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THE STRAWHECKER GROUP
The Trusted Advisor To The Payments Industry



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Trending This Week...

This week Jack Dorsey's Twitter went public, and now [Dorsey, also co-founder of Square, is said to be exploring an IPO for next year.](#)

Speaking of Square, [MarketWatch did a test of sending money electronically](#) using Square, Google, PayPal and Popmoney and came to the conclusion that Square Cash was the quickest and easiest.

The popularity of Bitcoin continued this week as eBay President, John Donahoe said this week that [PayPal may accept Bitcoin in the future.](#) Also the Federal Reserve Bank of Chicago released a [Bitco in Primer](#) to the public.

Other highlights include:

- [ETA Stepping Up Political Activism](#)
- [PCI Council Strengthens Security Standard](#)
- [Payrolls Jump as U.S. Economy Weathers Shutdown](#)
- [Google's NFC Move Hands New Opportunity to ISOs, But Much Depends on Carrier Reaction](#)

About to Renegotiate Your Contract?

TSG's Merchant Processing Pricing Benchmark can help!
TSG has released their seventh edition of this widely popular report which includes the detailed 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. Please email Info@TheStrawGroup.com with questions.

Interested in other reports too? Check out [TSG Metrics Subscription.](#)

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[TSG MPPS Benefits](#)

[MPPS Example Report](#)

[ETA/TSG Economic Indicators Report](#)

[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: 1895 German Scientist Discovers X-rays

On this day in 1895, physicist Wilhelm Conrad Rontgen (1845-1923) becomes the first person to observe X-rays, a significant scientific advancement that would ultimately benefit a variety of fields, most of all medicine, by making the invisible visible. Rontgen's discovery occurred accidentally in his Wurzburg, Germany, lab, where he was testing whether cathode rays could pass through glass when he noticed a glow coming from a nearby chemically coated screen. He dubbed the rays that

Featured

[Square Exploring 2014 IPO With Banks](#)

11/06/13 *The Wall Street Journal*

Technology entrepreneur Jack Dorsey is trying to pull off two high-profile initial public offerings in the span of one year. Square Inc., the payments startup with a square credit-card reader that plugs into Apple and Android-based mobile devices, has held discussions with banks, including Goldman Sachs Group Inc. and Morgan Stanley, about a 2014 IPO, said a person familiar with the matter. No bank has been hired and the timing of a deal could change, the person cautioned.

[TSG Insights Following the October 2013 Payments Conferences](#)

11/08/13 *PaymentsPulse*

October was a huge month for the Payments Industry with both Money2020 and the ETA Strategic Leadership Forum (SLF) occurring within a week of each other. While both events cater to the same industry, in many ways they could not be more different. Following are some general insights and opinions on what the TSG Team, who attended both shows, observed.



- **The Conferences**

- Potential disrupters as well as many legacy players attended Money2020, while the traditional payments power brokers were at the SLF. You can certainly argue there is a place for both.
- One industry veteran and client told us, "At Money2020, the attendees represent the successful and the potentially successful - however you need to get through many attendees to talk to 'real' players. At SLF, all the 'winners' are there in one place". We believe both events will play a continuing role.
- As the industry continues to evolve, the traditional sales-focused ISO will find it more and more difficult to grow and succeed in this industry that is continuing to specialize and develop new and different business growth models.

[Click here to read more insights.](#)

[Can PayPal Crack the Design Challenge of Digital Wallets?](#)

11/06/13 *Wired*

Digital wallets are one of those perennial tech promises that have never quite materialized. Thanks to new wireless technologies like Bluetooth Low Energy, however, it seems like they're finally on the cusp of becoming a reality. We're just starting to get a sense of what this future might look like: not just personalized coupons pushed to your smartphone, but things like dynamic pricing, microtargeted fire sales, and in-store mapping and navigation. In other words, the next generation of retail. Of course, the most basic and perhaps most alluring aspect of this future is something much simpler: a more convenient check-out, where our smartphones eliminate the hassle of cash and credit cards once and for all.

[Durbin Debaters Take Sides In Washington](#)

11/08/13 *PYMNTS*

On November 6, PYMNTS.com gathered experts in the fields of payments

caused this glow X-rays because of their unknown nature.

X-rays are electromagnetic energy waves that act similarly to light rays, but at wavelengths approximately 1,000 times shorter than those of light. Rontgen holed up in his lab and conducted a series of experiments to better understand his discovery. He learned that X-rays penetrate human flesh but not higher-density substances such as bone or lead and that they can be photographed.

Rontgen's discovery was labeled a medical miracle and X-rays soon became an important diagnostic tool in medicine, allowing doctors to see inside the human body for the first time without surgery. In 1897, X-rays were first used on a military battlefield, during the Balkan War, to find bullets and broken bones inside patients. [Click here to read more.](#)

and economics in Washington, D.C. for a passionate debate of all things Durbin at an event entitled The Durbin Amendment & The Regulation of the Debit Card Industry. Participants drawn from government, the payments industry, retailers, lawyers, academics and other stakeholders gathered at a packed room at The National Press Club to witness experts dissect the Durbin Amendment.

Digital Money Transfers: Who Does it Best?

11/06/13 MarketWatch

Downloading a book, movie or album takes just minutes. But electronically transferring cash to a friend can take the better part of a week. In an earlier story, we explained how part of the reason computers move money so slowly is that banks still rely on 1970s technology. But with a growing number of services vying to become the new go-to way to message money, MarketWatch decided to take the tech for a test spin.

[Click here for video.](#)

ETA Stepping Up Political Activism

11/06/13 ISO & Agent

What are the distinct phases of the fraud lifecycle, and how can banking institutions intervene at each stage to prevent losses? Daniel Ingevaldson of Easy Solutions offers fraud-fighting tips. The three fraud phases are Planning, Launching and Cashing, and institutions need to know that they can stop fraud at each of these stages, says Ingevaldson, CTO of Easy Solutions. It's not realistic [for us] to approach our customers and say "We're going to stop your fraud by focusing on one specific stage," Ingevaldson says.

A Rewarding Offer
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100 Bonus Cards!
Gift & Loyalty Card Holiday Special

Global eTelecom, Inc.
GETI

Mobile Payments

How Jack Dorsey Approached the Payments Market: As a Buyer

11/05/13 GigaOM

What does Jack Dorsey know about retail point-of-sale systems? That was the big question potential investors had for Square's founder and CEO when he sought their funding five years ago, Dorsey said on stage at Gigaom's RoadMap conference Tuesday. "People would look at Square and they would say 'your previous life was about micro-blogging what you had for breakfast,'" the Twitter co-founder said. "Why do you think you can move money around? You've never worked in finance, you've never dealt with credit cards. Sellers aren't the sexiest thing in the world.' This was all their perception."

eBay President John Donahoe: PayPal May Accept Bitcoin in the Future

11/05/13 CoinDesk

The president of eBay has revealed that his company is preparing to expand the range of digital currencies it accepts. In an interview with the Financial Times, John Donahoe even went as far to say that PayPal could, one day, incorporate bitcoin. He said digital currency is going to be a "very powerful thing", but said the ecommerce group is first going to

focus on incorporating reward points from retailer loyalty schemes into its PayPal wallet.

Sprint and Vantiv Launch Tablet-Based Point-of-Sale

11/05/13 BusinessWire

Sprint and Vantiv, Inc. announced the launch of an innovative tablet-based, cloud-connected point-of-sale (POS) system. Vantiv Mobile Checkout, powered by NCR Silver, helps make it easier and more affordable for businesses to transition away from traditional cash registers and manual processes to the latest integrated technology. Vantiv Mobile Checkout, available through the Sprint business sales channel, empowers business owners to track sales and profitability, analyze and report on customer trends, manage inventory, market to customers and process sales on site or on location with secure payment processing.

Bitcoin: A Primer

11/06/13 Federal Reserve Bank of Chicago

In this Chicago Fed Letter, I explain the digital currency called bitcoin. The current number of bitcoin units is around 11.8 million; and, unlike physical coins, they are divisible to the eighth decimal place. Bitcoins are traded on various online exchanges for other currencies. At the time of this writing, the average worth of a bitcoin over the previous six months had been a little over \$100. Thus, the total balances held in the form of bitcoins stood at around \$1 billion, compared with \$1,200 billion circulating in U.S. currency.

LoopPay Gets The Value of College M-Commerce

11/06/13 StorefrontBacktalk

Campus Nation Network and mobile commerce platform provider LoopPay formed one of the most genius partnerships this week. Together, the two companies will provide mobile digital wallets to university campus communities across North America. "We share a vision to have smartphones act as a complete student wallet, which will host transaction payment cards and student IDs, thus eliminating the need to carry traditional wallets," said Will Graylin, CEO of LoopPay in a Campus Nation statement.

Regulation & Security

PCI Council Strengthens Security Standard

11/07/13 InformationWeek

The PCI Security Standards Council Thursday released updated requirements for organizations that handle data on holders of credit cards and thus must comply with the council's data security standard, known as PCI DSS. The changes, first introduced in draft form in August, were then discussed during public PCI community meetings, before becoming formalized in PCI DSS version 3, which details information security policies and procedures for businesses that collect or process cardholder data.

Adobe Breach Hit More than 150 Million Usernames and Passwords

11/07/13 GeekWire

It seems like we may be closing in on the total size of Adobe's password security breach, and it's big. Really big. According to a report by Paul Ducklin at Sophos's Naked Security blog, the breach includes more than 150 million usernames and encrypted passwords, alongside plaintext password hints for those accounts that have them set. Adobe is maintaining its claim that only 38 million of those records belong to

active users. Wiebke Lips, a Senior Manager for Corporate Communications at Adobe said in an email that it is likely that hackers also acquired "many invalid Adobe IDs, inactive Adobe IDs, Adobe IDs with invalid encrypted passwords, and test account data."

PCI Compliance Lags in Retail Sector

11/04/13 InfoSecurity

Despite the increasing amount of risk to the retail sector from malware and fraud, a study has revealed that many in the retail industry have not yet implemented basic security requirements of the Payment Card Industry Data Security Standard (PCI DSS). And that has implications for their broader risk-based security management strategies. The survey, conducted by the Ponemon Institute and sponsored by Tripwire, found that the most recent version of the PCI DSS, 3.0, will soon require businesses to implement and perform penetration testing.

Europol and Canadian Cops Round Up POS Terminal Tampering Gang

11/06/13 Naked Security

Pan-European law enforcement agency Europol has announced the take-down of a global gang of cybercrooks thought to be responsible for compromising point-of-sale (POS) terminals in Europe and North America, netting 30,000 sets of card details. The investigation, referred to as "Operation Spyglass" (or "Project Lorgnette" to its French-speaking participants) was initiated last summer in Canada, and later drew in participation from French and German police forces as well as Canadian banking groups.

3 Phases of Fraud

11/04/13 Bank Info Security

What are the distinct phases of the fraud lifecycle, and how can banking institutions intervene at each stage to prevent losses? Daniel Ingevaldson of Easy Solutions offers fraud-fighting tips. The three fraud phases are Planning, Launching and Cashing, and institutions need to know that they can stop fraud at each of these stages, says Ingevaldson, CTO of Easy Solutions. It's not realistic [for us] to approach our customers and say "We're going to stop your fraud by focusing on one specific stage," Ingevaldson says.

Economy

Payrolls Jump 204,000 as U.S. Economy Weathers Shutdown

11/08/13 Bloomberg

American employers added more workers to payrolls in October than forecast by economists, betting that the world's largest economy would weather the impact of the federal government shutdown. The addition of 204,000 workers followed a revised 163,000 gain in September that was larger than initially estimated, Labor Department figures showed today in Washington.

Growth Gain Blurs Signs of Weakness in Economy

11/07/13 The New York Times

Five years after the global economy was falling at its fastest rate, Western economies are still failing to gain much-needed momentum, despite the efforts of central bankers on both sides of the Atlantic. The challenges facing the United States and Europe were evident on Thursday, with the latest figures on growth from Washington showing signs of underlying weakness as the European Central Bank unexpectedly cut interest rates to a record low, reflecting the threat of deflation.

The Small Business Authority Releases The September 2013 SB Authority Index

11/04/13 Newtek

Newtek Business Services, Inc., The Small Business Authority®, announced the release of the SB Authority Index of small business indicators for September 2013 reaching 122.04 points. Newtek merchant processing, the Russell Microcap Index, and approved SBA loan volumes led the increase. The SB Authority Index is up .72% from August 2013. As a year-over-year comparison, the SB Authority Index is up from 113.92 points, a 7.12% increase.

Twitter's Initial Public Offering: What You Need to Know

11/07/13 The Street

Twitter is preparing for its first day of trading as a public company, as the micro-blogging site seeks nearly \$2 billion in capital in an initial public offering that will value the fast growing company in excess of \$18 billion, when counting stock option grants. Investors who haven't followed the company's IPO process, which began with a Tweet in early October, should refresh themselves on the details of the listing.



Payments Press

Google's NFC Move Hands New Opportunity to ISOs, But Much Depends on Carrier Reaction

11/06/13 Digital Transactions

Independent sales organizations and other acquirers could exploit Google Inc.'s move to decouple mobile payments based on near-field communication technology from a phone-based secure element, observers say. At the same time, much depends on how the mobile carriers, which have held tight control over the secure element, react to Google's ploy, they say. Much also depends on how well Google convinces consumers to use its new NFC system, particularly with Google Wallet, which has struggled with adoption and usage.

MasterCard and First Data Merchant Solutions Launch Pogo>™ Mobile Point-of-Sale System with The Prudential Assurance Company Limited in Hong Kong

11/06/13 First Data

MasterCard and First Data Corporation announced the launch of Pogo> Mobile Point-of-Sale (MPOS) in Hong Kong that will enhance the mobile payment experience for merchants and consumers. Leading insurance firm The Prudential Assurance Company Limited Hong Kong (Prudential) is the first enterprise Pogo> MPOS client in Hong Kong launching the service across its agency and bancassurance sales force to offer customers additional choice and convenience.

ACI Worldwide Completes Acquisition of Official Payments

11/05/13 ACI WorldWide

ACI Worldwide, a leading international provider of electronic payment systems, announced today it has completed the acquisition of Official Payments Holdings, Inc., a leading provider of electronic bill payment solutions. Under the terms of the agreement, ACI Worldwide acquired Official Payments in an all-cash transaction for \$8.35 per share.

TSYS Merchant Insights Allows Customers to Monitor Impacts of Social Media

11/05/13 TSYS

TSYS Merchant SolutionsSM, a wholly owned subsidiary of TSYS (NYSE: TSS), is providing their customers with TSYS Merchant Insights, a unique dashboard that monitors social media activity, competition and revenue. The dashboard is powered by Womply, a leading provider of merchant-focused analytics, loyalty and customer engagement tools.

MasterCard Tap & Go Contactless Technology Paves the Way for Mobile Payments in Canada

11/07/13 MasterCard

MasterCard today announced it has signed a strategic agreement with Rogers Communications to support mobile payment innovation, including the RogersTM Prepaid MasterCard® available inside the newly launched Rogers suretap(TM) wallet operating on MasterCard's payment network. The suretap(TM) wallet allows customers to simply tap their phone to pay at the tens of thousands of retailers across Canada currently accepting contactless card payments.

Newtek Business Services, Inc. Enters into Letter of Commitment for a \$75 Million Revolving Credit Facility with Goldman Sachs Bank USA

11/05/13 Newtek

Newtek Business Services, Inc., The Small Business Authority®, today announced that its subsidiary SBA-licensed 7(a) non-bank lender, Newtek Small Business Finance, Inc. ("NSBF"), has entered into a letter of commitment for a new revolving financing facility, totaling \$75 million, with Goldman Sachs Bank USA. This revolving facility has a four-year term and will enable the Company to continue to grow its SBA 7(a) lending business. The facility will be set up using a special purpose entity to hold collateral, with only a limited guarantee from NSBF.

Small Businesses Up the Ante this Holiday Season: Offer Discounts and Invest in Advertising to Get More Out of Small Business Saturday, According to NFIB/American Express Research

11/06/13 Amex

With five fewer shopping days between Thanksgiving and Christmas, many small business owners say they'll be pulling out all of the stops to get customers into stores during the critical holiday shopping season. According to the second annual Small Business Saturday Insights Survey, released today by the National Federation of Independent Businesses (NFIB) and American Express, more independent merchants will feel the Christmas creep as they start their promotional activity earlier than last year.

Harbortouch Unveils Future-Proof Perkwave Payment Terminal

11/04/13 HarborTouch

Leading national point of sale (POS) system and merchant services provider Harbortouch has unveiled its new "future-proof" payment terminal, Perkwave. The company's latest technological innovation features a proprietary EMV-enabled credit card terminal integrated with a customer-facing NFC reader. Harbortouch CEO Jared Isaacman states, "As smart cards and mobile payment technologies like NFC become more widely adopted, it is going to be critical for businesses to be able to accept these payment types."

Bluefin Partners with Medtask on Integrated Payment Processing

11/05/13 The Green Sheet

Bluefin Payment Systems, the leading financial technology provider of integrated payment solutions for software vendors, and Medtask, a cloud-based provider of practice management solutions for the medical industry, announced today that they have partnered to provide integrated payment processing within the Medtask practice management platform. Bluefin's payment platform, PayConex, features credit/debit/ACH processing with security features such as transparent redirect, tokenization, and point-to-point encryption (P2PE).

U.S. Bank's Contour Card Offers Flexibility and a New Way to Manage Money

11/06/13 U.S. Bank

U.S. Bank has introduced the new U.S. Bank Contour Card that gives customers the convenience of a debit card, the control of a bank account and the freedom of cash. "We continue working to give customers innovative options to manage their finances," said Kevin Morrison, senior vice president for U.S. Bank Retail Payment Solutions. "The Contour Card is our latest example.

EVO Payments Buying into Polish Bank's Merchant-Acquiring Unit

11/07/13 BTN

Payment services provider EVO Payments International has agreed to acquire a majority interest in PKO Bank Polski's merchant-acquiring business in Poland. EVO Payments will pay \$113.5 million for a 66% interest in PKO Bank Polski's eService business, according to the companies' press release Thursday. They plan to establish a 20-year alliance in which they will work together to expand eService's business in Europe.

Litle & Co. Launches Recurring Engine

11/06/13 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 its subsidiary Litle & Co., a leading ecommerce payment processor, has added Recurring Engine to its portfolio of market leading ecommerce services. The new managed billing platform enables card-not-present (CNP) merchants to streamline their subscription and recurring billing processes while providing the flexibility to test new and innovative marketing initiatives.

Square Stand Now Available in More than 1,000 Staples Stores and at Staples.com

11/04/13 Square

Square, the company making commerce easy for everyone, today announced that Staples - the world's largest office products company and second largest internet retailer - will sell Square Stand, Square's hardware that helps brick and mortar businesses turn an iPad into a complete point of sale. Customers can purchase Square Stand online at Staples.com or in more than 1,000 Staples stores across the U.S.

Fiserv Debuts Interactive Mobile Sales Solution to Help Financial Institutions Accelerate Revenue

11/07/13 Fiserv

Fiserv, Inc., a leading global provider of financial services technology solutions, launched Sales Enablement, a fully customized, interactive mobile sales solution that enables financial institutions to become more

effective and efficient at selling their products thereby accelerating revenue, reducing costs and streamlining hand-offs to operations. Using Sales Enablement from Fiserv, a financial institution's account executives can walk into a prospect's office to introduce their institution and its products and services, carrying only a tablet.

Signature Card Services Chooses Alternative Payments to Give Global Access to Merchants

11/07/13 *Signature Card Services*

Signature Card Services is proud to announce its partnership with Alternative Payments, a PCI-compliant provider of global alternative payment methods. Merchants of Signature Card Services are now able to capture sales from all EU countries and several emerging markets. These alternative payment solutions provide instant access to customers they wouldn't have access to by accepting only traditional credit cards.



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