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 THE STRAWHECKER GROUP
The Trusted Advisor To The Payments Industry



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Trending This Week...

Apple officially announced their September event to announce their next iPhone, [which is rumored by many to include NFC.](#)

In anticipation, [TSG has put together a poll](#) to see what you think will happen!

Breaches continue to flood the market as [Dairy Queen has seen signs of an attack](#), and [JPMorgan Chase continues to probe into a suspected breach.](#)

[Square is reportedly in talks to raise \\$200M in financing at a \\$6B valuation](#), which had previously been at \$5B earlier this year.

Other highlights include:

- [Cash or Card for \\$5 Purchase?](#)
- [Newly Launched PayPal Alternative Visa Checkout Adds Nearly a Dozen More Partners](#)
- [NACHA Membership Approves New Rules to Further Improve ACH Network Quality](#)
- [U.S. Economy Grew at Brisk Rate in Second Quarter](#)
- [Boku Offers Magazine Subscriptions Via Text Message](#)

NEW Report: Merchant Aggregation

What is this report?

This 70-page report compares and contrasts the rules and policies of the four major card brands regarding merchant aggregation. Particular attention is paid to how ISOs may participate in relation to the brands, their processor and the sponsoring acquirer institution.

How was it completed?

TSG's Senior Management Consultant, Gerritt Kerkstra, has extensive knowledge of aggregation allowing him to author this report, in addition to his deep dive into the rules and regulations the four major card brands have produced for the aggregation model.

[Transaction Advisory](#)

[Acquisition Multiples & Attrition Summary](#)

[Merchant Aggregation](#)

[Acquirer Strategic Assessment](#)

[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 SmartPhone to Buy Things!](#)

[The Top Ten Ways Acquirers Can Block the Breach](#)

[Analysis: Vantiv's Acquisition of Mercury](#)

This Day in History: 2005

Hurricane Katrina Slams into Gulf Coast

Hurricane Katrina makes landfall near New Orleans, Louisiana, as a Category 4 hurricane on this day in 2005. Despite being only the third most powerful storm of the 2005 hurricane season, Katrina was the worst natural disaster in the history of the United States. After briefly coming ashore in southern Florida on August

Why is this useful?

This report is a guide to understanding aggregation, the opportunity available, and how ISOs may participate.

[Click here to see a preview of this report.](#)

[Add to Cart](#)

[Click here to purchase, report price is \\$3,150](#)

If you are interested in purchasing this report packaged with consulting time for a review and Q/A session, please call 402.964.2617.



Featured

New JPMorgan Chase Breach Details Emerge

8/29/14 *Bank Info Security*

Details continue to emerge about the probe into a suspected breach at JPMorgan Chase, as well as the implications of the investigation for the U.S. financial services industry. The breach appears to have begun in early June, but wasn't detected - and stopped - until mid-August, when a routine investigation uncovered signs that customized malware was being used to exfiltrate gigabytes' worth of data, including some customer information, from the bank's network, reports Bloomberg, citing two unnamed sources with knowledge of the investigation.

iPhone 6 - The Jolt That Mobile Payments Need

8/29/14 *CNET*

Mobile payments, or the notion that you can pay for goods and services at the checkout with your smartphone, may finally break into the mainstream if Apple and the iPhone 6 get involved. While Apple doesn't talk about future products, Wired was the latest to report that the next iPhone would include mobile-payment capabilities powered by a short-distance wireless technology called near-field communication, or NFC. Apple is hosting an event on Sept. 9 that's widely expected to be the debut of the next iPhone or iPhones.

Related: [Our Sources Say the Next iPhone Will Include NFC Mobile Payments](#)

Square Said in Talks for Funding at \$6 Billion Valuation

8/27/14 *Bloomberg*

Square Inc., the mobile-payments startup co-founded by Jack Dorsey, is in talks to raise financing at a \$6 billion valuation, according to a person with knowledge of the matter. The San Francisco-based company is seeking about \$200 million, with some of the funding coming from the Government of Singapore Investment Corporation, said the person, who asked not to be identified because the matter is private. That would push Square's valuation up from about \$5 billion earlier this year.

25 as a Category 1 hurricane, Katrina gained strength before slamming into the Gulf Coast on August 29. In addition to bringing devastation to the New Orleans area, the hurricane caused damage along the coasts of Mississippi and Alabama, as well as other parts of Louisiana.

New Orleans Mayor Ray Nagin ordered a mandatory evacuation of the city on August 28, when Katrina briefly achieved Category 5 status and the National Weather Service predicted "devastating" damage to the area. But an estimated 150,000 people, who either did not want to or did not have the resources to leave, ignored the order and stayed behind. The storm brought sustained winds of 145 miles per hour, which cut power lines and destroyed homes, even turning cars into projectile missiles. Katrina caused record storm surges all along the Mississippi Gulf Coast.

[Click here to read more.](#)

Who's On Your 2014 Fantasy Payments Team?

8/25/14 Pymnts

Even though the official end of Summer isn't for another few weeks, the impending turn of the calendar pages from August to September sure signals that summer is over. If that isn't enough, the signs of Fall are also in great abundance: kids are going (or have gone) back to school, the days are getting a little shorter, the nights are getting a little cooler (well, unless you live in the Southern U.S.) and the U.S. obsession with football (and tailgating) is gearing up.

Amazon Quietly Hires Visa Credit Card Boss to Expand Little-Known Lending Business

8/28/14 Recode

Three years ago, Amazon started lending thousands of dollars at a time to some of its best marketplace sellers. There was no press release or public announcement, just invitations for select small businesses to get capital to sell more stuff on Amazon. While Amazon still isn't talking publicly about the program, it has recently made a splashy hire to expand the initiative: Visa's North America credit card boss Nick Talwar.

Visa's Test Results: Record Peak Volume And Expected Smooth Sailing for Tokens

8/25/14 Digital Transactions

Visa Inc. can now process a peak volume of 56,000 messages per second—a record high—and foresees no glitches resulting from a new card-number masking technology expected to go into production some time this fall. Visa arrived at these results upon completing an annual stress test earlier this month in anticipation of the upcoming holiday shopping season.

Cash or Card for \$5 Purchase?

8/28/14 CreditCards.com

A cup of coffee. A pack of chewing gum. A newspaper at the airport. For even the smallest, most casual purchase, credit cards and debit cards are replacing cash as the preferred form of payment, according to a new survey by CreditCards.com. The national telephone survey of 983 adult U.S. credit card holders found that 1 in 3 usually uses a credit card or a debit card for in-person purchases of less than \$5.

Retailers Should Be Held to Stricter Standards on Data Security

8/27/14 American Banker

The lazy, hazy days of summer appear to have no effect on cybercriminals. If anything, they seem to be emboldened to conduct more attacks. The continued absence of national data security standards for retailers has given cybercriminals free rein to access consumer data, and Americans and their financial institutions are paying the price.

Money
20/20

REGISTER USING DISCOUNT
CODE STRAWH20
AND GET 20% OFF!

Mobile Payments & Bitcoin

[Downtown Launches Mobile Payment App In Palo Alto](#)

8/28/14 *TechCrunch*

Downtown wants to change the way you order and pay for food, starting with its launch today at the Palo Alto's Coupa Cafe, a common startup meeting spot. Although it's easy to make online purchases or order food on your phone for delivery, the way you pay for a meal when you're inside a restaurant has relatively stayed the same. But with its iOS app that launched today, Downtown allows you to make in-store orders and purchases directly from your iPhone.

[Square Cash Update Means You Can Now Pay By Text](#)

8/26/14 *VentureBeat*

Just when you thought PayPal-owned Venmo had the corner on fast and easy payments, Square dropped a new function in its Cash app - pay by text. With this update, people can send or request money from anyone in their address book just by using their phone number in addition to their email address. The resulting request will show up in a text message with a link to a payment page, where the person can pay.

[Newly Launched PayPal Alternative Visa Checkout Adds Nearly A Dozen More Partners](#)

8/28/14 *TechCrunch*

Last month, Visa launched a new payment option designed for e-commerce transactions called Visa Checkout, which eliminates the need for entering in a 16-digit card number during the checkout process in favor of a username and password combination. Today, the company is announcing partnerships with a number of top acquirers and e-commerce platform providers, increasing Visa Checkout's reach by another 4 million online merchants.



[Regulation & Security](#)

[NACHA Membership Approves New Rules to Further Improve ACH Network Quality](#)

8/26/14 *NACHA*

The Electronic Payments Association announced its voting membership approved two new amendments to the NACHA Operating Rules that will further improve ACH Network quality by reducing the incidence of ACH transactions that result in exceptions and returns. As components of NACHA's long-term Risk Management Strategy, updated in 2012, the Rules amendments are part of NACHA's ongoing efforts to maintain and improve the strength of the ACH Network for the consumers, governments, businesses and financial institutions that move their money via ACH.

[Delta Settles With Visa, MasterCard To Exit Swipe Fee MDL](#)

8/27/14 *Law360*

Delta Air Lines Inc. on Wednesday reached a settlement in New York federal court with Visa Inc. and MasterCard Inc. over an alleged plot to fix

credit card swipe fees, ending its involvement in a case it filed along with a slew of other merchants that opted out of last year's historic \$7.25 billion antitrust settlement. Delta filed a joint stipulation for dismissal on Monday asking U.S. District Judge John Gleeson to sign off on the dismissal of its claims against Visa and MasterCard with prejudice.

Backoff Malware Widespread, PCI Council Issues Call to Action

8/27/14 FierceRetailIT

Backoff malware has affected more than 1,000 U.S. businesses, infecting POS systems from Target to Supervalu. The United States Secret Service and Department of Homeland Security has issued a warning that the Backoff POS malware may have infected more systems than previously believed. In response, the PCI Council has issued an urgent call to action and is encouraging companies to consider a number of recommended actions.

DQ Breach? HQ Says No, But Would it Know?

8/26/14 KrebsSecurity

Sources in the financial industry say they're seeing signs that Dairy Queen may be the latest retail chain to be victimized by cybercrooks bent on stealing credit and debit card data. Dairy Queen says it has no indication of a card breach at any of its thousands of locations, but the company also acknowledges that nearly all stores are franchises and that there is no established company process or requirement that franchisees communicate security issues or card breaches to Dairy Queen headquarters.

Economy

U.S. Economy Grew at Brisk Rate in Second Quarter

8/28/14 The New York Times

The United States economy grew faster than first thought last quarter, the Commerce Department said on Thursday, the latest in a series of signals that suggest growth is picking up. Increased investment by businesses and a slightly improved trade picture prompted the revision, which lifted the estimated annual rate of growth in April, May and June to 4.2 percent from the government's initial reading of 4 percent in late July.

Consumer Confidence Unexpectedly Jumps to 7-Year High

8/26/14 Business Insider

Consumer confidence surged in August. According to the Conference Board's new report, the consumer confidence index jumped to 92.4 in August, the highest level since October 2007. This is up from 90.3 in July, and it was much stronger than the 89.0 forecasted by economists. "Consumer confidence increased for the fourth consecutive month as improving business conditions and robust job growth helped boost consumers' spirits," said the Conference Board's Lynn Franco.

Global eCommerce Doubles as Shoppers Get More Adventurous

8/26/14 ComputerWorld

It's little surprise that consumers the world over are shopping more online. From e-books and airline tickets to hotel reservations, the net is becoming a one-stop shop for discovery, researching, browsing and buying. So much so that, according to the Nielsen Global survey of ecommerce, which polled over 30,000 web users in 60 countries, the chances are that if a consumer starts a search for a product online, they

will end up making an online purchase too.

Digital Payments Crucial to Economic Growth

8/28/14 *Finextra*

Governments should step up efforts to boost the use of digital payments in developing countries to increase financial inclusion, empower women and spur economic growth, according to a World Bank report. More than 2.5 billion adults around the world, and 59% of those in developing economies, do not have a formal bank account, making it harder to alleviate inequality and spur economic growth.



Payments Press

Mobile Startup Offers Magazine Subscriptions Via Text Message

8/25/14 *StreetInsider*

Boku, a mobile payments company that works with Facebook and Sony, thinks text messaging can help magazine publishers boost their subscription revenue. If nothing else, it might cut down on the number of subscription notices – otherwise known as "blow in" cards – tucked inside magazines. The San Francisco-based startup said Thursday that it's partnering with U.K. publisher IPC Media – owner of titles such as NME, Wallpaper and Horse & Hound (yes, it's a real magazine) – on a mobile-payment system that allows consumers to subscribe to magazines via text message and charge the subscription to their phone bill.

PayPal Reconsiders Online Gambling, Enters Talks to Process Payments for NJ Virtual Casinos

8/27/14 *Pando Daily*

PayPal has been in the news of late for its possible spinout from Ebay and its ongoing search for a new CEO, but there's another largely overlooked storyline that could have an equally big impact on its future. According to reports from across the casino world, PayPal is considering (re)entering the online gambling market and could be in line for a contract to process payments on behalf of the state of New Jersey.

Discover Card Shares Top Spot in J.D. Power Satisfaction Ranking

8/28/14 *Chicago Tribune*

For the first time since 2007, American Express must share a J.D. Power award for highest customer satisfaction of credit-card companies. Riverwoods-based Discover Financial Services was in a dead heat with American Express for the top score in the 2014 U.S. survey, each with 819 points out of a possible 1,000. In 2013, Discover ranked second, 4 points behind American Express.

Ingenico Mobile Solutions Enables First Data to Introduce a Secure mPOS Solution in India

8/28/14 *BusinessWire*

ROAM, part of Ingenico Mobile Solutions and the leading mobile

commerce platform provider, announced today that it has partnered with First Data- the global leader in payment technology and services solutions, to introduce an innovative mPOS solution into the Indian market. Leveraging ROAM's mobile platform and Ingenico's global EMV expertise, First Data India has launched its own fully branded chip and PIN mPOS solution.

Apriva and GoCoin Drive Innovation in Payments With New Strategic Partnership

8/26/14 Apriva

Apriva, the leading provider of secure end-to-end wireless transaction and information solutions, today announced a strategic technology partnership with GoCoin to process digital currencies like Bitcoin, Litecoin and Dogecoin for Apriva's 1,000+ channel partners. GoCoin is the first payment gateway solution designed from the ground up to support both Bitcoin and emerging alt-coins at checkout.

Johnston-based Shazam Appoints COO as New President

8/26/14 The Des Moines Register

Paul Waltz is now the president and chief operating officer of The Shazam Network, a Johnston-based provider of electronic funds transfers. Waltz previously served as Shazam's executive vice president and chief operating officer. He is taking on the role as president, the company said, in anticipation of CEO Michael Hollinger's retirement in August 2015.

Merchant Warehouse, One Step Retail Solutions Earn RSPA Partner Award

8/27/14 The Green Sheet

Payment technologies leader Merchant Warehouse® and top retail technology reseller One Step Retail Solutions today announced the receipt of the Innovative Solution Award for Best Partnership by the Retail Solutions Providers Association (RSPA) and Vertical Systems Reseller (VSR) Magazine. This award honors both companies for bringing Merchant Warehouse's Genius™ Customer Engagement Platform™ to One Step Retail Solutions' retail customers.

Whole Foods Market is Latest Retailer to Reject Checks

8/25/14 Dallas News

As of Sept. 1, Whole Foods Stores in Texas, Louisiana, Arkansas and Oklahoma will no longer accept personal checks, a policy currently in place at the chain's stores outside the Southwest. It's a trend that other specialty stores have already embraced and more retailers are expected to follow as shoppers shift to the convenience of electronic payments.

Walmart Launches Chip-Enabled MasterCard

8/25/14 StreetInsider

As we head into the biggest shopping season of the year, security when paying is more important than ever. If you have a Walmart MasterCard, you can enjoy even greater security through a new chip-enabled card coming to your mailbox in the next few weeks. Walmart is among the first retailers to implement chip technology as a more secure payment means for cardholders.

Clearent Lands on Inc. 5000 List for Third Straight Year

8/28/14 The Intelligencer

Today Clearent announced that it came in at #975 on this year's Inc. 5000 list of fastest growing private companies. This marks Clearent's third

consecutive year on the list and was made possible thanks to its 460% growth rate between 2010 and 2013. In an industry where credit card processing companies struggle for differentiation, Clearent has made a name for itself with its proprietary back-end processing platform and best-in-class service.

MainStream Merchant Services and Womply Partner to Offer Merchants Industry-Leading Analytics, Benchmarking and Competitive Intelligence Solution

8/26/14 BusinessWire

MainStream Merchant Services launches MainStream Insights, the industry's leading merchant analytics platform powered by Womply. MainStream Insights will provide merchants with access to rich, highly-relevant data about their business they can use to grow, outpace the competition and increase their bottom line. MainStream Insights allows merchants a secure way to manage revenues, online reputation, and social media, through a central online dashboard designed to provide merchants with easy access to powerfully informative business tools.

New Citi Wallet Simplifies Online Purchases

8/25/14 MarketWatch

Citi cardmembers now have a quicker and simpler way to make online purchases with the new Citi Wallet. Citi is the first global bank to introduce its own branded digital wallet in the U.S. Citi Wallet makes checkout easy with just a few clicks. By enrolling in Citi Wallet, Citi cardmembers no longer have to enter their credit card, billing and shipping information when making purchases at thousands of merchants.

Payteller Closes \$25 Million Equity Investment

8/27/14 Digital Journal

Payteller, a leading provider of self service kiosks for financial transactions, announced today that they have closed on a \$25 million equity investment from ISS Management LLC. "We are pleased to have ISS Management join our team," said Jeff Foster, CEO of Payteller. "We will use the funds to continue our growth into the self service sector of financial services. With the best kiosk in the market and sufficient capital on hand, we are now marshaling our resources to steer Payteller through this next growth phase and satisfy ever-growing market demand."

Yardi Joins Forces with The Home Depot to Offer Clients More Purchasing Options and Full Purchasing Control

8/26/14 Yardi

Yardi® clients can now easily access thousands of The Home Depot® products either in store or online with a click of a button via the online procurement system offered with Yardi Procure to Pay™, a fully automated end-to-end procurement and invoice processing platform. The Home Depot has set the standard for innovative merchandise for both the do-it-yourselfer and the professional contractor and its global customer base also encompasses commercial and multifamily property owners and managers.





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