whether any of these prove to be the answer. But solutions are needed more than ever, given the rise of mobile banking and the amount of personally identifiable information that's been stolen or is openly available on the Internet for fraudsters.



Economy

This Little Change Could Make Black Friday Even More Miserable This Year

11/16/15 *Business Insider*

"There is going to be a rude awakening" for retailers, said **Jared Drieling, business intelligence manager for The Strawhecker Group**, an Omaha, Nebraska-based advisory firm focusing on payments. "The industry is still bickering over how long an EMV transaction takes." As many as 47% of US merchants will have new technology in place by the end of 2015, according to a survey conducted earlier this year by the Payments Security Task Force, an industry-backed group of financial services firms and leading retailers. Already, 40% of Americans have been issued new chip-enabled cards.

Fed Minutes Signal Readiness for December Rate Increase

11/18/15 *The New York Times*

The Federal Reserve, setting aside its habitual reticence, is issuing increasingly explicit warnings that it is likely to start raising its benchmark interest rate in December. Most Fed officials say they think the economy will be ready for higher rates by year's end, the Fed revealed on Wednesday in an official account of its October policy-making meeting. "While no decision had been made, it may well become appropriate to initiate the normalization process at the next meeting," the October meeting minutes said in the latest signal of the Fed's intentions.

Record Number of Consumers Are Aware of Small Business Saturday®, Almost Two-Thirds (65%) Plan to Spend at Least \$100

11/18/15 *American Express*

As small business owners across the nation gear up for Small Business Saturday, a record number of shoppers are making plans to support their favorite local businesses. According to the fourth-annual Small Business Saturday Consumer Insights Survey, released today by the National Federation of Independent Businesses (NFIB) and American Express, supporting local small businesses continues to be a priority for shoppers nationwide.

U.S. Jobless Claims, Continuing Claims Decline

11/19/15 *CNBC*

The number of Americans filing for unemployment benefits fell last week, pointing to a fairly robust labor market. In a separate report, the Philadelphia Fed Business Conditions Index for November came in at a better-than-expected 1.9 increase, compared with expectations of a drop

of 1.0 and a decline of 4.5 a month earlier.

Payments Press

The U.S. Merchant Acquiring Transaction Market is Extremely Active

TSG is presently assisting buyers in connecting with sellers.

TSG has been engaged to identify ISO and merchant acquiring business acquisitions and capital partnerships.

Key investment criteria includes:

- First Data back-end portfolios (with/without the sales component)
- Producing monthly Net Revenue of \$20,000 to \$35,000

If you are interested in discussing a potential transaction, please provide high level details of your business and [email us](#). Learn more about [TSG's Transaction Advisory services](#). All responses will be treated confidentially.

First Data and NCR Sign Strategic Commercial Agreement

11/16/15 First Data

First Data, a global leader in commerce-enabling technology and solutions, and NCR Corporation, the global leader in consumer transaction technologies, have entered into a strategic commercial agreement. First Data will be a preferred provider of cybersecurity and payment processing solutions to NCR's customers in the grocery, petroleum and convenience store industries. NCR will be a preferred provider of ATM hardware and services to First Data's client base of more than 4,000 financial institutions.

MasterCard Connects Startups to its Global Network of Big Brand Partners

11/16/15 MasterCard

MasterCard announced the new startups comprising the first global Start Path class. During the six-month program, participants will obtain customized mentoring from MasterCard experts, access to the company's commercial partners and the opportunity to integrate with MasterCard solutions. The startups will also have access to nearly 40 startups that have been previously mentored by Start Path.

MasterCard Sees Double-Digit Growth in China on eCommerce

11/17/15 Reuters

Global payment operator MasterCard Inc. sees double-digit annual growth in credit card transaction volumes in China, lifted by the booming e-commerce industry in the world's second-largest economy, a senior executive told Reuters. China's plan to open up its domestic transactions market to foreign companies such as MasterCard would be a "game-changer", Ling Hai, co-president for Asia Pacific, said in an interview on the sidelines of the Asia-Pacific Economic Cooperation summit.

JetPay Lures Merchants with Underutilized Cash Tender Discounts

11/17/15 ISO & Agent

Merchants have long known card network rules permit them to charge a

different price for accepting cash versus cards, but outside of gasoline retailers, most merchants haven't done much about it. One reason they may balk at offering discounts to customers paying with cash could be the difficulty of figuring out an appropriate cash-discount amount, which can vary quite a bit, according to JetPay Corp.

Global Payments Announces Support for Apple Pay in Canada

11/17/15 Global Payments

Global Payments Inc., a leading worldwide provider of payment technology services, is pleased to offer its merchants in Canada the ability to accept American Express payments made with Apple Pay™, which is transforming mobile payments with an easy, secure and private way to pay. As an Apple Pay-qualified payment provider, Global Payments' robust suite of payments solutions is fully enabled for Apple Pay acceptance, allowing merchants to offer their customers the convenience of Apple Pay acceptance in-store, in-app and on-the-go.

Heartland Introduces Out-of-Scope Solution for LiquorPOS Merchants

11/19/15 Heartland Payment Systems

The Heartland Secure™ out-of-scope solution streamlines the LiquorPOS paths to Europay, MasterCard and Visa (EMV) acceptance by taking the POS system completely out of the payment authorization process, which means no cardholder data is ever sent to the POS system. Heartland Secure is a comprehensive card data security solution that combines three powerful technologies: end-to-end encryption, tokenization and EMV.

Applied Merchant Systems Completes Strategic Acquisition and Financing from Goldman Sachs Specialty Lending Group and Business Development Corporation of America

11/18/15 Yahoo! Finance

Applied Merchant Systems continues to develop its integrated electronic payment processing platform while consolidating with other growing merchant acquirers, or ISOs. In that pursuit, AMS expanded its senior credit facility with Goldman Sachs Specialty Lending Group and Business Development Corporation of America (BDCA) and acquired a strategic ISO with over 10,000 merchant accounts that contribute over \$2.2 billion in annual processing volume. AMS is on track to complete many other future acquisitions in the U.S. and Canada.

JCB Certified for U.S. EMV Chip Card Acceptance

11/16/15 Yahoo! Finance

JCB International Credit Card Co., Ltd., the Americas subsidiary of Japan-based international payment brand JCB Co., Ltd., today announced its J/Smart application identifier has been certified for EMV® chip card acceptance in the United States by Global Payments Inc., a leading worldwide provider of payment technology services. "We are extremely pleased to achieve our first U.S. EMV acceptance certification," said Dan Skaling, executive vice president for JCBUSA.

Wells Fargo Names Insider Tim Sloan as President, COO

11/17/15 CNBC

Wells Fargo tapped a 28-year company veteran to take over as president and chief operating officer, effective immediately, the bank announced Tuesday. Tim Sloan was previously the head of wholesale banking, which he will continue to oversee in his new role as president, the company

said in a statement.

Cardinal Strengthens International IP Position With 2 More Patents

11/18/15 PR Web

CardinalCommerce, the pioneer and global leader in authenticated payments, announces that it was granted a patent by the Australian Patent Office for Intelligent Directory Server Routing, patent number 2009285780, and received a notice of allowance in Canada for System and Method for Conversion Between Internet and Non-Internet Transactions. These patents complement similar international and U.S. patents and applications.

EVO Payments International and Menusifu Partner to Bring EMV-Ready Solutions to Next Generation Restaurant POS

11/17/15 PR Web

EVO Payments International (EVO), a leading card payment acquirer and payment service provider operating throughout North America and Europe, and Menusifu, a leading provider of restaurant POS solutions, today announced a partnership that will provide secure, integrated payment processing for Menusifu's full-service and specialty restaurant merchants.

CardFlight Announces EMV Approval and Certifications via TSYS for Mobile Point-Of-Sale Solution

11/19/15 PR Newswire

CardFlight, a leader in mobile point of sale (POS) technology announced that its suite of mobile solutions has been certified by TSYS, a leading global payments provider, to accept EMV "chip card" payments. This will enable merchants who process payments through TSYS to accept EMV payments on iOS and Android devices.

Trustwave Delivers New Security Tools to Protect SMBs from Cybercrime

11/18/15 Trustwave

Trustwave® announced more than a dozen new integrated security tools designed to protect small- and medium-sized businesses (SMBs) from cybercrime, data loss and security risk. According to studies, 71 percent of cyber-attacks occur at businesses with fewer than 100 employees.¹ The new Trustwave SMB Security Toolkit includes 13 integrated tools, designed specifically for SMBs, that range from basic protections such as anti-virus to advanced malware detection and monitoring.

Cinnabon® Chooses Revel Systems, the Leading Point of Sale System Made for iPad, for Roll-out to Bakeries Across the Country

11/18/15 LTP

Revel Systems, the leading Point of Sale made for iPad, today announced that Cinnabon, the bakery chain known for their World Famous Cinnamon Rolls, has selected Revel Systems as their Point of Sale strategic partner. Currently the revolutionary Point of Sale is featured in 16 locations with plans to expand to 82 more franchise locations to help meet EMV standards within in the United States.

U.S. Travelers in Cuba Can Now Use Stonegate Bank Debit

Cards

11/19/15 *Miami Herald*

For the first time, American travelers will be able to use a debit card in Cuba. Pompano Beach-based Stonegate Bank announced Thursday that it will offer a debit MasterCard to Americans visiting Cuba under one of 12 categories approved by the U.S government. The card can be used in Cuban hotels, restaurants and with other merchants who accept cards. Stonegate said it plans to expand the use of cards to ATMs in 2016.



Payments Experts. Powerful Data.
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