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### Trending This Week...

ETA hosted their annual meeting and expo this week in New Orleans which started, and ended, with a bang. After 23 years, this event marked ETA's largest yet. See below in Featured for several highlights including the [release of the U.S. Economic Indicators Report](#), a [wrap-up of the show](#), and a press release on the [winners of ETA awards](#).

Other highlights for the week include:

- [Walmart and First Data Say No to PayPal](#), while [PayPal and Discover extend partnership](#) to reach 2 Million Stores by end of 2013
- [First Data Names Frank Bisignano CEO](#)
- [Square Raids PayPal for Retail Expertise](#)
- [MasterCard](#) and [Visa](#) release earnings reports

### JUST RELEASED

The Strawhecker Group (TSG) has released their seventh edition of the **Merchant Processing Pricing Benchmark Study**. This extremely valuable and popular report details the line-item cost of third-party processing to ISOs/MSPs.

[Click here to see a preview of the report.](#)

Please [click here](#) if you are interested in ordering the report. The price is \$4,900.

### Featured

[Acquisition Multiples & Attrition Summary](#)

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[TSG MPPS Benefits](#)

[MPPS Example Report](#)

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

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

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

[Use a Smart Phone to Buy Things!](#)

**This Day in History: 1469**

## Niccolo Machiavelli Born

On this day in 1469, the Italian philosopher and writer Niccolo Machiavelli is born. A lifelong patriot and diehard proponent of a unified Italy, Machiavelli became one of the fathers of modern political theory.

Machiavelli entered the political service of his native Florence by the time he was 29. As defense secretary, he distinguished himself by executing policies that strengthened Florence politically. He soon found himself assigned diplomatic missions for his principality, through which he met such luminaries as Louis XII of France, Pope Julius II, the

## Electronic Transactions Association & The Strawhecker Group Releases Payments Industry Economic Report

*5/01/13 The Wall Street Journal*

The Electronic Transactions Association (ETA), the trade association of the global electronic payments industry, today released its U.S. Economic Indicators Report for the first quarter of 2013 during the 2013 ETA Annual Meeting & Expo in New Orleans. Published quarterly with analysis from The Strawhecker Group (TSG) for the benefit of ETA member companies, the 16(th) edition of the report shows strong industry performance during the first quarter, maintaining its outperformance of the S&P 500 even as the U.S. economy continues to recover from the recession. [Press Release](#).

## Read the U.S. Economic Indicators Report

### Electronic Transactions Association Wraps Largest Show in Its 23-year History

*5/02/13 Reuters*

The Electronic Transactions Association (ETA) today closed its 2013 Annual Meeting & Expo at the Ernest N. Morial Convention Center in New Orleans. This year, the industry's largest trade show welcomed a record number of exhibitors across 150,000 square feet of floor space, the largest in ETA's history. The Annual Meeting featured numerous experts and panelists to highlight the latest trends, developments and innovations in payments technology.

"The 2013 Annual Meeting & Expo was our largest event yet, further positioning ETA's show as the best place to do business in the payments industry," said Jason Oxman, CEO of ETA.

### ETA Names Winners of ETA Star Awards

*5/01/13 The Green Sheet*

The Electronic Transactions Association (ETA), opened the 2013 ETA Annual Meeting & Expo in New Orleans, welcoming a record number of exhibitors and attendees at the industry's largest trade show. ETA also announced the winners of the 2013 ETA Star Awards, which recognize achievements in and contributions to the industry. ETA's 2013 Annual Meeting & Expo features more than 200 exhibitors across 150,000 square feet of floor space in the heart of New Orleans.

**Pictured Right:** Outgoing ETA President Eddie Myers was presented with a signed Alabama football helmet as a show of gratitude from the ETA.



### **Transaction Opportunities for Current ISO Owners**

***TSG has been engaged by a potential ISO investor; the key investment criteria includes:***

- First Data/TSYS back-end portfolios with and without sales engines

Holy Roman Emperor Maximilian I, and perhaps most importantly for Machiavelli, a prince of the Papal States named Cesare Borgia. The shrewd and cunning Borgia later inspired the title character in Machiavelli's famous and influential political treatise *The Prince* (1532). [Click here to read more.](#)

If you are interested in discussing a potential transaction, please provide high level details of your business and call us at 402-964-2617 or email us at [Acquisitions@TheStrawGroup.com](mailto:Acquisitions@TheStrawGroup.com).

### **Walmart, First Data Say No To PayPal. (Is That Even Allowed?)**

*5/01/13 StorefrontBacktalk*

PayPal's plan to use Discover's payment-card network to get its in-store payment system into most U.S. stores that accept payment cards isn't quite working out. Contrary to what the eBay subsidiary has been touting, all stores that accept Discover aren't automatically able to take PayPal payments—at least not until they and their acquirers explicitly sign on.

### **Inspired by Chase Merchant Services, Other Banks Mull Their Own Potential Deals With Visa**

*5/02/13 Digital Transactions*

Visa Inc.'s decision to license a version of its VisaNet processing network to JPMorgan Chase & Co. initially generated controversy in merchant-acquiring circles when the two companies announced their deal in February, but now Visa says it is getting inquiries from other client financial institutions that may be interested in similar deals. "We are actively involved in talking to institutions of all sizes," Visa chief financial officer Byron H. Pollitt said Wed. during the company's earnings call.

### **First Data Names Frank Bisignano Chief Executive Officer**

*4/28/13 First Data*

The Board of Directors of First Data Corporation, a global leader in electronic commerce and payment processing, today announced that Frank Bisignano has been named chief executive officer (CEO), effective April 29, 2013. He will also join the First Data board of directors concurrent with his appointment. "Frank has a proven track record of catalyzing positive change on a global business operating in a dynamic industry."

### **Leaving JPM for First Data: New CEO Bisignano on Why He Switched**

*4/29/13 American Banker*

Frank Bisignano has spent decades working his way up the ranks of the country's biggest banks. But what he says he really wants to do is direct - a payments company. The new chief executive of payments processor First Data leaves JPMorgan Chase as co-chief operating officer and potential successor to longtime boss Jamie Dimon, a man Bisignano calls a mentor and a friend. But Bisignano sounds thrilled to be leaving big banks for pure payments, the banking industry's nerdier, more tech-savvy sibling.

## **Mobile Payments**

### **PayPal & Discover Expand Partnership, Will Reach 2 Million Stores by Year-End**

*5/01/13 Engadget*

When PayPal saw Square for the first time, we're fairly sure its CEO glumly stared out of the window, said "we're going to the mattresses" and promptly called the CEO of Discover to talk about an alliance. That unholy union has now brought PayPal into 250,000 retail outlets in the US, and

the pair is now promising that the figure will be closer to two million by the end of 2013.

### **Square Raids PayPal for Retail Expertise as POS Terminal Business Builds**

*5/02/13 Finextra*

Mobile POS outfit Square has raided rival PayPal to appoint a new head of retail partnerships as the company reports fast growth in the tablet point-of-sale terminal market. As Square's vice president of partnerships, new hire Alex Petrov will be charged with driving strategic business development and customer acquisition. Petrov comes to Square from PayPal where he was responsible for merchant marketing and launching PayPal into an offline retail environment.

### **MasterCard CEO: Too Much "Wrong Noise" on Digital Wallet Fees**

*5/01/13 Mobile World Live*

Ajay Banga, MasterCard CEO, said the recent debate on introducing fees for digital or mobile wallets was too focused on the revenue impact. There has been a "lot of noise" around so-called staged digital wallet operator fees but it was the "wrong noise", said Banga. Banga was answering a question from a Nomura analyst during an earnings call.

### **A Senior Executive Lifts the Veil on Some of Amazon's Plans**

*4/30/13 Internet Retailer*

Amazon.com Inc. doesn't give away much about its future moves, but today one of the e-retailer's top executives provided a glimpse into some of the e-retailing giant's plans in such areas as payments, lending and fulfillment. The executive is Sebastian Gunningham, senior vice president of seller services and a member of Amazon's executive committee, who was interviewed on stage today at ChannelAdvisor's annual Catalyst client conference by ChannelAdvisor CEO Scot Wingo.

### **Starbucks Generates 10% of US Revenue From Mobile**

*4/29/13 Mobile Commerce Daily*

While overall mobile payment adoption is moving slowly, this is not the experience for Starbucks, which continues to experience significant growth in the number of customers using smartphones to complete a purchase. Every week, Starbucks is seeing close to four million mobile payment transactions, up from two million near the end of last year and three million a month ago.

### **Has NFC Missed the Mobile Payments Boat or Will the Industry Rise to the Cloud Payments Challenge**

*5/01/13 NFC World*

Cloud-based wallet solutions are shifting from being the province of small startups and single applications to nation-level platforms," says Sarah Clark, editor of NFC World and The Mobile Wallet Report. "Merchant-led MCX in the US, whose members account for US\$1 trillion in sales at 75,000 locations, has chosen a cloud- and barcode-based platform from Gemalto, Tesco in the UK says NFC might be past its sell-by date.

### **New Venture Aspires to Be the Sotheby's of Bitcoin**

*5/02/13 BTN*

A startup set to launch Thursday is betting wealthy individuals will buy/sell luxury items like upscale condos, art works and jewelry with bitcoins, a digital currency. BitPremier is aiming to act as a middleman, listing items for sellers who want to be paid in bitcoins. The venture is backed by Barry Silbert's Bitcoin Opportunity Fund, an investment vehicle.

**Don Apgar joins Integrity Payment Systems**  
Senior Vice President, Business Development

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## Regulation & Security

### Data Breach Compromises Data Belonging to 50 Million LivingSocial Customers

*5/03/13 Backup Technology*

The online deals company, LivingSocial has become the latest company to report a data breach that has compromised data belonging to over 50 million people who have an account with the company. LivingSocial have stated that they believe that data such as customers' names, email addresses, dates of births and encrypted passwords have been compromised in the attack. It has also been confirmed that no card details has been stolen.

### OpUSA Threatens Banks, Government

*5/02/13 Bank Info Security*

Security experts say that OperationUSA, a coordinated online attack against banking and government websites slated for May 7, is a serious threat. As a result, organizations should be upping their distributed-denial-of-service attack mitigation strategies to guard against the attacks, which are being coordinated by the hacktivist group Anonymous.

## Economy

### U.S. Adds 165,000 Jobs; Jobless Rate Falls to 7.5%

*5/03/13 The New York Times*

The United States economy created an estimated 165,000 jobs in April, averting fears of a sharp slowdown and pushing the unemployment rate to its lowest level since December 2008. The latest jobs figures from the Department of Labor paint a brighter picture of the overall economy than other recent data, which had been weaker and prompted economists to warn of a spring swoon for the third year in row. Those worries had been heightened after the March jobs report, which initially showed the economy to have added just 88,000 jobs.

### Newtek Releases Annual Survey on Small Business Hiring Plans

*4/30/13 Newtek*

Newtek Business Services, The Small Business Authority®, with a portfolio of over 100,000 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 2,600

respondents, one of the key findings from the April survey is 70% of business owners do not plan on hiring in the next 6 to 12 months.

### **Fed Maintains QE Pace, Prepared to Alter as Economy Evolves**

*5/01/13 Bloomberg*

The Federal Reserve said it will keep buying bonds at a monthly pace of \$85 billion while standing ready to raise or lower purchases as economic conditions evolve. "The committee is prepared to increase or reduce the pace of its purchases to maintain appropriate policy accommodation as the outlook for the labor market or inflation changes," the Federal Open Market Committee said.

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### **Payments Press**

#### **ISOs Providing Data As Value-Add**

*4/29/13 ISO & Agent*

Like wildcatters drilling for black gold, ISOs are beginning to harness a gusher of data and offer it to merchants as a value-added service. "Data is the new oil," says Charles Hogan, CEO of California-based Tranzlogic, a company that helps ISOs gather and analyze data for merchants. The availability of "Big Data" that may prove as valuable as Texas tea has grown with the emergence of mobile commerce.

#### **Don Apgar Joins Integrity Payment Systems**

*4/29/13 PRWeb*

Integrity Payment Systems (IPS), a nationwide provider of payment processing and technology services to business and industry, today announced that Donald E. Apgar has joined its management team in the role of Senior Vice President of Business Development. Apgar is a seasoned executive with 30 years of experience in the financial services and electronic transaction processing industries.

#### **Google Wallet Co-Founder Rob von Behren Joins Braintree**

*4/30/13 Braintree*

"The payments space is really exciting right now. So much of what people do today is based on very old technology and the possibilities for building more robust and interesting payment systems are enormous. It's a lot of fun to be in a space where things are changing really fast - with lots of room for building cool new solutions and coming up with creative ways to solve problems. More specifically about Braintree, I'm really impressed with how the company is positioned in mobile e-commerce. That, coupled with a robust existing e-commerce business, makes for a great platform for launching interesting new products," said Rob von Behren

#### **How Amex and Wal-Mart Got Bluebird Prepaid Card to Soar**

*4/29/13 American Banker*

"If this fails, my career is over." Those words ran through Laura Kelly's head as she helped pitch the Bluebird card to American Express Co.'s (AXP) board of directors. The prepaid card, which resulted from a collaboration between Amex and Wal-Mart Stores Inc. (WMT), proved to be a risk that has paid off handsomely.

### **MasterCard's First-Quarter Financial Results: Solid Performance**

*5/01/13 MasterCard*

Earlier, we released our first-quarter financial results. It was in line with our expectations when compared to last year's very strong first quarter and continued challenges in the global economy. Overall, our revenue grew 8%, or 9% when adjusted for currency fluctuations. We saw a 12% increase in gross dollar volume, on a local currency basis, to \$947 billion with an increase in processed transactions of 12%, to 8.7 billion. We also saw an increase in cross-border volume of 16%.

### **Visa Thrives On Rising Transaction Volumes, Beats Estimates And Improves Guidance**

*5/01/13 Forbes*

Visa posted solid second quarter earnings after the bell on Wednesday, beating estimates and raising guidance. The credit card and payment processing company saw growth in its three major business units, with transaction volume increases in almost all geographies. Net income grew 17% to \$1.3 billion in the first quarter for Visa, which earned \$1.92 per share; Wall Street was expecting an EPS of \$1.81.

### **CSR Partners with My Clear Reports for Data Compliance**

*4/29/13 CSR*

CSR, the preeminent global provider of award-winning data compliance solutions and expert business services that turn compliance activities into revenue, today announced a strategic partnership with My Clear Reports. CSR's patented PCI ToolKit and the patent-pending CSR Breach Reporting ToolKit solutions will now be available from the company's MCR virtual business center.

### **MasterCard Uses Social Intelligence to Tweak MasterPass Offering**

*4/30/13 ClickZ*

MasterCard's e-payments service has arrived - and it's evolved in part thanks to social media. Announced at the CTIA Wireless show in May 2012 as PayPass Wallet, it was rebranded as MasterPass with a splash in February 2013 at Mobile World Congress. The first implementations rolled out in Canada at the beginning of April for the e-commerce sites of Jaunt.ca, Grocery Gateway, Porter Airlines, and WagJag.

### **Harbortouch and Tabbedout Join Forces to Integrate Mobile Payments with Free Point-of-Sale System Program**

*5/01/13 HarborTouch*

In a landmark collaboration, leading national point-of-sale (POS) systems and merchant services provider Harbortouch and mobile payments pioneer Tabbedout today announced that they have joined forces to deliver a uniquely integrated solution combining the benefits of

Harbortouch's touch-screen POS systems with the mobile payment, loyalty and customer engagement features developed by Tabbedout.

### **Heartland Payment Systems Reports 31% Increase in First Quarter Adjusted Earnings Per Share**

*4/30/13 HPS*

Heartland Payment Systems, Inc., one of the nation's largest payment processors, today announced Adjusted Net Income and Adjusted Earnings per Share were \$19.4 million and \$0.51, respectively, for the quarter ended March 31, 2013, compared to Adjusted Net Income and Adjusted Earnings per Share of \$16.0 million and \$0.39, respectively, for the quarter ended March 31, 2012.

### **TriSource Solutions Introduces First End-to-End Merchant Aggregation Processing Solution During ETA**

*4/30/13 Yahoo! Finance*

TriSource Solutions, LLC today announced the first comprehensive merchant acquiring platform specifically for Payments Service Providers (PSPs) and Payments Facilitators (PFs). The company launched its new merchant aggregation services during the Electronic Transaction Association (ETA) Annual Meeting and Expo in New Orleans.

### **Tranzlogic Partners With Payment Services Leader Signature Card Services**

*5/01/13 BusinessWire*

Data analytics and marketing firm Tranzlogic has partnered with Signature Card Services, giving the payment services provider an edge in the competitive processing marketplace. Being one of the first to beta test Tranzlogic's proprietary technology has resulted in increased value and insight they have been able to bring to their merchants.

### **Payments Network Dwolla Raises \$16.5 Million Series C From Andreessen Horowitz & Others, Expands To San Francisco**

*4/30/13 TechCrunch*

Building new infrastructure for digital payments may not sound sexy, but it's an area that's ripe for innovation. The legacy payments networks in existence today are bogged down with outdated technology, slowing progress. Des Moines-based Dwolla decided that the way to innovate in payments was to essentially blow up the outdated infrastructure entirely and start over by building out a new network from scratch.

### **Green Dot Reports First Quarter 2013 Non-GAAP Revenue Growth of 8%, Non-GAAP diluted EPS of \$0.42, U**

*4/30/13 Daily Finance*

Green Dot Corporation, today reported financial results for the first quarter ended March 31, 2013. For the first quarter of 2013, Green Dot reported an 8% year-over-year increase in non-GAAP total operating revenues<sup>1</sup> to \$155.8 million and non-GAAP diluted earnings per share<sup>1</sup> of \$0.42. GAAP results for the first quarter were \$154.1 million in total operating revenues and \$0.35 in diluted earnings per share.

### **BebaPay: Launching Electronic Payments in Kenya**

*4/30/13 Google Africa*

The bus is a great way to get around, but it can be frustrating if you don't have enough money for the journey, or the conductor forgets to give you change from your fare. So Google has teamed up with Equity Bank, the largest bank in East Africa, to launch BebaPay, a payment card that makes it easier and more convenient to pay for bus travel in Kenya.



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