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Trending This Week...

Yesterday, Judge John Gleeson heard arguments from Visa, MasterCard, and U.S. merchants during the settlement fairness hearing. **While many hoped for a decision, the day ended with neither a yay nor a nay regarding the settlement;** however the Judge will take the arguments into advisement, with a decision expected in the next couple of months.

Also this week, Apple announced their new set of iPhones, which as speculated, did not include NFC. Apple did add a fingerprint reader allowing for improved security and the ability to purchase apps, songs, and etc. Will this give way to Apple's future of mobile payments? Many think so, as the word "**iBeacon**" was discretely displayed at the WWDC show earlier this year, **but since then more details have been revealed due to Estimote** - a company that will integrate with the system.

This is coincidental as **PayPal has just released their Beacon** on Tuesday. From dongles to NFC to bluetooth beacons, who will win the mPOS and mobile wallet war?

Other highlights include:

- **Is Aggregation for Everyone?**
- **Debit Interchange: A Service Worth Paying For**
- **Hack on Heartland May Support Negligence Suit**
- **First Data Releases August 2013 SpendTrend**
- **TA Associates Completes Majority Investment in BluePay**

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

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

This Day in History: 1814

Key pens Star-Spangled Banner

On this day in 1814, Francis Scott Key pens a poem which is later set to music and in 1931 becomes America's national anthem, "The Star-Spangled Banner." The poem, originally titled "The Defence of Fort McHenry," was written after Key witnessed the Maryland fort being bombarded by the British during the War of 1812. Key was inspired by the sight of a lone U.S. flag still flying over Fort McHenry at daybreak, as reflected in the now-famous words of the "Star-Spangled Banner": "And the rocket's

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 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 or call 402-964-2617 with high levels details of your business.

Featured

No End to Swipe-Fee Suit After Full-Day Settlement Hearing

9/12/13 American Banker

An antitrust complaint against Visa and MasterCard will continue, prolonging the eight-year battle, after both proponents and defendants were heard during the fairness hearing Sept. 12. After a full day of arguments at the Eastern District of New York courtroom in Brooklyn, U.S. District Judge John Gleeson said there were many useful arguments made and he will take the motion to approve or deny the settlement under advisement.

Related: [Merchants Square Off with Visa, MasterCard Over Swipe-Fee Settlement \(WSJ\)](#)

Is Aggregation for Everyone?

Commentary by Gerritt Kerkstra, TSG Of Counsel

Despite the interest generated over the last several years, processors, acquirers and ISOs are approaching aggregation at varying speeds. Some are forging full steam ahead, some won't go near it and most are proceeding cautiously and with good reason. Some processors and larger acquirers are embracing merchant aggregators. Wells Fargo and Vantiv appear to be leading the pack. Vantiv goes so far as to solicit Payment Facilitators on its [website](#).

Click here to read more.

Want to talk to TSG about your aggregation strategy? Email us at Info@TheStrawGroup.com or call 402.964.2617.

Debit Interchange: A Service Worth Paying For

9/10/13 BankThink

Last month, the U.S. District Court in Washington, D.C., rejected a 21-cent cap on interchange fees adopted by the Federal Reserve to comply with the Durbin Amendment. Calling the cap "arbitrary and capricious," the court wants the Fed to consider even lower caps - further extending government regulation of the prices charged for debit processing services. The Fed appealed the decision to the D.C. Circuit Court of Appeals. A decision on the appeal is expected next year. In the interim, both the Fed and merchant plaintiffs have asked for a stay in implementing new interchange rules.

Why Cash Costs the U.S. Economy Real Money

red glare, the bombs bursting in air, Gave proof through the night that our flag was still there."

Francis Scott Key was born on August 1, 1779, at Terra Rubra, his family's estate in Frederick County (now Carroll County), Maryland. He became a successful lawyer in Maryland and Washington, D.C., and was later appointed U.S. attorney for the District of Columbia.

On June 18, 1812, America declared war on Great Britain after a series of trade disagreements. In August 1814, British troops invaded Washington, D.C., and burned the White House, Capitol Building and Library of Congress. Their next target was Baltimore.

[Click here to read more.](#)

[9/10/13 Bloomberg](#)

The use of dollars and coins costs the U.S. economy at least \$200 billion each year-roughly \$1,739 per household-according to a new study from Tufts University. One reason: Americans waste an average of 28 minutes each month just getting to their cash, with part-timers, retirees, and African Americans likely to spend even more time accessing their money. The worst hit, not surprisingly, are low-income consumers, who are dinged with higher fees, along with the lost time.

[Cofounder Of Square Thinks Finance Is Ripe For More Disruption](#)

[9/09/13 Forbes](#)

Jim McKelvey, who co-founded mobile payment company Square, is making a large bet that more innovation is around the corner in finance- and he doesn't mean "innovation" like Goldman Sachs means "innovation" (no quad-armed collateralized muni-bond interest rate swaps, please). McKelvey's new accelerator, SixThirty, will launch this fall with its first class (applications due today) of four financial technology startups. St. Louis will be home to SixThirty, which also serves McKelvey's interest in giving his hometown a boost in tech.

[The IRS Delays for a Year Withholding on Card Volume Arising From Data Discrepancies](#)

[9/09/13 Digital Transactions](#)

The Internal Revenue Service is delaying for a year its planned withholding requirement for payment-card-accepting merchants whose names and taxpayer identification numbers (TINs) supplied by their merchant processor do not match the corresponding information the IRS has on file, the Electronic Transactions Association reported to its membership.

[The Lehman Anniversary - Five Years in Charts](#)

[9/14/13 The Economist](#)

The world of banking has changed dramatically, if not radically, in the five years since September 15th 2008, the day Lehman Brothers went bust. American and European banks used to dominate the list of the world's biggest banks (see chart 1); the Chinese have since scaled the charts. The balance-sheets of Europe's behemoths have got quite a bit smaller (chart 2); consolidation has made America's giants bigger than ever.



[Mobile Payments](#)

[Ditch Your Wallet With PayPal Beacon Mobile Payments](#)

[9/10/13 PCMAG](#)

PayPal continued its push for mobile payments on Tuesday with the introduction of the Beacon dongle, which aims to make cash, credit cards, and signatures obsolete. A hands-free check-in and payment system, the Beacon plugs into any outlet, turning retailers and restaurants into a "beacon" for PayPal app users. Now, instead of waiting for the server to run your credit card and return the check for your signature, users can simply pay using the mobile application, and leave whenever they're ready.



[Click here to see PayPal's Beacon webpage.](#)

Why Apple's iBeacon Is Better Than NFC

9/11/13 Fast Company

There have been on-again, off-again rumors about NFC capabilities in Apple's iPhone for years. Recently the dial swung to "on" when a patent surfaced that combined a novel fingerprint sensing tech with an NFC sensor—with some added spin considering Apple seems to be using this system to read your fingertips. But, sadly for some, there is no NFC in the new iPhone 5S. That's because Apple has iBeacon.

App May Show PayPal's Become Offline Player

9/11/13 ISO & Agent

The launch of PayPal's revamped mobile app may demonstrate the company has laid the foundation to become a serious offline payments player by employing strategies that differ greatly from how it achieved success as an e-commerce payments scheme. In launching the new app in some 125 countries - including U.S. versions for iPhone and Android smartphones - PayPal acknowledges two realities: it can't win the offline payments business of its more than 55 million U.S. account holders without a large base of physical merchants to accept its wallet, and those consumers won't use the wallet at those merchants if it only replaces their credit cards and cash.

Estimote Details iOS 7 iBeacon Support For Its Contextual Proximity Shopping Devices

9/11/13 TechCrunch

Estimote, a Y Combinator graduate and Hardware Alley exhibitor here at TechCrunch Disrupt SF 2013, was able to talk about something today that it's never been able to before: how its product will work with Apple's new iBeacon tech in iOS 7. iBeacons allow developers to communicate with iOS devices via Bluetooth Low Energy, in order to provide them with contextual info based on their immediate surroundings.

Secret Handshake Lets You Pay With Hand Gestures And Leap Motion - No Phone Or Card Required

9/09/13 Leap Motion

Secret Handshake, Drake's hack this year, uses the Leap Motion gesture controller, combined with Clover's shopping cart point-of-sale API, to allow people to pay using only a unique hand gesture or "secret handshake." That means you don't have to have a phone with you, or a payment card or anything at all in fact. So long as a retailer has a POS system that can work with the Secret Handshake software and the Leap Motion controller, paying using only a user's hand becomes possible.

Regulation & Security

Got Fingerprints? Biometric Security Isn't That Simple

9/12/13 StorefrontBacktalk

Sometimes it's the little things. Apple just announced its new version of the iPhone, and among the (mostly minor) changes, the company added a little thing that is a potential game changer: a fingerprint reader to authenticate the user. It's a simple biometric of the type that has been on many computers for years. But just as the addition of the iTunes store to the iPod transformed digital purchases, and the addition of apps to iOS transformed software, the addition of the biometric reader can transform identity management, online purchases, key management and DRM, and can be used to either enhance or destroy privacy as we know it. Or not. We will see.

Hack on Heartland May Support Negligence Suit

9/11/13 Courthouse News

The 5th Circuit revived negligence claims related to theft by hackers of millions of credit card numbers processed by Heartland Payment Systems.

Lone Star National Bank and six other credit card issuers had sued Heartland last year in Houston, claiming that the massive data breach caused them to replace compromised cards and reimburse customers for fraudulent charges. Although the financial institutions lacked a written contract with Heartland, they claimed to be third-party beneficiaries of Heartland's contracts with other entities under the Visa and MasterCard systems.

9/11 DDoS Attacks Flop, But What's Next?

9/12/13 Bank Info Security

Operation USA's planned Sept. 11 distributed-denial-of-service attacks against U.S. banking institutions and governmental agencies turned out to be uneventful, with no evidence of any sites being disrupted, experts say. But every cyberthreat has to be taken seriously, they stress. And they point to the risk of other, more potent DDoS attacks from other groups, especially those with connections to Syria.

Hacker Steals Data of 2M Vodafone Germany Customers

9/12/13 The Globe and Mail

A hacker has stolen the names, addresses and bank account numbers of about 2 million Vodafone Germany customers who should beware that criminals may now try to elicit other information such as passwords, the company said. The mobile phone operator, which has around 32 million clients in Germany said on Thursday that the hacker, who had gained access to one of its servers, had not obtained any passwords, security numbers or connection data

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Economy

First Data Releases August 2013 SpendTrend® Analysis

9/11/13 First Data

First Data Corporation, a global leader in electronic commerce and payment processing, today released its First Data SpendTrend® analysis for August 1-30, 2013 compared to August 1-30, 2012. SpendTrend tracks

same-store consumer spending by credit, signature debit, PIN debit, EBT, closed-loop prepaid cards and checks at U.S. merchant locations. August's dollar volume growth was 7.3%, a slowdown compared to July's 7.7% growth.

U.S. Jobless Claims Drop Below 300,000 But Computer Delays Cited

9/12/13 MarketWatch

The number of applications for U.S. jobless benefits fell below 300,000 for the first time since 2006, but the government attributed the surprising plunge to computer-related glitches instead of a sudden improvement in the labor market. Initial claims sank by 31,000 to a seasonally adjusted 292,000 in the week ended Sept. 7, the Labor Department said Thursday. Yet a government official said two states, one heavily populated and the other small, made changes to their computer systems that resulted in some claims not being processed in time.

Economists Expect 3% Growth in 2014

9/09/13 USA Today

Business forecasters maintained their rosy view of the U.S. economy in 2014, predicting 3% growth by the second quarter of next year, low inflation and improving employment. The top economists surveyed by the National Association of Business Economics between Aug. 8 and Aug. 20 also said there's an 80% likelihood that the pickup in growth will prompt the Federal Reserve to trim its monthly \$85 billion purchases of mortgage bonds and Treasury bills next year.

The Money Mind-Set of Generation Z

9/12/13 CNBC

College loans. Jobs. The economy. Social media. The mind of a typical member of Generation Z is a crowded place, according to a survey by TD Ameritrade. Generation Z, defined as those born between 1990 and 1999, is moving toward college and entering the work world. Its members are forming their attitudes about money, and the survey's data suggest they're a mixed group: conservative in certain key areas, but far from sawy in others.



Payments Press

The Federal Reserve: Payment System Improvement - Public Consultation Paper

9/10/13 The Federal Reserve

The Federal Reserve said it has recently conducted an analysis of the payment environment to understand "opportunities for improvement consistent with our vision of a safe, efficient and accessible U.S. payment system from end-to-end. Some of these recurring themes centered around faster payments, closed payment communities, obstacles in international payments, the mobile technology revolution and lack of contemporary features in traditional payment channels." The Fed is seeking input on these themes - visit the web site: FedPaymentsImprovement.org to share yours. Consultation paper responses may be submitted until December 13, 2013.

TA Associates Completes Majority Investment in BluePay Processing, Inc.

9/11/13 Businesswire

TA Associates, a leading global growth private equity firm, today announced that in conjunction with company management it has completed a majority recapitalization of BluePay Processing, Inc., a leading provider of technology-enabled payment processing services to merchants in the United States and Canada. Goldman Sachs completed an investment in BluePay in 2008, and TA has acquired the firm's stake in BluePay as part of this transaction. Additional terms of the investment were not disclosed.

MasterCard Shows Consumers 10 Ways to Pay in the Digital Age

9/11/13 MasterCard

Stay on top of fashion, get a great price from a local merchant, and buy your hot dog and peanuts at the ball game—all from a mobile device? MasterCard is making all this - and more - possible, brought to life at the Innovation Showcase where MasterCard displayed the many ways it is revolutionizing the consumer shopping experience. Held in conjunction with its annual Investor Day, the Innovation Showcase offered a glimpse into the products and services that transform the shopping experience and enhance convenience and security for consumers.

[See the showcase gallery.](#)

Zapp & WorldPay to Fight Fraud and Check Out Abandonment by Launching Secure Mobile Payments in 2014

9/12/13 WorldPay

Zapp, the UK's leading mobile payment brand, and WorldPay, the global leader in payment processing, risk and alternative payments, today announce a strategic partnership that will plan to make Zapp's mobile payment solution available to WorldPay's thousands of merchants. Zapp's digital-first approach to payments means that WorldPay's merchants will benefit from smoother checkouts, lower fraud and lower cost of sales.

McDonald's Testing Mobile Payment App as U.S. Sales Stumble

9/10/13 Businessweek

Americans will soon be able to order and pay for Big Macs from their mobile phones. McDonald's Corp. (MCD:US) is currently testing a mobile payment application in Salt Lake City and in Austin, Texas, Lisa McComb, a spokeswoman, said today in an e-mail. McDonald's, which today reported U.S. same-store sales that trailed estimates for August, is looking for ways to make it easier for diners to load up on Big Macs, McWraps and smoothies.

So You Bought an iPad for your mobile POS - Now What?

9/09/13 VeriFone

The trend of moving from traditional point of sale (POS) to mobile POS is spreading through the retail industry, signifying the most profound change since the introduction of online shopping. In fact, a 2013 RIS News Store systems study revealed that providing mobile devices such as iPads, iPhones and tablets for store associates was a top priority for more than 61 percent of retailers. In addition, a 2013 study by Boston Retail Partners found that 12 percent of retailers had implemented mobile POS and 44 percent planned to do so in less than two years.

North American Bancard Appoints New CFO

9/09/13 Yahoo! Finance

North American Bancard (NAB), an industry leader in credit card processing, today announced the appointment of Kirk Haggarty as the company's new chief financial officer. Haggarty joins the ranks of the North American Bancard team, effective immediately, and will work closely with the existing team to drive profitability and overall fiscal health for North American Bancard during this period of rapid expansion.

Heartland Payment Systems® Named One of America's Top Technology Innovators by InformationWeek for Seventh Consecutive Year

9/10/13 Heartland Payment Systems

Heartland Payment Systems, one of the nation's largest payments processors and leading provider of merchant business solutions, has been named one of the top technology innovators in the U.S. for seven years in a row by InformationWeek, ranking #106 on the 2013 InformationWeek 500.

Merchant e-Solutions Adds Banco do Brasil as Referral Partner

9/10/13 The Green Sheet

Merchant e-Solutions (MeS), a U.S.-based provider of full-service global payment solutions and a company from the Cielo group, today announced Banco do Brasil Americas as its newest referral partner. "Banco do Brasil is known for its customer service, and we know that MeS' ongoing support systems for our partners and merchants will further enrich the bank's reputation," said Paulo Guzzo, MeS' president.

Harbortouch Releases iOS App Enabling POS Customers to Easily Import Store Inventory

9/09/13 Harbortouch

Leading national point of sale (POS) system and merchant services provider Harbortouch has released a free iOS app that provides the company's retail customers with a simple and easy way to import their store's inventory into their new Harbortouch POS system. The industry-leading Harbortouch POS system is offered as part of a revolutionary free equipment program that supplies a full-featured POS system to restaurants and retail businesses with no up-front cost.

ClearXChange Names New CEO

9/10/13 Bank Systems & Technology

Wells Fargo executive Michael Kennedy has been named the new CEO of clearXchange person-to-person payments network jointly operated by Bank of America, JPMorgan Chase and Wells Fargo. Kennedy co-founded and previously served as chairman of clearXchange, which launched in 2011, while working as executive vice president and head of Innovation and Payments Strategy for Wells Fargo. He will now devote 100 percent of his time to the payments venture.

Revel Systems iPad Point-Of-Sale Provider Expands Executive Team

9/09/13 The Sacramento Bee

On the heels of Revel Systems' series B round of funding, the leader in iPad point-of-sale solutions today announced it has expanded its executive team with three new hires. The strategic additions will build on the company's recent \$10.1 million influx in POS expansion funding to rev up three business segments that will be large areas of focus for Revel



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