



Jan. 18th, 2013
Edition #337

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This Week's NewsFilter...

eBay saw a [significant boost in mobile commerce and payments volume](#) in Q4 2012, poising the company to begin promoting POS services to consumers. MCX, the band of retailers creating a payments platform, [plan to use QR codes at the center of their offering.](#)

The [US economy has been expanding in recent week's](#) according to the Beige Book and [December retailer sales were higher than expected.](#)

Please see the [Payments Press](#) section for a vast number of announcements this week.

**** TSG will be attending the [Northeast Acquirers Association Winter Seminar](#) in Vermont from January 29 - 31. Email [Barry Davis](#) to schedule a meeting with TSG during the event. ****



Featured

Think Like A Startup, Industry Veteran Advises

1/15/13 ISO & Agent

Featuring: [Linda Perry, TSG Of Counsel](#)

Keeping up with technology could pose one of the greatest challenges for the acquiring industry in the coming year. That's why ISOs could benefit from thinking like tech startup entrepreneurs, and startup execs could gain from thinking like payments people, says Linda Perry, an independent consultant and former head of acquirer and processor relations for Visa. "We need to see our world through their eyes sometimes," she says.

[Acquisition Multiples & Attrition Summary](#)

[Merchant Aggregation](#)

[Acquirer Strategic Assessment](#)

[TSG MPPS Benefits](#)

[MPPS Example Executive Summary](#)

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

[Should Traditional Merchant Acquirers "Beware of Square"](#)

This Day in History: 1919 Post-World War I peace conference begins in Paris

On this day in Paris, France, some of the most powerful people in the world meet to begin the long, complicated negotiations that would officially mark the end of the First World War.

Leaders of the victorious Allied powers—France, Great Britain, the United States and Italy—would make most of the crucial decisions in Paris over the next six months. For most of the conference, U.S. President Woodrow Wilson struggled to support his idea of a "peace without victory" and make sure that Germany, the leader of the Central Powers and the major loser of the war, was not treated too harshly. On the other hand, Prime Ministers Georges Clemenceau of France and David Lloyd George of Britain argued that punishing Germany adequately and ensuring its weakness was the only way to justify the immense costs of the war. In the end, Wilson compromised on the

The next big thing in payments could come from the acquiring side if ISOs and agents abandon their rigidity and embrace new ideas, says Perry, who has been working as a consultant to startups in California's Silicon Valley.

MCX Embracing QR Codes, The Cloud And Unparalleled Vagueness

1/17/13 StorefrontBacktalk

Merchant Customer Exchange, the retail group trying to offer its own mobile wallet, plans on using QR codes as the heart of its cloud-based payment app, the group announced Monday (Jan. 14). But beyond the QR code detail and the names of a few new retail members—including Meijer and Wawa—little was discussed during an hour-long panel that meaningfully addressed how the group plans on making a difference, beyond the general platitudes MCX has stressed since its March 2012 launch.

First Data CEO to Retire

1/11/13 First Data

First Data Corporation, a global leader in electronic commerce and payment processing, today announced that CEO Jon Judge plans to retire from the company for health reasons. Mr. Judge informed the Board of Directors of his decision this week and has received its full support. First Data's Board of Directors will conduct a search for a new CEO; Mr. Judge will remain in his position until a transition is effected.

Soaring Mobile Commerce and Payments Volumes Boost eBay

1/17/13 Finextra

eBay says fourth quarter results beat analysts' forecasts, boosted by a dramatic rise in the use of mobile phones to access its online auction house and PayPal service. Revenue for the fourth quarter was up 18% to \$4 billion, and for the full year increased 21% to \$14.1 billion. Net income on a Gaap basis was \$751 million for the quarter and \$2.6 billion for the year.

Potential Investor - Acquisition Opportunity

TSG has been retained by a [large Top 30 Acquirer](#) who is looking to purchase selected merchant acquiring enterprises that are in certain merchant verticals and/or possess certain feature/function technology.

- The buyer is interested in ISOs with the following vertical expertise: agent bank channel, association marketing, eCommerce market expertise or other growth oriented vertical sales channel.
- ISOs that have relationships with Independent Software Vendors (ISV) or Business Management Software companies are also of high interest.
- The buyer is also interested in ISOs that have access to or have developed certain technology applications such as prepaid card processing, loyalty/demand generation specialty, or gift card technology
- The buyer will consider a post-closing role(s) for senior executives desiring continuity with the acquirer and its dynamic growth strategy.

If interested in selling all or part of your Payments enterprise/business, please [contact us](#) and let us know the vertical expertise or technology capabilities your company possesses.

Mobile Payments

Zavers Offers Real-Time Coupon and Reward Redemption

treatment of Germany in order to push through the creation of his pet project, an international peacekeeping organization called the League of Nations. [Click here to read more.](#)

Through Google Wallet

1/14/13 Android Authority

Google has ushered in the end of days for the bulging wallet with Google Wallet. But even if the platform supported cashless purchases, tickets and discount coupons all under one account, the system has, so far, not provided a unified service to handle all of these. But since Google's acquisition of Zave in 2011, the company had been working on a new targeted digital-coupon service that provides real-time data and updates to both consumer and retailer.

PayPal Says Discover Deal 'on Track,' Gets Set to Promote POS Service to Consumers

1/16/13 Digital Transactions

A buoyant John Donahoe, chief executive of eBay Inc., said on Wednesday that PayPal Inc.'s launch on the Discover Network is "on track" to begin toward the end of the second quarter. A key part of eBay unit PayPal's strategy to bring its payment service to the physical point of sale, the Discover tie-up was announced in August and will make physical PayPal cards usable at some 7 million U.S. merchant outlets.

US Mobile Payments To Reach \$90B By 2017

1/16/13 Forbes

This week, the NRF held its 102nd Annual Convention and EXPO -Retail's Big Show 2013. Attendees gathered from around the world to demo products and services and exchange ideas about the future of retail, including mobile payments. Although retailer investment and consumer adoption have been nascent to date, we see that changing. Forrester forecasts that US mobile payments will reach \$90B in 2017, a 48% compound annual growth rate (CAGR) from the \$12.8B spent in 2012.

BlackBerry's Mobile-Pay Potential Advances with Visa Approval

1/16/13 BTN

Research in Motion Ltd. received a significant stamp of approval for its software from Visa Inc. Visa has approved Waterloo, Ontario-based RiM's secure element manager software for Near Field Communication mobile payments, thus enabling telecommunications carriers to secure payment data from Visa issuers on BlackBerry phones and other NFC devices, the companies announced Jan. 16.

Regulation & Security

ETA Endorses Single U.S. Debit AID for EMV to Assist Members with EMV Migration

1/16/13 ETA

The Electronic Transactions Association (ETA), the global trade association of the payments industry, today announced its support for a Single U.S. Debit AID for EMV to support the deployment of EMV (commonly referred to as "chip" technology in payment cards) in the United States. The payment card networks have established a timetable to migrate from magnetic stripe cards to chip-enabled cards, requiring nationwide upgrades to processing systems and point-of-sale equipment with the first implementation checkpoint set for April 2013.

New Fraud Scheme Launched Via Chat

1/15/13 Bank Info Security

Socially engineered schemes aimed at compromising bank accounts and perpetrating fraud just keep getting trickier. Here's the newest one: fraudsters conning customer support staff through the online banking chat feature. Guardian Analytics, an anomaly-detection and online security vendor, first identified the scam in mid-November.

Economy.

Fed Transcripts from 2007: The Economy Won't Go Into Recession And No We Are Not On Drugs

1/18/13 Business Insider

Let the after-the-fact, hindsight mockery begin. Today, the Federal Reserve released its federal open market committee meeting transcripts for 2007. When we last dug through old FOMC transcripts, we found some amazing examples of how far off the Fed's forecast ended up being.

December Retail Sales Rise More Than Expected

1/16/13 Chicago Tribune

U.S. retail sales rose more than expected in December as Americans shrugged off the threat of higher and bought automobiles and a range of other goods, suggesting momentum in consumer spending as the year ended. The Commerce Department said on Tuesday retail sales increased 0.5 percent after an upwardly revised 0.4 percent rise in November. Sales in November were previously reported to have gained 0.3 percent.

Economy Expanded in Recent Weeks - Fed Beige Book

1/16/13 Reuters

Economic activity across the United States expanded at either a moderate or modest pace in recent weeks with consumer spending picking up, the Federal Reserve said on Wednesday, suggesting little change in terms of the recovery's strength. The U.S. central bank painted a cautiously positive picture of an economy gathering steam across its 12 districts, although businesses and consumers were wary due to uncertainty over fiscal policy and conditions on the other side of the Atlantic.

Housing, Labor Data Provide Upbeat Signs on Economy

1/16/13 Global Post

The number of Americans filing new claims for unemployment aid hit a five-year low last week and residential construction surged in December, the latest signs that the U.S. economic recovery remains on track. The reports on Thursday showed the economy was weathering an uncertain fiscal environment surprisingly well. Still growth in the fourth quarter was likely subdued, and only a modest pick-up was expected in the first three months of this year.

Payments Press

American Express Reports Fourth-Quarter EPS of \$0.56, Down from \$1.01 a Year Ago

1/17/13 BusinessWire

American Express Company today reported fourth-quarter net income of \$637 million, down 47 percent from \$1.2 billion a year ago. Net income from the quarter included the restructuring charge, rewards expense and cardmember reimbursements that were announced last week. Diluted earnings per share was \$0.56, down 45 percent from \$1.01 a year ago.

EBay Tops Forecasts on Sales for Holidays

1/16/13 The New York Times

eBay said Wednesday that its fourth-quarter profit topped analysts' projections as holiday shoppers flocked to its Internet shopping mall and digital payment service. The results were the best ever for eBay, an e-commerce pioneer founded in 1995. Online shopping has since become a staple for hordes of consumers, turning eBay into a thriving business and a Wall Street favorite.

The Hope Process IRN Merchant Account Program Aids Charities

1/14/13 The GreenSheet

IRN Payment Systems (IRN), a leader in credit card processing services, today announced The Hope Process, an innovative, cause-based merchant account program that benefits both charitable 501(c)(3) organizations and business alike. Merchants can now support charitable organizations using rebates from the proceeds of credit card processing fees as donations. The Hope Process provides a no-cost, painless and tax-deductible way for businesses across America to support worthy causes.

Shazam Intros Mobile App for Debit Cardholders

1/14/13 ATM Marketplace

Shazam has announced the launch of Shazam Bolt\$, an app for smartphones and tablets that allows financial institutions to offer their Shazam debit cardholders free, mobile access to their debit card accounts. The EFT services provider has also created an online version of its app for cardholders who prefer to access Bolt\$ on a PC or mobile browser.

VeriFone Enables Retailers to Interact. Impact. Impress.

1/14/13 VeriFone

VeriFone Systems, Inc. reveals how its comprehensive suite of payments solutions is helping leading retailers interact with, impact and impress their customers. "VeriFone is enabling retailers to enrich their relationship with the consumer by providing the latest in mobile technology and services needed to untether themselves from the checkout counter, deploy mobility, reduce payments and infrastructure complexity, and impress their customers with new content and new experiences," said Jennifer Miles, VeriFone executive vice president, North America.

WorldPay, Discover Expand Relationship to Enable PayPal In-Store Checkout for US Business Owners

1/17/13 The Paypers

Global provider of payment and risk services WorldPay has expanded its strategic alliance with US-based payment company Discover Financial Services to enable WorldPay's customers to accept PayPal in-store

checkout at the brick-and-mortar locations of participating merchants. As a result, WorldPay's customers will be among the first US businesses able to accept PayPal's mag-stripped cards.

Revel Systems Becomes First iPad Point of Sale System to Release "EMV" Processing in the U.S. with Future Launches Planned in Multiple Countries

1/14/13 PR Newswire

Revel Systems the leader in iPad point-of-sale solutions, announced it has become the first iPad point-of-sale (POS) system to provide EMV compatibility (device that allows the new standard of Chip and pin to allow processing on a Point of Sale system) in the United States in anticipation of upcoming deadlines for EMV certification and PCI compliance that could potentially cost business owners thousands of dollars in fees and fines.

Ingenico Partners with Microsoft to Drive Retail Innovation

1/14/13 Ingenico

Ingenico, leading worldwide provider of payment solutions, announced within the framework of the NRFs show held in New York, that they are working together with Microsoft to deliver enterprise-class devices based on the new Windows Embedded 8 Handheld platform. As a global secure payment solutions provider, Ingenico joins other prominent enterprise device OEMs working closely with Microsoft in these innovative efforts.

Fiserv Acquires Open Solutions Inc., Expanding its Suite of Innovative Technology Solutions for Financial Institutions

1/14/13 Fiserv

Fiserv, Inc., a leading global provider of financial services technology solutions, announced that it has acquired Open Solutions Inc., a leading provider of collaborative, enterprise core account processing technology for financial institutions. The purchase price was \$55 million, and Fiserv assumed approximately \$960 million of debt. In conjunction with the acquisition, Fiserv will benefit from an acquired tax asset with a net present value at the time of purchase of approximately \$165 million.

Jeffrey Akeson Named Executive Director of Third Party/ISO Sales for Sterling Payment Technologies

1/14/13 Sterling Payment Technologies

Mr. Akeson will lead Sterling's ISO business development strategy, drive initiatives to build ISO programs and support, further enhance Sterling's unique technology for sale by ISOs, and help Sterling ISOs increase their market share through the sale of leading edge loyalty solutions. "I'm proud to bring someone of Jeff's caliber on board," said Paul Hunter, President and CEO of Sterling Payment Technologies.

JPMorgan, Goldman Profits Rise Sharply

1/16/13 Los Angeles Times

Two major Wall Street banks reported a surge in profits during the last three months of 2012, but analysts cast doubt on whether that will continue this year. JPMorgan Chase & Co., the country's largest bank by assets, posted \$5.7 billion in earnings in the fourth quarter, a 53% increase from the same period a year ago. Investment banking giant Goldman

Sachs Group Inc. reported earnings of \$2.8 billion, nearly tripling its haul from the same period a year ago.

Citi Earnings Disappoint; Bofa Beats Estimates

1/17/13 USA Today

Citigroup earned 38 cents a share in the fourth quarter, well short of the 97 cents a share forecast by analysts, while Bank of America posted fourth-quarter earnings of 3 cents a share as it cleaned up problems from its mortgage unit. FactSet's consensus earnings estimate for Bank of America was 2 cents a share. Bank of America made \$732 million in the last three months of 2012, down from \$1.99 billion in the period a year ago. In the prior quarter, the bank earned 15 cents a share. Both stocks fell Thursday.

FTNI Helps Gray TV Streamline their Remittance and Check Payment Processing

1/15/13 FTNI

Financial Transmission Network Inc. ("FTNI"), a provider of industry leading receivable management solutions, announced that Gray Television, Inc. has completed the conversion of its remittance and check processing to FTNI's award winning and SaaS deployed, ETran Integrated Receivables Management platform.

Green Dot Puts Banks in the Crosshairs

1/15/13 Bank Systems & Technology

Prepaid financial services company Green Dot Corporation today announced it is getting directly into the banking business, launching a mobile-based banking service called GoBank. GoBank is launching in a limited release, with general availability later this year. In a webcast conducted today, Green Dot touted the features of GoBank, which include no overdraft or penalty fees, no minimum balance requirements, and a network of some 40,000 no-fee ATMs.

TSG Releases New, Expanded Directory of U.S. Merchant Acquirers - *Do You Know the Industry's Top Players?*

12/21/12 TSG Metrics

TSG's Directory of U.S. Merchant Acquirers provides profiles on 200 companies that include the country's top tier acquirers, along with supplemental ISOs and technology-centered acquirer's. Company profiles provide factual insights that include (as available) processor relationships, vertical specializations, dollar volume statistics, transaction counts, active merchant outlet totals, key management, corporate structure, business overview, sponsor banks, and recent announcement links.

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