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THE STRAWHECKER GROUP
The Trusted Advisor To The Payments Industry



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Trending This Week...

IPOs are all the rage these days, [as sources say PE firm Silver Lake has hired banks to lead a potential IPO of Mercury Payment Systems.](#) The IPO could come in the first half of 2014 with a company value at up to \$2.5B.

Google Wallet has been quiet lately, however this week, [Google launched a physical debit card](#) linked to the digital wallet platform allowing users to buy goods at stores or withdraw cash from ATMs. Following this announcement an article came out about [the creators of Google Wallet, and their reflection on its failures and lessons learned.](#)

Other highlights include:

- [Durbin Redo Risks & Timing](#)
- [Amex Plays Key Role in Isis Mobile Wallet](#)
- [First Data Releases October 2013 SpendTrend](#)
- [EVO Payments International Acquires Encore Group](#)

Please note, there will be no NF distribution next week, due to the Thanksgiving holiday.

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.

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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: 1963

John F. Kennedy Assassinated

John Fitzgerald Kennedy, the 35th president of the United States, is assassinated while traveling through Dallas, Texas, in an open-top convertible.

First lady Jacqueline Kennedy rarely accompanied her husband on political outings, but she was beside him, along with Texas Governor John Connally and his wife, for a 10-mile motorcade through the streets of downtown Dallas on November 22. Sitting in a Lincoln convertible, the Kennedys and Connallys waved at the large and

Featured

[Silver Lake Hires Banks for Mercury Payment IPO - Sources](#)

11/20/13 Reuters

Private equity firm Silver Lake has hired JPMorgan Chase & Co, Barclays Plc and Morgan Stanley to lead a potential initial public offering of Mercury Payment Systems LLC, according to people familiar with the matter. The IPO could come in the first half of 2014 and value the Durango, Colorado-based payment processing company at up to \$2.5 billion, including debt, said one source, who asked not be identified because the matter is confidential.

[Google Launches Physical Debit Card for Google Wallet](#)

11/21/13 ZDNet

Google has rolled out a physical debit card linked to its digital wallet service that will allow users to buy goods at stores or withdraw cash from ATMs. "Your roommate finally paid you back for dinner through Google Wallet, and you want to use that money right away to pay for groceries this week. Now, you can use the new Google Wallet Card to spend the money instantly," explained Sandra Mariano, product manager of Google Wallet, in a blog post.

[First Data Releases October 2013 SpendTrend® Analysis](#)

11/18/13 First Data

First Data Corporation, a global leader in electronic commerce and payment processing, today released its First Data SpendTrend® analysis for Oct.1, 2013 through Oct. 30, 2013 compared to Oct.2, 2012 through Oct.31, 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.

[Durbin Redo Risks And Timing](#)

11/20/13 PYMNTS

A couple of weeks ago, I organized a conference in Washington, D.C. on the Durbin mess. Experts on payments from around the country gathered and had a long, lively conversation on the impact of Durbin so far but, most importantly, on what the heck is going to happen following Judge Leon's thrashing of the Fed. Speakers included representatives from the retailers, networks, banks, entrepreneurs, venture capitalists, lawyers and a few economists like me.

[Startup Coin: More Passing Fad than True Disruptor](#)

11/20/13 BTN

Coin debuted to a lot of buzz. The new credit card consolidator hit its 1,000 pre-order target in just 40 minutes of its launch last week and comments on the various news articles regarding the product are overwhelmingly positive. There's no denying Coin's coolness, but is this card the next big thing in payments?

[Senate Hearing Recognizes Bitcoin's Strengthening Toehold in Electronic Payments](#)

11/19/13 Digital Transactions

Might the Bitcoin digital currency be heading toward legitimacy among skeptical regulators and law-enforcement officials? Testimony at a U.S. Senate committee hearing Monday indicated that government may be ready to make peace with Bitcoin and, by extension, other new digital forms of payment, though if and when these new systems gain full acceptance is still very much unknown.

enthusiastic crowds gathered along the parade route. As their vehicle passed the Texas School Book Depository Building at 12:30 p.m., Lee Harvey Oswald allegedly fired three shots from the sixth floor, fatally wounding President Kennedy and seriously injuring Governor Connally. Kennedy was pronounced dead 30 minutes later at Dallas' Parkland Hospital. He was 46.

Vice President Lyndon Johnson, who was three cars behind President Kennedy in the motorcade, was sworn in as the 36th president of the United States at 2:39 p.m. He took the presidential oath of office aboard Air Force One as it sat on the runway at Dallas Love Field airport. The swearing in was witnessed by some 30 people, including Jacqueline Kennedy, who was still wearing clothes stained with her husband's blood. Seven minutes later, the presidential jet took off for Washington.

[Click here to read more.](#)

[Now You Can Pay College Tuition with Bitcoin](#)

11/21/13 *The Verge*

The University of Nicosia in Cyprus today announced it will accept payments from students in Bitcoin, making it the world's first accredited university to do so. The move doesn't come as a huge surprise, as the island nation of Cyprus has been closely linked with Bitcoin this year. As the country's financial crisis deepened last Spring, Cypriot leaders accepted a bailout deal from the EU that involved taxing almost 10 percent on deposits over €100,000 (\$134,000), leading to a rush on the banks.

[Mobile Payments](#)

[Amex Plays Key Role In Isis Mobile Wallet](#)

11/20/13 *ISO & Agent*

Don't get distracted by the big-name telecoms that designed the Isis mobile wallet, or you'll miss the wizard behind the curtain: American Express. The card brand could see a big increase in adoption of its Serve account if Isis succeeds. In the revamped Isis app launched last week, anyone without the proper JPMorgan Chase or Amex credit card had to sign up for Amex's Serve digital wallet to make Isis payments. Isis at one time offered an Isis Cash virtual prepaid card to serve the same purpose, but Amex has now taken over that role.

[Digital Credit Card Coin Adds New Features After Post-Launch Criticism](#)

11/20/13 *CNNMoney*

After revealing its all-in-one digital credit card last week, startup Coin found itself knee-deep in fundraising money and hype – but also a large amount of criticism. Now the company is taking steps to addressing potential users' concerns. Critiques of the device included potential security issues: How secure is the sensitive data stored in this digital card and app? Can a Coin owner use the device as a card-skimmer, and secretly swipe someone else's card?

[ISIS Launch Boosts NFC Payments](#)

11/20/13 *StorefrontBacktalk*

When it comes to mobile payments by consumers, you have a tale of two worlds. At least that is where the mobile payments marketplace was in the past. On one hand, operators could utilize NFC (Near Field Communication), which boasts approximately 400 million NFC-enabled devices and hopes to grow to an estimated one billion by 2016. On the other hand, you have Bluetooth devices, which account for around three billion devices annually.

[Google Wallet Creators Reflect On Its Failures, Lessons](#)

11/20/13 *Fast Company*

In 2011, when Google first introduced Google Wallet, the company heralded its mobile payments product as a revolution in e-commerce. Google payments VP Osama Bedier called it "one of the biggest investments" the company had ever made; executives from partner companies Mastercard and Sprint described how it was finally "moving [us] beyond" plastic; and media outlets praised the service as "the future" and "tomorrow's billfold."

[Is Mobile Payment Interest Waning?](#)

11/18/13 *Business News Daily*

While more U.S. consumers made mobile payments for purchases in the last year compared to in 2012, their interest in continuing to do so

appears to be waning, research shows. A new poll by Harris Interactive revealed that smartphone users were more likely this year than in 2012 to have either personally completed or witnessed firsthand at least one type of mobile transaction.

You Can Pay for Your Next Uber Ride With PayPal

11/19/13 Mashable

Uber now gives customers the option to pay for their rides using PayPal, the two companies announced late Monday. Uber is the first company to integrate PayPal's mobile SDK into its app, which lets users pay for rides via PayPal without having to log in to their PayPal account repeatedly. This partnership is intended to help Uber scale by streamlining the process of accepting payments in new cities and countries.

Mayor Rahm Emanuel, CTA Officials Still Sticking By Ventra After Disastrous Rollout

11/20/13 Huffington Post

Whether in City Hall or among the upper ranks of the Chicago Transit Authority, apparently few Chicago officials have regrets over Ventra. The CTA's new fare payment system that debuted this summer had a calamitous, costly rollout plagued by machine meltdowns, overcharges and myriad glitches. Though Mayor Rahm Emanuel admitted he was "frustrated" by the bumpy Ventra transition, he nonetheless backed the system and CTA President Forrest Claypool, according to the Tribune.



Regulation & Security

SecureBuy Donates Technology to Reduce Payment Fraud for All Online Retailers

11/19/13 PrNewswire

SecureBuy®, a leader in global payment fraud prevention and security technology, announces today during an interview with Karen Webster at PYMNTS.com, that it is donating access to its SecureBuy 2.0, 3-D Secure® MPI to online retailers for the next 10 years. 3-D Secure is the most widely deployed active authentication solution in the world, with over 250 million registered cardholders and over a million merchants.

New PCI 3.0 Standards Will Take Effect in 2014

11/18/13 CSNews

The Payment Card Industry Security Standards Council introduced PCI 3.0, new and updated security and operation procedures for retailers. The new payment card industry (PCI) standards will go into effect Jan. 1. According to the Council, the changes were driven by feedback from all participating organizations and stakeholders during the three-year lifecycle of the PCI 2.0 standard.

New Arrests in \$45 Million ATM Cash-Out

11/20/13 Bank Info Security

Federal investigators announced five more arrests this week in connection with a \$45 million ATM cash-out and prepaid card fraud scheme that came to light this summer. Earlier, eight others were charged for the roles they allegedly played in this massive cyberheist that drained millions from bank accounts throughout the world within a matter of hours, federal prosecutors say.

Economy

Sales Gain Shows Resilient Consumer Before Holiday

11/20/13 *Bloomberg*

Retail sales climbed in October by the most in three months, indicating the government shutdown did little to unnerve Americans before the holiday-shopping season. The 0.4 percent increase exceeded the median forecast in a Bloomberg survey after no change in September, Commerce Department figures showed today in Washington. Consumers not only snapped up big-ticket goods such as cars and furniture, they dined out, bought clothing and took home more electronics.

Jobless Claims Drop to Lowest Level in Two Months

11/21/13 *MarketWatch*

The number of Americans who applied last week to receive unemployment benefits posted the biggest drop in nearly three months, though the decline may have been more pronounced because of the Veterans Day holiday. Initial jobless claims fell by 21,000 to a seasonally adjusted 323,000 in the seven days ended Nov. 16, the Labor Department said Thursday.

Turkey Economics, Annotated

11/20/13 *The New York Times*

It's the Economy column for this Sunday looks at an economic puzzle: why whole frozen turkey prices typically fall just when demand is highest, around Thanksgiving. Below I've compiled some of the data and theory that went into my reporting for those interested in digging a bit deeper into turkey economics. First, here's the average month-over-month percent change in retail prices from the last decade.

Payments Press

U.S. Bank and American Express Announce Card-Issuing Agreement

11/20/13 *BusinessWire*

U.S. Bank and American Express today announced that U.S. Bank will offer credit cards accepted on the American Express network in 2014. "We actively listen to our customers and are focused on delivering the right financial solutions that best meet their needs," said Pam Joseph, Vice Chairman of U.S. Bank. "We believe that the American Express network provides a combination of benefits and services that many of our customers want. We're proud to partner with American Express, a company with a rich history of service that's dedicated to providing outstanding customer value."

Visa Appoints Rajat Taneja As EVP Of Technology

11/18/13 *Nasdaq*

Visa Inc. announced that it has appointed Rajat Taneja as Executive Vice President or EVP of Technology. The company stated that under this role, Taneja will be responsible for Visa's global technology function including development and delivery of innovative products, engineering and technology operations across the company, as well as ongoing research and development.

EVO Payments International Acquires Encore Group

11/18/13 *EVO Payments International*

EVO Payments International, a leading payment service provider operating in the United States, Canada and Europe, announced today

that it has acquired the Encore Group. The Encore Group, consisting of existing EVO strategic partners Encore Payment Systems, Prodigy Payment Systems and Momentum Payment Systems, is headquartered in Addison, Texas and provides payment processing solutions to small and medium sized businesses located throughout the U.S. and Canada.

Harbortouch Receives Awards in Two Categories from 2013 Best in Biz Awards

11/20/13 Harbortouch

Point-of-sale system provider Harbortouch today announced that the company was named a winner in two categories from the 2013 Best in Biz Awards, the only independent business awards program judged by members of the press and industry analysts. The company was named a Silver Winner in the Most Innovative Service of the Year category for Lighthouse, a cloud-based POS management and reporting tool that enables business owners to access reports or make changes to their menu from any computer with an internet connection.

SPS & CPI Card Group Achieve a New Step in Dual Interface Card Production & Personalization

11/19/13 SPS

Smart Packaging Solutions (SPS), an expert in smart card technologies, and CPI Card Group, a leader in financial, EMV and Commercial payment solutions, are pleased to announce that high productivity and reliability for inline production and testing of dual interface cards for the financial market has been achieved.

Plug and Play Point of Sale Selects Sterling as Preferred Payment Processor

11/18/13 Sterling

Sterling Payment Technologies announced today that Plug and Play POS, one of the nation's leading point of sale distributors, has selected Sterling as its preferred Aldelo payment-processing provider. Sterling's payment processing services will be bundled with Aldelo's Restaurant POS Software to create a complete, seamless point of sale solution for restaurants.

Square Releases New Register Design

11/20/13 Square

Today Square, the company helping local businesses thrive, unveiled a brand new design for Square Register, the complete point-of-sale solution. The design's refined aesthetic introduces a smoother, more intuitive experience for both merchants and their customers, and optimizes for efficiency, simple customization and ease-of-use.

Tranzlogic Inks Deal with Merchants' Choice Payment Solutions

11/19/13 The Green Sheet

Data analytics and technology firm Tranzlogic is excited to announce a partnership with Merchants' Choice Payment Solutions that will give over 50,000 merchants access to Tranzlogic's transactional data analytics platform. The agreement provides the ISO partners of Merchants' Choice Payment Solutions the ability to offer advanced customer intelligence technology to their merchant clients that will change the way they do business and drive better decision-making.

VeriFone Payment Systems Selected for Key Role in Modernizing Egypt's Retail Petroleum Market

11/19/13 VeriFone

VeriFone Systems, Inc., announced that its portable payment acceptance systems, the VX 680 and VX 675, have been deployed by e-finance to facilitate the state-sponsored transition of Egypt's entire gasoline and petroleum products retail market to an electronic payment system. e-finance, Egypt's first and largest payment gateway service, was awarded the modernization contract in May and has deployed one-third of an estimated 18,000 VeriFone portable payment solutions at gasoline stations throughout the country.

YapStone Names Mobile Payments Veteran Tim Armandpour SVP of Engineering and Technology

11/20/13 Yahoo Finance

YapStone, a leading web-based and mobile payments platform, has appointed Tim Armandpour as Senior Vice President of Engineering and Technology. Armandpour brings extensive engineering and executive management experience within the payments industry to YapStone, having formerly led engineering teams at PayPal, Zong, SendMe and Yodlee. Armandpour will be responsible for overseeing the development and deployment of YapStone's payments platform and API, as well as bringing new mobile products to market to further drive YapStone's rapid growth in the payments space.

CenPOS Announces Issuance of U.S. Patent

11/19/13 CenPOS

CenPOS, a cloud-based intelligent end-to-end payments platform, announced today that the company has been awarded a patent from the United States Patent and Trademark Office for cash management optimization of payment processing. U.S. Patent number US# 8577730 entitled "Cash Management Optimization for Payment Processing" was awarded to CenPOS for a set of products that use merchant preferences and transaction profiles to manage the expense of payment interchange and provide a method for electronically delivering coupons.

Moven, Green Dot Bank Aim to Make Slow Payment Process Transparent

11/19/13 American Banker

Two leading alternative providers in the banking industry, Alex Sion, president of Moven, and Lewis Goodwin, president and CEO of Green Dot Bank, say they are poised to take market share away from traditional banks. Two-year-old Moven launched a mobile banking app in May that markets itself as a simple alternative to banking. When Sion, a former Citibanker who once built a digital brokerage platform, took the job at Moven, he told American Banker, "We're heads down and hell bent on changing the world of banking."

Isis® Introduces Alliance Program to Support Merchant Technology Partners

11/21/13 Isis

Isis®, the mobile commerce joint venture created by AT&T Mobility, T-Mobile USA Inc. and Verizon Wireless, today announced the launch of the Isis Alliance Program. The Isis Alliance Program supports merchant technology ecosystem partners with exclusive tools and resources to help them capitalize on the opportunities created by mobile commerce.

AnywhereCommerce to Unveil Nomad 2.0 Mobile EMV Chip and PIN Card Reader

11/21/13 VSR

AnywhereCommerce, will launch its latest mobile payment acceptance device, Nomad 2.0, at CARTES 2014 in Paris. The newly designed EMVCo L1, L2 certified, PCI 3.1 approved and Visa Ready device works with mobile

phones and tablets to enable mobile point of sale (mPOS) acceptance of Chip-and-PIN and magnetic stripe card payments. AnywhereCommerce will be located in booth 4 N 027 at the exhibition.



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