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## Introducing the New, NewsFilter

**Welcome** to the newly redefined TSG NewsFilter. After sending more than 325 weekly's NFs, to over 7,500 industry subscribers, we decided it was time to modernize our look, improve functionality, and provide a fresh, focused, and filtered experience - every Friday.



With the change of distribution methods, we had to add all active and non-active subscribers back into our database. Our reasoning for this is that subscribers were getting unsubscribed without the subscribers permission and we haven't been confident everyone is receiving the news they should. If you do not wish to receive further communications from TSG, feel free to unsubscribe at the bottom of this email.

Again, welcome to the new NewsFilter, enjoy your stay.

- Mike Strawhecker & Andrew Nuss

## Featured

### Pre-Election Unemployment Rises to 7.9%

11/02/12 CNBC

American job creation improved in October with 171,000 new jobs but the unemployment rate moved higher to 7.9 percent, setting the stage for a final push to the finish line in the heated presidential campaign. Economists had been expecting the report to show a net of 125,000 new jobs and a steady of the unemployment rate at 7.8 percent. Nomura Securities predicted the rate would fall to 7.7 percent, but most expected no change.

### TSG Infographic

[Acquirer Strategic Assessment](#)

[TSG MPPS Benefits](#)

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## **This Day in History: 1947 Spruce Goose flies**

The Hughes Flying Boat-the largest aircraft ever built-is piloted by designer Howard Hughes on its first and only flight. Built with laminated birch and spruce, the massive wooden aircraft had a wingspan longer than a football field and was designed to carry more than 700 men to battle.

Howard Hughes was a successful Hollywood movie producer when he founded the Hughes Aircraft Company in 1932. He personally tested cutting-edge aircraft of his own design and in 1937 broke the transcontinental flight-time record. In 1938, he flew around the world in a record three days, 19 hours, and 14 minutes.

[Click here to read more.](#)



11/01/12 TSG

Given the amount of discussion surrounding Square recently - both in the press and chatter at the recent ETA SLF and Money2020, we felt the need to present a little context on this subject. We have created an Infographic entitled Should Traditional Merchant Acquirers Beware of Square?

[Click here to view the Square Infographic.](#)

Thanks and please let us know if you have any [questions](#) or [feedback](#).

## **TSG Case Study: Driving Value Through Competitive Bidding**

11/02/12 TSG

Long before a contract expires is the right time to "shop the market". Going out for a competitive bid through a Request for Proposal (RFP) or Request for Information (RFI) is the optimum process to bring the best economic results and preferred partner. Cost savings are always achieved.

## **Mobile Payments**

### **Google Wallet May Get Physical...with a Real Card, Rumors Say**

11/01/12 CNET

The rumored new version of Google Wallet may be set to arrive, and it could bring something unexpected: a physical card for your actual (not Google) wallet. Android Police says an anonymous tipster sent in screenshots from the new app showing the option to request a card from Google that syncs with any accounts you've connected to the Wallet service.

### **Collaboration Could Help End Payments 'Mess'**

11/01/12 ISO& Agent

The "mess" includes a crowded mobile payments scene and the slow conversion to EMV smartcard technology to replace magnetic-stripe cards. It's complicated by a mounting number of cyber attacks on financial institutions, merchants' insistence on taking more control over payment data, and consumers' uncertainty about whether they would rather trust a bank or a tech company with their personal information.

### **Amex's Joanna Lambert on the Tiny but Mighty Mobile Payment Trend**

10/30/12 Knowledge Today

As the number of mobile payment applications in the U.S. proliferates, it has gotten easier and easier to pay for goods and services using a smartphone. And as big companies like Google and Isis battle to control the digital wallet market, the future of plastic cards remains unclear. But card companies are not giving up that easily.

## **Regulation & Security**

### **Parking Fee Hike Gets Caught Up in Interchange Fight**

*10/30/12 The Street*

Consumers and banks have historically had an uneasy relationship, especially over the past few years. Now a consumer advocacy group says the industry is off on the wrong foot on debit card fees. That group is the Washington, D.C.-based Merchants Payments Coalition, which says banks are still grabbing at consumers' pocketbooks, this time with debit card fees for vehicle parking in such places as public garages.

### **Visa Stats Show A Huge Flip In U.S. Data Breaches Versus The Rest Of The World**

*10/31/12 StorefrontBacktalk*

The fact that U.S. retailers have been the world's top fraud targets is nothing new, but recent Visa stats show a recent startling reversal. In 2009, the U.S. accounted for 38 percent of the world's data breaches, with the rest of the world the victim of the remaining 62 percent. But by the next year-2010-those numbers did an almost full 180-degree flip. The U.S. suddenly accounted for 61 percent of all incidents globally, with the total of all other countries' breaches delivering the remaining 39 percent.

### **Bank Attacks Expose Security Gaps**

*10/29/12 Bank Info Security*

Organizations everywhere should be concerned about distributed denial of service attacks and other emerging cyberthreats. But most are too focused on compliance to pay enough attention to fraud and security fundamentals, says John Walker, an independent security professional in London and member of ENISA's security experts team. "I'm really firm on the fact that we need to lose this pre-consideration that standards and compliance will deliver security."

## **Economy**

### **Fiscal Cliff Hurting Economy**

*10/31/12 Reuters*

The Obama administration said on Wednesday that the nation would hit the legal limit on its debt near the year's end, although it can tap emergency measures to stave off a default and keep the government running into early 2013. As of Monday, the U.S. Treasury was \$235 billion below the \$16.4 trillion statutory ceiling on the amount it can borrow.

### **Retailers Report October Sales**

*11/01/12 The New York Times*

Retailers reported October sales results on Thursday that were dragged down by drugstores and teenage-apparel stores, but were largely better than analysts had expected. The 18 national retailers tracked by Thomson Reuters posted an average of a 2.7 percent increase in sales at stores open at least a year. Without drugstores, though, that figure would have been 4.7 percent, above analyst expectations of 4.3 percent.

### **Small Business Owners Optimistic About the Economy Post-Election**

*11/01/12 Newtek*

Newtek Business Services, The Small Business Authority, with a portfolio of over 100k business accounts, announced the findings of its SB Authority Market Sentiment Survey, a monthly window into the concerns of independent business owners. Based on a poll of over 1,300 respondents, one of the key findings from the Oct. survey is 70% of business owners expect that, after the election, the economy will be better than in 2012.

## **Financial Earnings**

### **First Data Reports Third Quarter 2012 Financial Results**

*11/02/12 First Data*

First Data Corporation today reported its financial results for the third quarter ended September 30, 2012. Consolidated revenue for the third quarter was \$2.7 billion, down \$58 million, or 2%, compared to a year ago on a \$73 million decline in debit network fees partially offset by an increase in merchant acquiring revenue. Debit network fees are passed directly to customers and therefore did not impact operating income.

### **Visa Profit Jumps 88% on Higher Spending**

*10/31/12 MarketWatch*

Visa, which last week said longtime J.P. Morgan Chase & Co. executive Charles Scharf would succeed Joseph Saunders as chief executive on Nov. 1, has benefited from consumers' shift to electronic payments from cash and checks. However, growth has slowed in recent quarters as new debit-card rules have given its competitors an edge and economic conditions domestically and abroad remain cloudy. Click [here](#) for Visa's Q4 financial results.

### **MasterCard Profit Beats as International Business Grows**

*10/31/12 Chicago Tribune*

MasterCard Inc reported a quarterly profit that handily topped market estimates as more people, particularly in Asia, opted to use plastic instead of cash. The No. 2 card network's third-quarter profit was helped by higher consumer spending in the United States. But growth in U.S. purchase volumes was the lowest in a year, at 7.4 percent compared with 13.7 percent a year earlier. Click [here](#) for MasterCard's Q3 2012 financial results.

### **Heartland Payment Systems Reports Record Quarterly Earnings**

*11/01/12 HPS*

Heartland Payment Systems, Inc. announced GAAP net income of \$19.4 million, or \$0.48 per share, for the three months ended Sept. 30, 2012. Adjusted Net Income and Adjusted Earnings per Share were \$21.7 million and \$0.53, respectively, for the quarter ended Sept. 30, 2012, compared to Adjusted Net Income and Adjusted Earnings per Share of \$13.5 million and \$0.33, respectively, for the quarter ended Sept. 30, 2011.

## **M&A**

### **Vantiv Announces Agreement to Acquire Litle & Co.**

*10/31/12 Vantiv*

Vantiv, Inc., a leading provider of payment processing services and related technology solutions for merchants and financial institutions of all sizes, announced today that it has signed an agreement to acquire Litle & Co. for \$361 million. Litle & Co. is a leading independent eCommerce payment processor, providing a fully-integrated payments solution for companies that sell goods and services to consumers over the internet and through direct response marketing.

### **TSG Advises Trilogy Payment Solutions in its Sale to American Bancard**

*11/01/12 PRWeb*

The Strawhecker Group (TSG) is pleased to announce the completion of a successful transaction in the electronic payments sector, serving as advisor to Trilogy Payment Solutions for the sale of its payments business to Boca Raton, FL based American Bancard. "We were pleased to work with Trilogy and assist them in their search for an appropriate suitor of their payment solution business," said TSG Partner Jamie Savant.

### **Mobile-Payments Pioneer Obopay Puts Itself on the Block As Wallet Trend Heats Up**

*10/30/12 Digital Transactions*

Obopay Inc., a pioneer in mobile payments whose profile fell as mobile wallets gained momentum, has put itself up for sale, according to sources familiar with the matter. Details about the sale remain sketchy, including possible valuations and the identity of bidders, but sources say the 7-year-old company and its not inconsiderable assets are on the block. "It's in play," says one close observer, who asked not to be identified.

## **Payments Press**

### **Amex Offers Halo 4 Players Real-World Rewards**

*11/02/12 Finextra*

American Express has set its sights on the gaming community, teaming up with Microsoft to enable cardholders to earn real-world rewards for completing tasks in the upcoming Halo 4 game. Using its Card Sync technology, AmEx will let customers connect their accounts with Xbox Live. This means that when they reach specified Halo 4 in-game achievements, they will unlock special offers and experiences.

### **Pivotal Payments Announces Multi-Currency Processing for E-Commerce and Retail Merchants**

*11/01/12 PR Newswire*

Pivotal Payments, one of North America's fastest growing payment processors, announces it will begin offering multi-currency processing (MCP) to US and Canadian ecommerce, mail/telephone order and brick and mortar businesses. The service will allow merchants to display prices and bill in over 60 currencies, while continuing to report and settle in their local currency.

### **IDL Launches a Mobile Wallet Loyalty Solution**

*11/01/12 IDL*

IDL Technology Group, pioneers in front end technologies and sophisticated loyalty processing platform, is proud to announce the launch of their new revolutionary loyalty solution "The IDL Mobile

Wallet." No longer will retailers have to dedicate any hardware at their premises to run and operate this innovative technology.

### **Omega Financial Selects Intrix Payment Processing Solutions**

*11/01/12 Yahoo! Finace*

Intrix Technology, Inc. (Intrix), a leading payment processor, today announced that Omega Financial, Inc. (OmegaFi) a provider of online financial, fundraising and communications solutions to college fraternities and sororities across the U.S., has selected Intrix as its payment processing and PCI compliance solution partner.

### **Element Partners with Tessitura Network to Provide PCI DSS Compliant Payment Processing**

*10/30/12 Element PS*

Element Payment Services, Inc., a recognized industry leader in PCI DSS compliant payment processing and Tessitura Network, Inc., the leading provider of technology, services and learning community for the arts and cultural sector, are partnering to provide PCI DSS compliant processing solutions to Tessitura customers.

### **NCR to Install 10,000 Self-Checkout Devices at More than 1,200 Walmart Locations**

*11/01/12 BusinessWire*

NCR Corporation, the global leader in self-service technology, announced today that it would be making more self-checkout lanes available to Walmart customers. NCR will be installing 10,000 SelfServ Checkout lanes to more than 1,200 Walmart locations in the United States during 2013. Financial terms of the deal were not disclosed.

### **Hardware Subsidies for POS Systems?**

*10/29/12 The PointofSale News*

Subsidizing a product to get a long-term use commitment from a consumer base is nothing new; it existed before high tech hardware was made affordable by software or service agreements. The most well known form of subsidization, or at least most glaring, comes from the coupling of cell phones and cell service providers.

