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THE STRAWHECKER GROUP
The Trusted Advisor To The Payments Industry



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Trending This Week...

The bullseye is off of Target now after Home Depot announced an [estimated 56 million debit/credit card numbers were stolen in their recent breach](#), effectively surpassing Target, making it the largest retail card breach on record. At the same time, [many speculate Home Depot's breach will be less painful](#) than Target's attack.

More Apple news continued this week as [KKR banked on First Data's CEO, Bisignano, forging a deal with Apple](#) and [TSYS says Apple Pay is forcing innovators to think in reverse](#).

Avast! Happy Talk Like A Pirate Day! ARRR!



NEW TSG REPORT: *Alternative Payments Players*

Learn all about [Apple Pay, Amazon Local Register, and Softcard!](#)

What is this report?

This 39 page report provides a detailed look at 28 companies (priced at \$77 per company) that provide a variety of products and services that enable electronic payments. These companies fall within several categories including: card brands, mobile wallets, card readers and apps, P2P & eCommerce, and prepaid.

A Senior Finance Leader at a Leading Payment Processor said:
"Immediate feedback has been wildly positive (and I've shared with

[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: 1957 Nevada is Site of First-Ever Underground Nuclear Explosion

On this day in 1957, the United States detonates a 1.7 kiloton nuclear weapon in an underground tunnel at the Nevada Test Site (NTS), a 1,375 square mile research center located 65 miles north of Las Vegas. The test, known as Rainier, was the first fully

our Strategy, Product and Finance teams). Timing on this one was especially good!"

[Click for a preview and free overview of Apple Pay.](#)

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If you have any questions, or would like to purchase over the phone, please call 402.964.2617.



Featured

Home Depot: 56M Cards Impacted, Malware Contained

9/18/14 KrebsSecurity

Home Depot said that cyber criminals armed with custom-built malware stole an estimated 56 million debit and credit card numbers from its customers between April and September 2014. That disclosure officially makes the incident the largest retail card breach on record. The disclosure, the first real information about the damage from a data breach that was initially disclosed on this site Sept. 2, also sought to assure customers that the malware used in the breach has been eliminated from its U.S. and Canadian store networks.

Home Depot's Breach May Hurt Less Than Target's Smaller Attack

9/19/14 American Banker

In the annals of hacker victims, Home Depot Inc. is no Target Corp. Though Home Depot's recent data breach compromised 56 million payment cards - more than the 40 million in Target's incident - the company isn't predicting a hit to revenue and investors have been unfazed by the attack. Target, in contrast, suffered a sales drop-off and a stock slump that contributed to the ouster of Chief Executive Officer Gregg Steinhafel in May.

KKR Banks on Bisignano Forging Apple Deal at First Data

9/16/14 Bloomberg

Frank Bisignano has been busy forging ties with Silicon Valley since leaving JPMorgan Chase & Co. 17 months ago to run First Data Corp. The company he inherited was a payment-industry giant with a client base that included Wal-Mart Stores Inc. and McDonald's Corp. At the same time, it was mired in almost \$23 billion of debt, the result of a leveraged buyout done just before the financial crisis, and struggling to find areas for growth. A pack of ambitious competitors such as Vantiv Inc. and Square Inc., a startup led by Twitter co-founder Jack Dorsey, was nipping at its heels.

Why TSYS Says Apple Pay is Forcing Innovators to Think

contained underground detonation and produced no radioactive fallout. A modified W-25 warhead weighing 218 pounds and measuring 25.7 inches in diameter and 17.4 inches in length was used for the test. Rainier was part of a series of 29 nuclear weapons and nuclear weapons safety tests known as Operation Plumbbob that were conducted at the NTS between May 28, 1957, and October 7, 1957.

In December 1941, the U.S. government committed to building the world's first nuclear weapon when President Franklin Roosevelt authorized \$2 billion in funding for what came to be known as the Manhattan Project. The first nuclear weapon test took place on July 16, 1945, at the Trinity site near Alamogordo, New Mexico. A few weeks later, on August 6, 1945, with the U.S. at war against Japan, President Harry Truman authorized the dropping of an atomic bomb named Little Boy over Hiroshima, Japan. [Click here to read more.](#)

[in Reverse](#)

9/19/14 PYMNTS

"Tokenization is a step towards the realization of a payment becoming embedded within a user experience," says Paul Bridgewater, TSYS Group Executive, Global Product & Innovation. Now that Apple Pay has officially been announced, the pressure is on everyone in the ecosystem to think differently. Karen Webster recently caught up with Bridgewater, this time to discuss why innovators have to think in reverse in order to move innovation forward, and why Apple Pay is the perfect trigger for making that happen and the role that tokens will play in making that happen.



[Mobile Payments & Bitcoin](#)

[Most Smart Phones Expected To Be NFC and Mobile Wallet Enabled by 2015, Says Softcard Executive](#)

9/18/14 Digital Transactions

By the end of 2015, most smart phones sold in the United States will have near-field communication (NFC) capability and be mobile-wallet ready, potentially creating a confluence of payments and commerce, says Matt de Ganon, senior vice president of product at mobile wallet provider Softcard. That prospect excites de Ganon and his Softcard peers. Softcard is the new name for the Isis mobile wallet, an enterprise controlled by AT&T Mobility, Verizon and T-Mobile USA.

[How Mobile Payments Deliver Security](#)

9/17/14 ETA

In light of the recent Apple Pay announcement, there has been a lot of buzz around the security of mobile payments. Apple Pay illustrates a series of defenses that make mobile a natural choice for secure payments. To get started using Apple Pay, a consumer can simply take a picture of their credit card or link to a card previously stored in the user's apple account. At that point, they're ready to pay - not using the digits printed on the card, but using a Device Account Number provided through the payment network or issuing bank associated with the card.

[Subway to Use Softcard NFC for Mobile Payments](#)

9/16/14 CNET

The Subway sandwich chain is teaming up with Softcard to offer customers a way to buy food via their mobile phones. Subway said Tuesday that it will kick off NFC-based mobile payments starting October 1 using Softcard, a mobile payments venture set up by AT&T Mobility, T-Mobile USA, and Verizon Wireless. Formerly known as Isis Wallet, Softcard offers an app that supports mobile payments across more than 80 mobile devices sold by AT&T, T-Mobile, and Verizon and comes preloaded on more than 30 different devices.

[Apple Pay? Wal-Mart and Best Buy Look Other Way](#)

9/15/14 Tech Times

Apple may have forged partnerships with 22,000 retailers to start accepting payments through Apple Pay when the mobile payment system rolls out in October, but the iPhone maker has failed to court two major

partners, including the largest retail store chain in America. Wal-Mart said it will not support Apple Pay in its point-of-sale systems, preferring instead to provide support for CurrentC.

iPhone 6's NFC Will Only be Usable for Apple Pay - At Least for Now

9/16/14 *Ars Technica*

Apple is planning on using its iPhone 6 and iPhone 6 Plus to dominate mobile payments in North America-something that no company has really managed yet despite the popularity of phone-based payments in other markets. This is being made possible by the inclusion of NFC chips in the upcoming iPhone models, which gives newer iPhones a capability that has been a regular feature in other device ecosystems for some time now.



Regulation & Security

How Apple Pay Boosts Tokens

9/17/14 *ISO & Agent*

It's no coincidence that Visa Inc. launched its new Visa Token Services the same day Apple unveiled its mobile wallet. "We viewed the Apple announcement as a coming out party for tokenization," said Matthew Dill, Visa's senior vice president and head of innovation and strategic partnerships. "Apple has a sophisticated clientele that does a lot of commerce off Apple devices, so they represent a great lighthouse for this new service."

MasterCard Envisions Biometric Future

9/18/14 *Finextra*

MasterCard is claiming a 98% success rate for pilot trials of a biometric verification system combining both voice and facial recognition. The card scheme says it recently held a closed pilot to understand the consumer experience around voice and facial recognition. "We created a beta mobile app which we tested in an e-commerce environment on over 14,000 transactions," says MasterCard.

Goodwill Vendor Describes Breach

9/16/14 *Bank Info Security*

C&K Systems, the vendor identified by Goodwill Industries International as the source of a breach that impacted about 330 of its stores, has confirmed details of the breach of its "hosted managed services environment" that lasted 18 months and affected three of its customers. In a statement on its website, C&K Systems did not identify the other two clients affected by the breach.

Economy

Fed Signals No Hurry to Raise Interest Rates

9/17/14 *The New York Times*

The Federal Reserve is in no hurry to raise interest rates. The economic recovery has stayed on course in recent months, and the Fed's policy-

making committee said on Wednesday that it saw no reason to change its own plans, rejecting calls for a faster retreat from its long-running stimulus campaign.

What Does Alibaba Want Out of the U.S.?

9/18/14 Recode

When Alibaba executive chairman Jack Ma rings the opening bell at the New York Stock Exchange on Friday, it'll mark one of the world's largest initial public offerings. But if you're expecting Alibaba's arrival here to be followed by a play for the wallets of American consumers, you're probably going to be waiting a while. Alibaba could raise as much as \$21.8 billion (at about \$68 a share) and would come close to matching the largest IPO ever - the \$22.1 billion public offering of Agricultural Bank of China in 2010.

Weekly Unemployment Claims Plunge to 280,000 - Near a 14-Year Low

9/18/14 LA Times

Initial jobless benefits claims plunged to near a 14-year low last week while the number of people receiving unemployment checks fell to the lowest since before the Great Recession, the Labor Department said Thursday.

About 280,000 people filed for first-time unemployment benefits in the week ended Saturday, down 36,000 from the previous week and well below analyst estimates.

European Card Issuers the Losers as Global Payments Revenues Show Upward Trend

9/17/14 Finextra

European card issuers stand to lose \$8 billion per year from a revenue pool of \$60 billion beginning in 2015, as stiffer regulation and caps on interchange fees take their toll, according to a study by the Boston Consulting Group. Although the next ten years should bring substantial growth in the payments and transaction-banking businesses, banks will grapple with a host of forces that will require them to sharpen their capabilities, according to BCG's 12th annual global payments report.



Payments Press

Visa to Undertake Assessment of Stake in Monitise

9/18/14 BusinessWire

Longstanding partners in the mobile sector Visa Inc. and Monitise plc entered into an alliance agreement in 2009. At the same time, Visa began investing in Monitise. Given the maturation of Monitise as a company, Visa is considering its options with respect to the investment and has engaged J.P. Morgan Securities Plc to assist. Visa will also be lessening its dependence on external mobile development resources.

Apriva Offers New Analytics and Accessibility Features Within AprivaPay Plus

9/16/14 Apriva

Apriva, the leading provider of end-to-end wireless transactions, gateway services, and secure information solutions, today announced expanded features within AprivaPay™ Plus, its industry-leading mobile point-of-sale (POS) software. Utilized by three of the nation's top five banks, AprivaPay Plus now delivers highly sophisticated analytics capabilities to brands, enhanced reporting features to merchants via an online web companion portal, iPhone 6/iOS8 compatibility and compliance with Americans with Disabilities Act (ADA) regulations.

Citi Retail Services and Volkswagen of America, Inc. Launch After-Sales Credit Card Program in the U.S.

9/16/14 PR Newswire

Citi Retail Services today announced a multi-year agreement for the Volkswagen After-Sales Credit Card Program in the United States. This program will provide a credit option to qualified Volkswagen owners/lessees for their parts, accessories, service, and maintenance needs while giving eligible dealers an opportunity to deepen their relationships with these customers. Cardholder benefits include competitive offers, rewards and exclusives.

Macy's to Roll Out Beacon Technology in All Stores This Fall

9/15/14 BostInno

It's the future of retail: When you walk into a store, through a display, or into a particular department, your phone lights up with discounts and deals pre-programmed by the owners to draw you in and keep you there. It's beacon technology, and it's becoming increasingly popular as brick-and-mortar stores compete against online shopping.

BlueSnap Powers Global Checkout Page for PreSonus

9/16/14 Yahoo! Finance

Global payment gateway BlueSnap announced today that PreSonus, a leading designer and manufacturer of audio-recording and live-sound technology, has launched a new online store using BlueSnap's latest hosted checkout pages and APIs. The new checkout page will allow PreSonus to sell in 29 languages, 60 currencies and 180 countries with 110 payment options.

U.S. Patent Office grants CardinalCommerce Notice of Allowance for Intelligent Directory Server Routing

9/16/14 The Green Sheet

CardinalCommerce, the pioneer and global leader in enabling digital commerce, announces that it has been granted a notice of allowance by the United States Patent and Trademark Office (USPTO) for Intelligent Directory Server Routing. This notice is a continuation of US patent 8,321,589, which protects a broad range of services including dynamically ranking and routing requests from redundant services based on volume, latency, functionality and other criteria.

FireEye and Mandiant Unite to Deliver Industry's First Global Security as a Service Solution With FireEye as a Service

9/17/14 MarketWatch

FireEye, Inc. the leader in stopping today's advanced cyber attacks, announced two new solutions designed to equip organizations to scale their defense strategies. The new FireEye as a Service(TM) offering is an on-demand security management offering that allows organizations to apply FireEye's technology, intelligence and expertise to find and stop cyber attacks.

Green Dot to Acquire Santa Barbara Tax Products Group

9/18/14 *Benzinga*

Green Dot Corporation announced that it has entered into a definitive agreement to acquire Santa Barbara Tax Products Group ("TPG") for approximately \$320 million in cash and stock plus potential additional contingent consideration. Green Dot and its wholly-owned subsidiary bank, Green Dot Bank, are focused exclusively on serving Low and Moderate Income (LMI) American families with modern, fair and feature-rich financial products and services, including prepaid cards, checking accounts and cash processing services.

Corethree Partners Boku to Integrate Direct Carrier Billing for m-Ticketing

9/18/14 *The Paypers*

Corethree, a UK mobile ticketing technology company, has entered a partnership with US direct carrier billing mobile payments company Boku. Following the partnership, consumers are set to be able to charge their bus tickets to their mobile bill, using Boku's payment solution via their existing mobile application built by Corethree.



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