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THE STRAWHECKER GROUP  
The Trusted Advisor To The Payments Industry



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## Trending This Week...

**Braintree, on the block, has been reportedly talking to Square and PayPal.** Earlier Braintree tried to work out a deal with Google which fell through. Discussions with Square also appear to have slipped through the cracks; however talks with PayPal may still be ongoing.

At the same time, **PayPal has redesigned their app** with new features pursuing the hope of replacing your wallet.

Next week Apple will hold an event for the announcement of their new iPhone line. **Will the future of mobile payments be revealed?**

Other highlights include:

- **Set Visa, MC, and Markets Free:** Approve the Credit Card Interchange Fee Settlement
- EMV: **Card Fraud is Migrating**
- **Weak Jobs Report** Adds to Uncertainty on Fed's Next Move
- **EMVCo Membership Grows with Discover**
- **TransFirst Goes In-House**

## **The Strawhecker Group is Looking for ISOs Considering Selling Their Business**

TSG is presently assisting buyers in connecting with ISO owners interested in selling their merchant portfolios, portions of their portfolios, or the entire business. Due to multiples recovering to pre-recession levels, The U.S. merchant acquiring transaction

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

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## This Day in History: 1915

### First Tank Produced

On this day in 1915, a prototype tank nicknamed Little Willie rolls off the assembly line in England. Little Willie was far from an overnight success. It weighed 14 tons, got stuck in trenches and crawled over rough terrain at only two miles per hour. However, improvements were made to the original prototype and tanks eventually transformed military battlefields.

The British developed the tank in response to the trench warfare of World War I. In 1914, a British army colonel named Ernest

market has been extremely active.

TSG has been engaged by several firms to identify ISO and merchant acquiring business acquisitions and capital partnerships. If you are interested in selling your portfolio (or a portion of your portfolio), or enterprise, please email TSG at [Acquisitions@TheStrawGroup.com](mailto:Acquisitions@TheStrawGroup.com) or call 402-964-2617 with high levels details of your business.

## Featured

### [Braintree Is On The Block, Had Acquisition Talks With Square And PayPal](#)

9/05/13 *TechCrunch*

Chicago-based payments gateway Braintree is currently shopping itself around to potential acquirers, TechCrunch has learned. The company has been on the block for some time, having previously tried to work out a deal with Google which fell through. More recently, it had been in acquisition talks with Square, which also fell through, possibly because Braintree is asking for too high a valuation. Talks with PayPal, however, may still be ongoing, we've heard.

### [Redesigned PayPal App Wants You to Order Ahead, Skip Lines](#)

9/05/13 *CNET*

PayPal wants you to ditch your wallet in favor of its mobile payments app, but it knows it can't compete with your credit cards unless it's got something extra -- like promises of discounts and food. The company released its redesigned mobile payments app on Thursday, boasting \$100 worth of in-store deals, more food spots offering the "order ahead and skip the line" feature, and an experimental function that lets you pay for a restaurant bill without flagging down your server.

### [Set Visa, MasterCard And Markets Free: Approve The Credit Card Interchange Fee Settlement](#)

9/03/13 *Forbes*

Last August, years of expensive litigation and a comprehensive evidentiary process culminated in a meeting of the minds among warring litigants to antitrust litigation that challenged the practice by which credit card networks set "interchange" fees (the fee paid by merchants to card issuers when consumers pay by credit card). On September 12 of this year, the settlement goes before the judge for a final approval-approval that is highly appropriate despite the high-profile efforts of some disenchanted retailers to orchestrate opposition to the settlement.

### [EMV Is Coming to the United States--Right?](#)

9/03/13 *Portals and Rails*

The conferences I have attended recently have all had a session where speakers or panelists opined on the state of EMV migration and its future here in the United States. Some of the panelists have been highly optimistic, admitting to the challenges the industry currently faces but confident the issues will be successfully resolved. Those on the other end of the spectrum have been downright dismissive of the effort and sometimes even the standard itself.

### [Mapping the Bitcoin Economy Could Reveal Users' Identities](#)

Swinton and William Hankey, secretary of the Committee for Imperial Defence, championed the idea of an armored vehicle with conveyor-belt-like tracks over its wheels that could break through enemy lines and traverse difficult territory. The men appealed to British navy minister Winston Churchill, who believed in the concept of a "land boat" and organized a Landships Committee to begin developing a prototype. To keep the project secret from enemies, production workers were reportedly told the vehicles they were building would be used to carry water on the battlefield (alternate theories suggest the shells of the new vehicles resembled water tanks). Either way, the new vehicles were shipped in crates labeled "tank" and the name stuck.

[Click here to read more.](#)

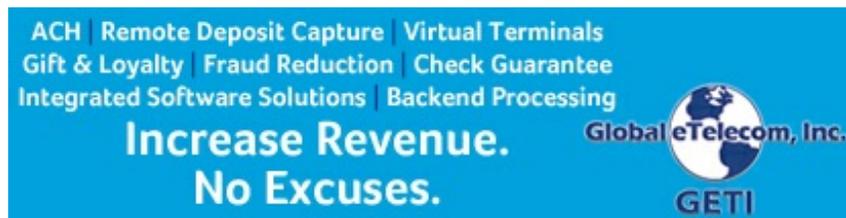
*9/05/13 MIT Technology Review*

The digital currency Bitcoin has a reputation for providing privacy. But a new analysis of the public log of all bitcoin transactions suggests it could be surprisingly easy for a law enforcement agency to identify many users of the currency. Popular uses for bitcoins include illicit gambling and making purchases at an online marketplace called Silk Road, where illegal drugs are traded openly.

## The Money2020 Story

*9/02/13 Money2020*

In this blog, I wanted to share why Jonathan Weiner and I created Money2020 and why we believe it's become an important part of the fabric of our industry. Jon and I have been in the emerging payments and financial services industry for almost 15 years. We grew up in the open loop, or network branded, prepaid card industry-which we think of broadly as the use of established payment networks, primarily by non-banks, to automate a variety of historically paper-based payment systems.



ACH | Remote Deposit Capture | Virtual Terminals  
Gift & Loyalty | Fraud Reduction | Check Guarantee  
Integrated Software Solutions | Backend Processing

**Increase Revenue.  
No Excuses.**

Global eTelecom, Inc.  
GETI

## Mobile Payments

### Will Apple's New iPhone Mean Last Rites for Mobile Payments?

*9/06/13 Ad Age*

The excitement is building, as it always does, for Apple's annual iPhone announcement. Rumors abound about the iPhone 5S and 5C. But beyond the usual hardware upgrades, OS details and new firmware apps, 2013's announcement has a lot more at stake -- the future of mobile payments. The dream of mobile payments - walking into any store and paying for your purchases by swiping your phone at the checkout - is in danger of evaporating, and it's Apple that is about to flick the switch.

### Visa Responds to "Erroneous" Report of Exec Departure

*9/02/13 Mobile World Live*

Visa has hit back at a report that Bill Gajda (pictured), its global head of mobile product, has left the company, as part of management changes in its mobile payments business. "Today [Friday 30 August], a mobile trade publication erroneously reported innovation team changes at Visa. Notably, the publication claimed that Bill Gajda has left Visa. This is not true," said a company blog.

### VeriFone Launches a Tablet POS Platform for ISOs It Sees Getting Squeezed by Tech Vendors

*9/05/13 Digital Transactions*

Independent sales organizations are starting to feel squeezed by technology companies selling tablet-based point-of-sale solutions to merchants, according to terminal kingpin VeriFone Systems Inc. So VeriFone on Wednesday rolled out a tablet-based platform for its resellers that they can price and market to their merchants. The product, called GlobalBay Merchant, is based on mobile in-store technology VeriFone acquired late in 2011 when it bought Global Bay Media Technologies. So far, more than a dozen VeriFone ISOs representing about 500,000 merchants have signed on to sell the platform, VeriFone

says.

## Point-Of-Sale Leaders Integrate Isis SmartTap Capabilities Into Product Offerings

*9/04/13 Retail Solutions*

Isis, the mobile commerce joint venture created by AT&T Mobility, T-Mobile USA Inc. and Verizon Wireless, recently announced that leading payment terminal manufacturers and software providers are integrating Isis SmartTap capabilities across a comprehensive range of point-of-sale (POS) offerings, from high-end integrated POS terminals to vending and other unattended solutions. As Isis prepares for national availability later this year, today's news signals support for SmartTap capabilities in a broad range of payment environments.



## Regulation & Security

### Bionym Wristband Authenticates Using Wearer's Heartbeat

*9/03/13 American Banker*

As banks struggle to improve online and mobile authentication for their customers, a Canadian start-up called Bionym revealed Tuesday a line of devices designed to confirm people's identities with their heartbeat. The hardware, which the user wears on his wrist like a watch, should make unlocking bank accounts a simple matter. Nymi, the name of the wristband, verifies people are who they say they are by taking an electrocardiogram (ECG), which is a recording and interpretation of the bioelectrical activity of the heart.

### EMV: Card Fraud Is Migrating

*9/05/13 Bank Info Security*

As most international markets complete their migrations to card technology that complies with the Europay, MasterCard, Visa standard, criminals have turned their attention toward lingering non-EMV markets, such as the U.S., says U.K.-based card fraud expert Neira Jones. "If we look at skimming, that's very prominent in the United States," says Jones, who formerly oversaw payment card security and fraud at Barclaycard, during an interview with Information Security Media Group.

### Genesco Winning Against Visa In Breach-Fines Case? Its New Motion May Tell The Tale

*9/04/13 StorefrontBacktalk*

Genesco, which has been waging what at first appeared to be a quixotic battle against Visa's PCI fines for a 2010 breach, is doing surprisingly well. First a U.S. District Court in Tennessee rejected Visa's arguments that Genesco shouldn't be allowed to sue Visa over the \$13 million in fines that Visa assessed after the breach. Now Genesco has filed its own motion for summary judgment, asking the court to declare that Visa couldn't fine Wells Fargo and Fifth Third \$5K each for the breach because, under CA law, that's only allowed if it's in proportion to the amount of the breach.

## Economy

### Weak Jobs Report Adds to Uncertainty on Fed's Next Move

9/06/13 *The New York Times*

The nation's employers added 169,000 jobs in August, slightly below what economists were expecting. The unemployment rate ticked down to 7.3 percent from 7.4 percent, but it fell largely because people dropped out of the labor force and so were no longer counted as unemployed. In fact, the share of working-age Americans who were either working or looking for work was at its lowest level since 1978, a time when women were less likely to be participating in the labor force.

### August 2013 Discover® U.S. Spending MonitorSM Results

9/04/13 *Discover*

The Discover U.S. Spending Monitor fell 1.4 points in August to 91.0, in response to a continued decline in economic confidence from consumers. This month marked the first time in a year that more than half of respondents, predominantly in the middle and upper economic brackets, ranked the economy as getting worse. The Monitor is a 6-year-old daily poll tracking economic confidence and spending intentions of nearly 8,200 consumers throughout the month.

### The Small Business Authority Releases The July 2013 SB Authority Index

9/03/13 *Newtek*

Newtek Business Services, Inc., The Small Business Authority®, announced the release of the SB Authority Index of small business indicators for July 2013 reaching 120.28 points. The Russell Microcap Index, retail sales and new business formations led the increase. The SB Authority Index is up .75% from June 2013. As a year-over-year comparison, the SB Authority Index is up from 112.82 points, a 6.62% increase.



## Payments Press

### TransFirst Proprietary Back-End Utilizes Planet Group's Acquire360 as Foundation

9/05/13 *TransFirst*

TransFirst®, a leading provider of transaction processing services and payment enabling technologies, today announced it has fully implemented a new proprietary back-end system called TransClear™. The company formed a strategic business alliance with Planet Group, Inc. in November of 2011 to license Acquire360, Planet Group's best-in-class merchant billing, settlement and chargeback system, with the goal of efficiently and effectively gaining control of back-end processing in-house.

## **EMVCo Membership Grows with Discover**

*9/03/13 BusinessWire*

Discover Financial Services has become the latest payment network to join the growing membership of EMVCo, the EMV® standards body. Discover will work alongside EMVCo's existing members to manage and evolve the contact and contactless EMV industry specifications to facilitate worldwide interoperability and acceptance of secure chip payment instruments.

## **Visa Europe, IBM and Monitise Plan European Mobile Revolution**

*9/04/13 Banking Technology*

Visa Europe and its majority-owned mobile money specialist Monitise have signed a deal with IBM in a major mobile banking and mobile payment collaboration targeting Europe's banks. The plan is to concentrate the abilities of all three companies, making it easier for banks to help consumers on the high street to shop, bank and transfer funds using their mobile phones.

## **TSYS Signs Long-Term Acquiring Agreement With Anovia Payments, LLC**

*9/04/13 TSYS*

TSYS announced the signing of a long-term agreement with Anovia Payments, LLC, to provide full-service payment processing solutions and tools to support Anovia Payments and their customers. Based in Irving, Texas, Anovia Payments simplifies payment acceptance for merchants and partners by offering transparent pricing, cutting-edge products and technology with streamlined support - all managed by a dedicated team of payment industry experts.

## **Elavon Hires New Chief Information Officer**

*9/03/13 Elavon*

Elavon, a wholly owned subsidiary of U.S. Bancorp and a leading global payments provider, today announced that Thomas Phillips, formerly of Citigroup-Singapore, has joined the company as chief information officer. He will report to Simon Haslam, Elavon's President and CEO. Based in Atlanta, Phillips will maintain global responsibility for all aspects of Global Systems and Technology at Elavon.

## **Braintree Brings Sophisticated Fraud Protection to Merchants of All Sizes for Free**

*9/05/13 Braintree*

Braintree, the global payment platform behind the best next-generation online and mobile purchasing experiences - including Airbnb, Angry Birds, Fab, Hotel Tonight, TaskRabbit and Uber - today announced it has enhanced its payment platform with additional fraud protection for its merchants that leverages the purchasing behavior across a large network of online and mobile companies.

## **W.net Names Keynote Speakers for 2013 Career & Leadership Summit**

*9/04/13 The Green Sheet*

The Women's Network in Electronic Transactions (W.net) is pleased to announce that two esteemed payments professionals will keynote at the W.net 2013 Career & Leadership Summit - "Lean In! Step Up! Reach Back!" Gail Galuppo, Chief Operating Officer, Bankers Lab, and Zulna L. Heriscar, Microsoft Regional Sales Leader, Technology Expert, Strategist, and Public Speaker, will both lead keynote sessions at the premiere business

conference dedicated solely to women professionals in the electronic payments industry.

### **Square Market Item Embedding**

*9/05/13 Square*

Two months ago we launched Square Market, the online storefront for neighborhood businesses everywhere. Since launch, our item pages have allowed merchants and visitors alike to share their favorite items with their friends and followers on Twitter, Facebook and Pinterest. This feature allows merchants to reach more customers and helps buyers to find interesting items faster, wherever they are browsing.

### **FrontStream Payments Announces Executive Appointments and Formation of New Nonprofit Division**

*9/04/13 FrontStream*

Immediately following the news of FrontStream Payments' acquisition of Artez Interactive and GiftWorks, Nina Vellayan, President and Chief Executive Officer of FrontStream, has announced two key executive appointments. Along with these appointments comes the unveiling of FrontStream's Nonprofit Division, a strategic business unit that serves a client base of over 16,000 nonprofit organizations.

### **EVO Payments International Acquires Integrated Payments Software License from IP Commerce**

*9/03/13 PR Newswire*

EVO Payments International, LLC ("EVO"), a leading payments service provider, announced today that it has acquired a perpetual software license from IP Commerce, Inc. of Denver, Colorado. The software license allows EVO to expand its ability through its proprietary processing platforms to support the software community, including point-of-sale, mobile, and e-commerce developers, with the tools necessary to develop a broader suite of multi-channel, multi-service solutions needed to serve EVO's worldwide base of merchant customers.

### **Cynergy Data Chooses ROAM to Power Its Custom-Branded Mobile POS Solution**

*9/03/13 Roam*

ROAM, an Ingenico company and the leading mobile commerce platform provider, today announced that Cynergy Data, a leading payment services provider, has chosen ROAM's white-label solution to power its new Vwaaa! Mobile Pay offering. Now, merchants, Independent Sales Organizations (ISOs) and Financial Institutions (FIs) can take advantage of the massive mobile payment revolution with an all-in-one mobile point of sale (mPOS) solution from Cynergy Data.

### **Check Secures \$24M Financing Round Led by Menlo Ventures**

*9/04/13 Check*

Check (formerly Pageonce), the award-winning mobile app revolutionizing the way consumers track and pay bills, today announced a \$24 million Series C investment led by new investor Menlo Ventures. Existing investors Morgenthaler Ventures and Pitango Venture Capital also participated. Menlo Ventures' Doug Carlisle will join Check's board and Avery More, founder and former CEO of CompuCom, joins as an independent board member.

### **CEDIA Selects Inrix Technology as Authorized Provider for Card Processing**

*9/05/13 Inrix*

Intrix Technology, Inc., a leading payment processor, has been selected as an authorized provider of credit card processing services by the Custom Electronic Design & Installation Association (CEDIA). CEDIA is an international trade association of companies that specialize in designing and installing electronic systems for the home.

### **Fiserv Debuts Customer Predictive Modeling Solution for More Reliable Business Growth and Results**

9/05/13 *Fiserv*

Fiserv, Inc. announced the availability of Predictive Scores<sup>SM</sup>, a new predictive modeling solution for customer behavior. Predictive Scores leverages insights from multiple, complex data sets (so-called "Big Data") to provide timely, actionable information that enhance the success of marketing and performance management strategies within financial institutions. Predictive Scores is the latest solution to be available through Intelligent Workplace<sup>SM</sup> from Fiserv.

### **Contactless Cards and 'ATMs' Bring Clean Water To India's Poor**

9/05/13 *Finextra*

Founded in 2008 by charity the Piramal Foundation, Savajal - 'water for all' in Sanskrit - aims to make it easier for India's slum-dwellers to access water.

The 'Water ATMs' are essentially large tanks with sensors monitoring water pressure and filtration that are maintained by franchisees. The tanks have a touchscreen against which users tap their pre-paid card. The system then verifies the account, checks to make sure that the water is clean and invites the user to choose how much they want.



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