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THE STRAWHECKER GROUP
The Trusted Advisor To The Payments Industry



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Trending This Week...

Earlier this week lawsuits filed by two banks against Trustwave and Target were dropped, [however now three Massachusetts banks have filed new class-action lawsuits against Target and Trustwave](#) claiming they should be held liable for expenses associated with the breach.

Today, Wal-Mart announced after a nine year relationship with Discover, that [MasterCard will now handle transactions for their store-branded credit cards.](#)

[Square and Bitcoin joined forces this week](#) as Square Market announced the e-commerce website now accepts the cryptocurrency.

Other highlights include:

- [Mercury Files S-1 for IPO](#)
- [First Data Names CTO](#)
- [Amazon Payments Woos Startup E-Retailers with a Free Processing Offer](#)
- [Economy Adds 192,000 Jobs](#)
- [First Data and MasterCard Partner to Advance Debit EMV in the U.S.](#)



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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 SmartPhone to Buy Things!](#)

This Day in History: 1968 Dr. King is Assassinated

Just after 6 p.m. on April 4, 1968, Martin Luther King Jr. is fatally shot while standing on the balcony outside his second-story room at the Lorraine Motel in Memphis, Tennessee. The civil rights leader was in Memphis to support a sanitation workers' strike and was on his way to dinner when a bullet struck him in the jaw and severed his spinal cord. King was pronounced dead after his arrival at a Memphis hospital. He was 39 years old.

In the months before his assassination, Martin

Featured

[Mike Strawhecker Named Finalist for ETA Member of the Year Award](#)

4/02/14 TSG

Mike Strawhecker of The Strawhecker Group (TSG) has been named one of three finalists for the Electronic Transaction Association's (ETA) prestigious Member of the Year award. This award is part of the 2014 ETA Star Awards, which recognize individuals and companies that have made a significant difference in the payments industry through innovation, business practices or contributions to the association.

[Target Breach: Another Suit Names Trustwave - But Earlier Suit that Included Security Vendor is Dropped](#)

4/04/14 Bank Info Security

Three Massachusetts banks have filed a new class-action lawsuit against Target Corp. and security firm Trustwave Holdings Inc., claiming the two firms should be held liable for expenses associated with the retailer's 2013 payments breach that exposed some 40 million credit and debit cards. The banks allege that Trustwave, as Target's security vendor, neglected to ensure and maintain Target's overall network security, which ultimately resulted in the breach.

[Wal-Mart Picks MasterCard for Processing, Drops Discover](#)

4/04/14 Bloomberg

Wal-Mart Stores Inc. chose MasterCard Inc. to handle transactions for the merchant's store-branded credit cards, ending a nine-year relationship with Discover Financial Services. The Sam's Club warehouse unit also extended its agreement with General Electric Co.'s retail finance unit to provide the retailer's store-branded cards in the U.S. and Puerto Rico, Wal-Mart, the world's biggest retailer, said today in a statement. The Sam's Club co-branded cards also will switch to MasterCard.

[Mercury Payment Systems Files S-1 Registration Statement for Initial Public Offering of its Class A Common Stock](#)

3/28/14 Mercury

Mercury Payment Systems, Inc. a payments technology and services provider for small- and medium-sized businesses (SMBs) in the United States and Canada, announced that it has filed a registration statement on Form S-1 with the Securities and Exchange Commission for a proposed initial public offering of its Class A common stock. The number of shares to be offered and the price range for the offering have not yet been determined.

[Bitcoin's Boosters Struggle to Shore Up Confidence](#)

4/03/14 The Wall Street Journal

May require subscription. When Patrick Murck walked into a small, drab conference room at the U.S. attorney's office in Manhattan last month, the freewheeling world of the virtual currency bitcoin got uncomfortably real. The 38-year-old Mr. Murck is general counsel of the Bitcoin Foundation, a trade group that promotes bitcoin. So he wasn't surprised when the group got a subpoena from federal prosecutors who wanted to know all about Mt. Gox, the trading exchange that collapsed after announcing it lost roughly \$500 million of bitcoins, mostly owed to customers.

[First Data Names Chief Technology Officer](#)

4/04/14 First Data

Luther King became increasingly concerned with the problem of economic inequality in America. He organized a Poor People's Campaign to focus on the issue, including an interracial poor people's march on Washington, and in March 1968 traveled to Memphis in support of poorly treated African-American sanitation workers. On March 28, a workers' protest march led by King ended in violence and the death of an African-American teenager. King left the city but vowed to return in early April to lead another demonstration.

On April 3, back in Memphis, King gave his last sermon, saying, "We've got some difficult days ahead. But it really doesn't matter with me now, because I've been to the mountaintop...And He's allowed me to go up to the mountain. And I've looked over, and I've seen the Promised Land. I may not get there with you. But I want you to know tonight that we, as a people, will get to the promised land."

[Click here to read more.](#)

First Data, the global leader in payment technology and services solutions, today announced the appointment of Michael Manos as chief technology officer. In this position, Manos will be responsible for First Data's global technology infrastructure. He will be based in Atlanta, and report directly to company president, Guy Chiarello. "Mike is a key addition to our world-class leadership team and his knowledge and expertise enhances our ability to provide our clients with cutting-edge technology."

Following Star, Accel, and Pulse, NYCE Selects Visa's EMV Debit Technology

4/01/14 Digital Transactions

Debit network NYCE says it will use Visa Inc.'s common application identifier technology on chip debit cards, marking yet another regional debit network's acceptance of a critical component to enabling Europay-MasterCard-Visa chip card acceptance in the United States. This is NYCE's first formal EMV license, says Fidelity National Information Services Inc., the Jacksonville, Fla.-based owner of the network.

VeriFone CEO 'Repairing' Company

4/02/14 ISO & Agent

VeriFone CEO Paul Galant says he is reorganizing the terminal maker's fragmented research and development process and improving its cost structure in an effort to repair the company. Galant became VeriFone's CEO and a member of its board of directors in October as a replacement to longtime CEO Doug Bergeron, who left the company in March of 2013. Galant took over a company dealing with issues that included deteriorating customer relationships and heightened competitive pressures.



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Mobile Payments

Tap to Pay (Not So Much in the U.S.)

4/01/14 Dealbook

Science fiction writers have long envisioned a cashless society. But some places have taken bigger steps in that direction than others. The London transit agency, for instance, is trying out a new payment system that will allow passengers to tap a debit card on an electronic reader at a subway station and board the London Underground. In Sweden, consumers are increasingly using their phones for purchases at retailers or to buy a hamburger at McDonald's and Burger King.

Square Market Now Accepts Bitcoins

3/31/14 Engadget

Square Market's one of the latest e-retailers to realize that Bitcoins might not be too cryptic to be used as a legit payment option, after all. The e-commerce website now accepts payments made using the cryptocurrency, as Square Market Lead Ajit Varma announced in a blog post where he also explained the technical details behind the process. He said buyers will be given a QR code and the info they need to buy anything from massages to biking gear with their virtual wallets.

Amazon Payments Woos Startup E-Retailers With a Free

Processing Offer

4/01/14 *Internet Retailer*

Amazon.com Inc. has begun offering a promotion for startup online retailers that encourages them to deploy Login and Pay with Amazon technology on their web sites. That technology allows the 215 million consumers with Amazon accounts to pay by entering their Amazon user names and passwords. Companies that add the Amazon payment method are eligible to receive free payment processing for transactions made through Amazon Payments, up to \$10,000 in one year, Amazon says.

'Mirror, Mirror, On The Wall, Whose Digital Wallet Will Be Used Most Of All?'

3/31/14 *PYMNTS*

The Magic Mirror in the famous fairy tale had a great run until the day that it told the Evil Queen that some newcomer named Snow White was far more beautiful than she was. At that point, it got pretty ugly, with a set of activities that involved a poison apple, seven dwarves and then eventually a handsome prince who saved the day. There's no such Magic Mirror in digital-wallet land to give us the unvarnished truth as to whose digital wallet is and will be the "fairest of all." What we have instead is a never-ending series of surveys and reports that attempt to fill that gap.

More Exec Departures Hit Payments Startup Clinkle

3/31/14 *Recode*

Sooner or later, you'd think the bleeding has to stop at Clinkle. Not yet, though. Re/code has learned that Chief Service and Operational Officer Andy Rendich has left the startup just a few weeks after COO Barry McCarthy and design chief Josh Brewer departed following short stints at the company. Rendich, a Walmart.com and Netflix veteran, joined McCarthy, another ex-Netfixer, at Clinkle in December. He was hired to run "IT infrastructure support, data warehouse operations and customer service operations."



Regulation & Security

Rise in Digital Banking Heightens Fraud Risk, Bankers Say

4/03/14 *BTN*

Online and mobile banking have forever transformed the way people bank, but the digital evolution has a dark side: it is increasingly creating new opportunities for fraudsters to hack into accounts. Text messaging and email are increasingly becoming vehicles for phishing scams in which fraudsters send phony messages to bank customers and fool them into providing login credentials or account information.

Banks are Warned About ATM Hacks

4/03/14 *LA Times*

Sounding alarm over an especially sinister new wave of cybercrime, regulators are warning bankers that hackers have succeeded in changing the controls on automated teller machines to allow thieves to make nearly unlimited withdrawals. The hackers often schedule the withdrawals for holidays and weekends, when extra dollars are loaded

into ATMs and monitoring by the banks drops off, an umbrella group for financial regulators said Wednesday.

Tax Day Advice From A Bitcoin Expert

4/02/14 TechCrunch

As we approach tax day, many bitcoin fans may be wondering how to handle all of their newfound wealth. Given the recent ruling that BTC are property, not currency, things can get kind of hairy when mining, buying, or trading your BTC. What to do? Thankfully, folks like Tyson P. Cross are around to help. The owner of BitcoinTaxSolutions, Cross handles tax returns and offers tax planning with a focus on cryptocurrency. That's right: he's a bitcoin accountant.

Economy

Economy Adds 192,000 Jobs; Unemployment Rate Holds Steady at 6.7%

4/04/14 LA Times

The U.S. economy added a fairly solid number of new jobs in March as employers reverted to their average pace of hiring after the unusually harsh winter weather. The Labor Department said Friday that the economy created a net 192,000 new jobs last month, just about as many as in February and the average for all of last year. Economists had forecast job growth of about 200,000 for last month.

The Perpetual Bubble Economy

4/02/14 The New York Times

Want a thriving labor market? Blow a bubble. That's one implication of a theory about the contemporary American economy developed by Lawrence H. Summers, the former Treasury secretary and prominent public intellectual. The theory is a frightening one, implying deep dysfunction in the way the American government treats the economy. It is a trendy one, all the talk among policy makers and those at think tanks. And Mr. Summers expanded on it at a forum on full employment hosted on Wednesday by the Center on Budget and Policy Priorities.



Payments Press

First Data and MasterCard Partner to Advance Debit EMV in the U.S.

4/03/14 First Data

First Data and MasterCard today announced an agreement in which First Data's STAR® Network will participate in MasterCard's common U.S. Debit EMV solution. This agreement, combined with other recent industry announcements, provides a cost-effective solution and accelerates the ability for EMV functionality to be implemented across the U.S. EMV/ chip cards better protect account information from fraud because they have dynamic data, rather than the static data stored in the magnetic stripe.

Bank of American Near Credit Card Deal with U.S. Regulator

4/03/14 Reuters

Bank of America Corp is close to settling with a U.S. consumer regulator over the sale of services sold as add-ons to credit cards, sources familiar

with the talks said. The second-largest U.S. bank said in an August securities filing that it had been in discussions with regulators to address concerns over the sale and marketing of credit card debt cancellation products and identity theft protection services that it offered alongside its credit cards.

Global Payments Reports Third Quarter Earnings

4/03/14 Global Payments

President and CEO Jeff Sloan said, "We are very pleased with our third quarter financial performance driven by strong execution across all of our businesses and expanding operating margins in North America. As a result we are increasing our full-year expectations for diluted earnings per share on a cash basis. We are also delighted with our strategic accomplishments this quarter including the recent closing of our PayPros acquisition and the substantial expansion of our financing capacity."

Newtek Reports Cloud Computing Not Utilized By Majority Of Small Business Owners

4/02/14 Newtek

Newtek Business Services, Inc., The Small Business Authority®, with a portfolio of over 100,000 business accounts, announced today 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 1,300 respondents, the key finding from the March survey is that 60% of business owners do not currently use cloud computing.

Google Wallet Loses Another Top Executive

4/03/14 Digits

Peter Hazlehurst, director of product management at Google Wallet, has left the Internet company, the latest executive departure from Google's mobile-payments business. Hazlehurst's last day was Monday. He had been at Google since 2011 and in the Google Wallet role since 2012. He said his next move will likely be outside the payments business and will take him into the start-up world. He declined to be more specific.

CardinalCommerce Processes 2 Billion Transactions to Reach eCommerce Milestone

4/01/14 CardinalCommerce

CardinalCommerce has achieved a significant transaction milestone, processing two billion transactions securely. The Company processed 1 billion card-not-present (CNP) transactions since May 2012 to reach the 2 billion mark. "We are extremely pleased to have protected more than 2 billion of our Customers' digital commerce transactions," stated Tara Lavelle, Vice President of Marketing at Cardinal.

CurvePay Completes Acquisition of Transaction Labs

4/01/14 PRWeb

CurvePay, a disruptive new full service payment processor, today announced the completion of its acquisition of Transaction Labs (T-Labs), the world's only direct payment processor to combine front and back end processing with Big Data analytics capable of delivering real time, targeted 1-to-1 marketing for brick-and mortar merchants. The T-Labs platform processes a billion transactions annually with direct connections to the associations (Visa, MC, AMEX, etc.) and transaction speeds up to 10x faster than traditional processors.

USA Technologies Takes Cashless Payment Services to New Levels with Integrated Payment Services Across the Vending Spectrum

4/03/14 USA Technologies

USA Technologies, Inc., a leader of wireless, cashless payment and M2M telemetry solutions for small-ticket, self-serve retailing industries, introduced its streamlined Integrated Payment Services model, USAT's newest approach to serving the needs of today's more complex vending businesses. As an evolution of USAT's market leading ePort Connect® service, Integrated Payment Services extends ePort Connect across multiple aspects of a self-serve business.

Creditcall Ready for US EMV Migration

4/03/14 Finextra

Payment gateway provider and EMV migration expert Creditcall has become the first payment gateway to support EMV in the U.S., enabling the company to take a market leading position as the U.S. rapidly moves toward EMV migration by October 2015. The company has become the first gateway to process EMV transactions for attended and unattended retail markets through a partnership with Moneris Solutions.

Clearent Lands Payments Veteran

4/03/14 Clearent

Clearent, one of the fastest growing payment processing companies in the U.S., announced a key new hire by adding Ed Alba to lead its marketing team and elevate the Clearent brand to new levels. Ed has over 20 years of marketing experience, working with some of the largest brands in the country and producing award-winning work for companies such as Coca-Cola, Newell Rubbermaid, The Home Depot, Subway, Kodak, Warner Brothers, and Anheuser-Busch.

Payments Industry Veteran Debra McAteer Joins AnywhereCommerce

4/03/14 AnywhereCommerce

AnywhereCommerce, a global payments technology provider, has named Debra McAteer as vice president of sales for US resellers and ISOs (independent sales organizations). In this capacity, she will oversee the company's channel initiatives, and work directly with AnywhereCommerce's network of merchant acquirers, ISOs and payment processors across the country.

Equifax Partners with Industry Leader, Jumio, to Boost Mobile Commerce Capabilities

4/03/14 Equifax

Equifax Inc., a global information solutions provider, today announced its partnership with Jumio, an industry leader in the mobile commerce space that specializes in payments and ID scanning and validation products for mobile and web transactions. The companies will be working together in developing a series of solutions that will create a more streamlined, secure mobile transaction process for both consumers and retailers.





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