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Editor: Mike Strawhecker, VP & Director of TSG Metrics  
Co-Editor: Andrew Nuss, Marketing Manager

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## Trending This Week...

The expenses continue to pile up for Target, [as they agreed this week to pay MasterCard-issuing banks as much as \\$19M](#) to reimburse for losses related to the data breach. According to a recent filing, Target has incurred \$252M of breach-related expenses.

Following a tough 12 months, at least from a media perspective, [Square's Jack Dorsey re-emerged this week](#) after keeping a fairly low profile in recent times to explain how his company's recent wave of initiatives fit together in the big picture.

Widely covered this week, [Gravity Payments founder, Dan Price, surprised his 120-person staff Monday](#) by announcing he plans over the next three years to raise the salary of everyone to a minimum of \$70,000. To achieve this, Price cut his own salary from nearly \$1M to \$70,000 and will also use 75-80% of the company's anticipated \$2.2M in profits this year.

Other highlights include:

- [eCommerce Platform Shopify Files for \\$100 IPO](#)
- [FirstData Wants to Turn Its Payment Empire Into a Local Marketing Juggernaut](#)
- [A New Competitor for Bitcoin Aims to Be Faster and Safer](#)
- [National Data Breach Notification Bill Advances](#)
- [The Year of Payments - 2015 - One Quarter In](#)

At the beginning of the month, ETA hosted TRANSACT 15 at the Moscone Center in San Francisco, CA. This year, over 4,000 payments professionals attended the expo. TSG, a

[Transaction Advisory](#)

[Acquisition Multiples & Attrition Summary](#)

[Merchant Aggregation](#)

[Acquirer Strategic Assessment](#)

[TSG MPPS Benefits](#)

[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: 1970

### Apollo 13 Returns to Earth

With the world anxiously watching, Apollo 13, a U.S. lunar spacecraft that suffered a severe malfunction on its journey to the moon, safely returns to Earth.

On April 11, the third manned lunar landing mission was launched from Cape Canaveral, Florida, carrying astronauts James A. Lovell, John L. Swigert, and Fred W. Haise.

silver sponsor of the event, has since put together and up of comments heard during the show, including [comments on EMV, M&A and outside investment, location and tech companies, and more!](#)



## Featured

### Square's Jack Dorsey Puts It All Together

4/16/15 *BuzzFeed*

The interview marks something of a re-emergence for Dorsey. Once a media darling, he hasn't spoken on the record to the tech press since a New York Times interview in December of last year. It's not that he's been hiding, exactly, but he has lowered his profile considerably. (In fact, Square refused to let BuzzFeed News bring a photographer to take his portrait. The one at the top of this page comes from a wire service.) His company, Square, is coming off a tough 12 months - at least from a media perspective.

### Target's MasterCard settlement: \$19 Million

4/15/15 *USA Today*

Target has agreed to pay MasterCard-issuing banks as much as \$19 million to reimburse for losses related to the 2013 hack that resulted in up to 40 million accounts being breached. The settlement covers banks' costs when they reissued credit and debit cards after the breach, as well as fraudulent charges on those cards. Target disclosed in a recent financial filing that it has incurred \$252 million of breach-related expenses. Minneapolis-based Target Corp. also settled a class-action lawsuit with individual cardholders for \$10 million in March.

### One Company's New Minimum Wage: \$70,000 a Year

4/13/15 *The New York Times*

The idea began percolating, said Dan Price, the founder of Gravity Payments, after he read an article on happiness. It showed that, for people who earn less than about \$70,000, extra money makes a big difference in their lives. His idea bubbled into reality on Monday afternoon, when Mr. Price surprised his 120-person staff by announcing that he planned over the next three years to raise the salary of even the lowest-paid clerk, customer service representative and salesman to a minimum of \$70,000.

Related: [Gravity Payments CEO Will Live on \\$70,000 Worker Wage](#)

### The Security of Smartphone Payments

4/15/15 *The Economist*

The Apple Watch has been available to order for less than a week, but by some estimates one million have already been sold. Technophiles are watching closely to see how the glitzy new product will change any number of emerging businesses, from wearables to mobile-health. Yet in the short run the Watch's greatest effect may be in the boost it provides to smartphone-based payment systems. Apple Pay is already available to many iPhone users, but the Watch, which allows consumers to buy things with little more than a wave of the wrist, could significantly accelerate adoption among Apple customers and retailers.

### eCommerce Platform Shopify Files for \$100 IPO

4/14/15 *VentureBeat*

The mission was headed for a landing on the Fra Mauro highlands of the moon. However, two days into the mission, disaster struck 200,000 miles from Earth when oxygen tank No. 2 blew up in the spacecraft. Swigert reported to mission control on Earth, "Houston, we've had a problem here," and it was discovered that the normal supply of oxygen, electricity, light, and water had been disrupted.

The landing mission was aborted, and the astronauts and controllers on Earth scrambled to come up with emergency procedures. The crippled spacecraft continued to the moon, circled it, and began a long, cold journey back to Earth.

[Click here to read more.](#)

Canadian e-commerce platform Shopify announced its intent to go public in a filing with the SEC. The company plans to raise up to \$100 million in the IPO and will list under the symbol "SHOP" on the New York Stock exchange. Shopify says that it stands to capitalize on a market of 46 million merchants worldwide who can put their local shops online, but it also notes that its rapid growth may not be sustainable. To date, the company has raised a total of \$122 million in venture funding.

### [Paypal Analysis, a 5 Point Outlook as it Becomes Independent](#)

*4/17/15 Let's Talk Payments*

The entire industry is looking forward to the corporate split between eBay and PayPal. Everyone wants to know about the next big move that PayPal will make when it goes independent. We have been following some trends that hint at what the future of PayPal might seem like. Here are some notable aspects.

### [First Data Wants to Turn Its Payment Empire Into a Local Marketing Juggernaut](#)

*4/13/15 StreetFight*

First Data, the payments processing giant, wants to be more than just a black box on the counter. The company, which is owned by private equity firm KKR, spent the past two years buying up a handful of small business technology companies, including a point-of-sale system in Clover and a gift card product in Gyft, and this year made a strategic investment in the scheduling platform Booker. We caught up with Peter Karpas, global head of SMB product, to talk about moving beyond the payment business, the company's acquisition strategy, and where the world's largest payment process fits into the future of small business.



## [Mobile Payments & Bitcoin](#)

### [PayPal Wants You to Inject Your Username and Eat Your Password](#)

*4/17/15 The Wall Street Journal*

Try this on -or in- for size: a PayPal executive who works with engineers and developers to find and test new technologies, now says that embeddable, injectable, and ingestible devices are the next wave in identification for mobile payments and other sensitive online interactions. In a presentation called Kill all Passwords that he's recently started giving at various tech conferences in the U.S. and Europe, PayPal's global head of developer evangelism Jonathan Leblanc argued that technology has taken a huge leap forward to "true integration with the human body."

### [Jawbone's New \\$200 UP4 Doubles As An American Express Card](#)

*4/15/15 TechCrunch*

After a few delays, Jawbone's UP3 fitness tracker is finally set to hit the delivery trucks early next week. And yet... it already has a successor, of sorts. Meet the UP4. It does everything the UP3 does, and you can buy

things with it. Rumors trickled out earlier this week that Jawbone was working on a partnership with American Express - and sure enough: Jawbone has exclusively partnered with AmEx here. As a result, the UP4 can act as your AmEx card at hundreds of thousands of NFC-enabled merchants around the country. Note: only AmEx, for now.

## **A New Competitor for Bitcoin Aims to Be Faster and Safer**

*4/15/15 MIT Technology Review*

The total value of the digital currency Bitcoin is now approximately \$3.4 billion, and many companies and investors are working to prove that the technology can make financial services cheaper and more useful. But Stanford professor David Mazières thinks he has a faster, more flexible, and more secure alternative. If Mazières is correct, his technology could make digital payments and other transactions cheaper, safer, and easier—particularly across borders. He released the design for his system in a white paper last Wednesday.

## **Olive Garden Plans Nationwide Tablet Payment System with Ziosk**

*4/14/15 ISO & Agent*

The restaurant chain Olive Garden will begin using Ziosk tablets to accept payments at the table starting next month. The Orlando, Fla.-based chain will deploy the tablets in limited locations initially, and expects to have the system installed at all of its more than 800 restaurants by the end of the year, the company stated in an April 14 press release. Olive Garden says it has tested Ziosk in some restaurants since last year and reported faster dining times and increased tip amounts for services.

## **Apple Pay Still Struggling to Win Support in China**

*4/14/15 CNET*

Apple Pay is facing an uphill battle trying to grab a spot in the world's largest smartphone market. The company has been trying to reach an agreement with Chinese bank UnionPay, which is the only bank in China that conducts interbank payments, MarketWatch said on Monday. But talks between Apple and UnionPay don't seem to be going too smoothly.



## **Regulation & Security**

### **PCI Security Standards Council Revises PCI DSS**

*4/15/15 Finextra*

The PCI Security Standards Council (PCI SSC) published PCI Data Security Standard (PCI DSS) Version 3.1 and supporting guidance. The revision includes minor updates and clarifications, and addresses vulnerabilities within the Secure Sockets Layer (SSL) encryption protocol that can put payment data at risk. Available now on the PCI SSC website, version 3.1 is effective immediately. PCI DSS Version 3.0 will be retired on 30 June 2015.

PCI DSS 3.1 and supporting resources are available on the [PCI SSC website](#).

### **National Data Breach Notification Bill Advances**

*4/15/15 Bank Info Security*

A House committee has approved a national breach notification bill, but its chairman concedes that the legislation isn't quite ready for a vote by the full House of Representatives. The House Energy and Commerce Committee approved on April 15 the Data Security and Breach Notification Act by a 29-20 vote, with only Republicans supporting the measure. Even its Democratic co-sponsor, Rep. Peter Welch of Vermont, voted against it.

### **Dell Annual Threat Report Analyzes the Most Common Attacks Observed in 2014 and How Emergent Threats Will Affect Organizations Throughout 2015**

*4/13/15 Dell*

Dell announced the results of its annual Threat Report, which leverages research from Dell's Global Response Intelligence Defense (GRID) network and telemetry data from Dell SonicWALL network traffic to identify emerging threats and equip organizations of all sizes with insights to improve their security posture. Analyzing Dell data sources and the 2014 threat landscape, this year's report found a surge in point-of-sale (POS) malware, increased malware traffic within encrypted (https) web protocols, as well as twice the number of attacks on supervisory control and data acquisition (SCADA) systems over 2013.

### **What Banks Need to Know from Verizon's Comprehensive Breach Report**

*4/14/15 BTN*

Dozens of security reports come out every year; Verizon's annual Data Breach Investigations Report is the Farmer's Almanac of them, the one referred to in PowerPoint presentations throughout the year. For the 2014 report issued Tuesday morning, Verizon and 70 contributing organizations (service providers, forensic firms, computer security information response teams and government agencies) analyzed 79,790 security incidents and 2,122 confirmed data breaches in 61 countries. Two-thirds of the incidents took place in the U.S., a reflection more of the contributor base than of relative threat vulnerability.

### **POS Providers Feel Brunt of PoSeidon Malware**

*4/15/15 KrebsonSecurity*

"PoSeidon," a new strain of malicious software designed to steal credit and debit card data from hacked point-of-sale (POS) devices, has been implicated in a number of recent breaches involving companies that provide POS services primarily to restaurants, bars and hotels. The shift by the card thieves away from targeting major retailers like Target and Home Depot to attacking countless, smaller users of POS systems is giving financial institutions a run for their money as they struggle to figure out which merchants are responsible for card fraud.



## **Economy**

### **Q. and A. With the Fed's John Williams: Timing of Rate Rise Is Overrated**

*4/16/15 The New York Times*



John Williams, president of the Federal Reserve Bank of San Francisco, says he's done talking about which month the Fed will start to raise its benchmark interest rate. "I've sworn to myself that from now on the only months of the year I'll refer to is months that have reference to births and anniversaries," he said in an interview this week.

## **Jobless Claims in U.S. Hold Below 300,000 for Sixth Week**

*4/16/15 Bloomberg*

Fewer than 300,000 American workers filed applications for unemployment benefits for the sixth consecutive week, pointing to labor-market strength even as hiring cooled last month. While a Labor Department report in Washington Thursday showed jobless claims increased by 12,000 to 294,000 in the week ended April 11, readings this low are typically consistent with an improving job market. The median forecast of 50 economists surveyed by Bloomberg called for 280,000. The total number of people currently receiving benefits was the lowest since 2000.

## **Retail Sales Rebound Signals Thaw in Economic Activity**

*4/14/15 Reuters*

Retail sales rose in March for the first time since November as consumers stepped up purchases of automobiles and other goods, suggesting a sharp slowdown in economic growth in the first quarter was temporary. The Commerce Department's fairly sturdy report on Tuesday together with other data showing that producer inflation crept up last month should keep the Federal Reserve on track to start raising interest rates later this year.

## **World Bank Reports Big Drop in Numbers of Unbanked**

*4/16/15 Finextra*

A new report from the World Bank has recorded a massive 20% drop in the numbers of unbanked consumers, as 700 million adults worldwide joined the formal banking system and became account holders between 2011 and 2014. Over the past three years, the percentage of adults with an account increased from 51% to 62%, a trend driven by a 13 percentage point rise in account ownership in developing countries and the role of technology.



## **Payments Press**

### **The Year of Payments - 2015 - One Quarter In**

*4/13/15 PYMNTS*

According to the Chinese lunar calendar, 2015 is the Year of the Sheep. Sheep, so says the Chinese astrological calendar, are gentle, calm and cute - animals seen as symbols of peace, harmony and tranquility. But since sheep also need dogs like border collies to keep them from wandering into harm's way, they may be nice and cute but they don't appear to be the sharpest tools in the farmer's shed. The Year of the Sheep characterization doesn't exactly pass muster when looking at the Year of Payments, at least so far. The first three months of 2015 have been anything but gentle and calm but the moves that we've seen have been made by some pretty sharp innovators.

## [MasterCard and Marcus Samuelsson Partner to Serve Up Qkr!™ with MasterPass™ at the First Restaurant in the U.S.](#)

*4/17/15 MarketWatch*

MasterCard has partnered with acclaimed restaurateur and chef Marcus Samuelsson to bring Qkr! with MasterPass to the first restaurant location in the United States. The Qkr! with MasterPass app will be available to patrons of Samuelsson's newest spot, Streetbird Rotisserie - a casual kitchenette featuring its namesake 'bird' with complementary dishes reflecting Marcus' multicultural upbringing from Ethiopia to Sweden, as well as a design inspired by the era of 70s to 90s hip hop and street culture.

## [NACHA Reports Nearly 5% Volume Growth for the ACH Network in 2014](#)

*4/16/15 Digital Transactions*

On the heels of healthy quarterly growth, NACHA reported Thursday that the automated clearing house network handled nearly 23 billion electronic transactions in 2014, up by 1 billion payments, or nearly 5%, from 2013. Dollar volume was up more than 3%, to more than \$40 trillion. These overall volume numbers include network traffic as well as on-us and direct-send activity reported to NACHA, the regulatory body for the ACH system.

## [NCR Aims to Eliminate the Pain of ATM Updates](#)

*4/16/15 American Banker*

NCR has launched automated-teller-machine software that it says is radically different from existing offerings in three ways: it's easier to install, cuts costs and simplifies ATM management. The Duluth, Ga., manufacturer, which claims about 30% market share of ATMs in the U.S., estimates the new software will save banks 27% to 40% annually on ATM costs. Today, the company said operators can cough up about \$2 million a year for a 100-ATM fleet.

## [Whys Guys: 5 Questions to Help Harden Your Network Against Data Breaches](#)

*4/15/15 Jelecos*

Verizon has published a witty and surprisingly readable 70-page investigation of 2014's data breach landscape, chock full of snappy Nerdspeak ("kthxbai"), Princess Bride quotes and truly LOL-worthy footnotes all designed to distract you from the fact that even as you read this paragraph your kid's college fund is being converted to Bitcoins and now lives on the hard drive of a 9 year-old Russian hacker's Playstation 4. But hilarious footnotes FTW!

## [Centier Bank Selects Merchant Services Solutions from Vantiv](#)

*4/14/15 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 Centier Bank has selected Vantiv as its merchant service solution provider under an exclusive partnership. Centier Bank, founded in 1895, is a full-service financial institution and Indiana's largest private family-owned bank.

## [Discover's New Freeze ItSM Tool Lets Cardmembers Immediately Halt New Purchases from Home or On-the-Go](#)

*4/15/15 Discover*

Discover cardmembers no longer need to worry if they misplace their credit cards thanks to the new Freeze ItSM feature that acts like an on/off switch to stop new purchases on their accounts, from a mobile device, online or over the phone. Just as easily, the account can be turned back on at the cardmember's discretion.

### **MasterCard and Regulators in the AFI Network Partner to Advance Financial Inclusion**

*4/16/15 MasterCard*

MasterCard and the Alliance for Financial Inclusion (AFI) signed a strategic partnership agreement that will enable a close collaboration within AFI's Public-Private Dialogue Platform (PPD). Launched in 2014, AFI's Global PPD Platform incentivizes policymakers and regulators to cooperate with the private sector in designing smart policy solutions that encourage innovation and investment.

### **ProPay Adds MasterCard MasterPass Checkout Service**

*4/14/15 TSYS*

ProPay®, a TSYS® company, announced that it is further enhancing online customer checkout options with the addition of MasterPass™, the MasterCard® digital payment solution that simplifies the entire shopping experience for consumers. MasterPass enables consumers to pay with any enrolled payment card, anywhere, using any device.

### **Ingenico Group Enables Long John Silver's to Deploy an End-to-End Secure Payment Solution Combining EMV and Point-to-Point Encryption**

*4/15/15 Businesswire*

Ingenico Group, the global leader in seamless payment, announced today that Long John Silver's, the largest quick service seafood chain in the U.S., opted to upgrade its payments infrastructure to Ingenico Group's EMV- and NFC-ready payment terminals to support its upcoming transition to the EMV payment standard in the U.S. The Ingenico Group solution will enable Long John Silver's 580+ U.S. locations to accept both magnetic stripe and EMV cards, and also provides a platform for mobile wallet acceptance, such as Apple Pay, in the future.

### **EVO Payments International Partners with Boomtown to Simplify Tech Support for POS Developers and Merchants**

*4/16/15 EVO*

EVO Payments International (EVO), a leading card payment acquirer and payment service provider operating in the United States, Canada and Europe, and Boomtown, a San Francisco based provider of on-demand tech support for small to medium-sized businesses (SMB), today announced a partnership that will provide push button IT support for POS developers and their SMB customers.

### **Recombo Enables Automated Onboarding for Cayan™**

*4/15/15 MarketWired*

Recombo, makers of Agreement Express, a SaaS automated onboarding and underwriting solution for the payments space, announced Cayan™ as their newest customer. Cayan, the leading provider of payment technologies that give businesses a competitive advantage, is leveraging Recombo's Agreement Express solution to deliver a frictionless onboarding environment for both Cayan and AVATAS™, Cayan's energy and field services channel customers.

### **YapStone Names Daniel Issen as Chief Technology Officer**



*4/13/15 Yahoo! Finance*

YapStone™, a global provider of web and mobile payment technology solutions for large vertical markets and online marketplaces, announced the addition of Daniel Issen as Chief Technology Officer. Issen will lead the engineering and product delivery teams as YapStone continues to rapidly expand in the online and mobile payments industry, projecting growth of 45 percent in 2015.

### **American Express First Quarter EPS of \$1.48, Up 11% From a Year Ago**

*4/16/15 American Express*

American Express Company (NYSE: AXP) today reported first-quarter net income of \$1.5 billion, up 6 percent from \$1.4 billion a year ago. Diluted earnings per share rose 11 percent to \$1.48, from \$1.33 a year ago. Results for the quarter were negatively affected by the significant impact of a stronger U.S. dollar on international operations.

### **New TNS Card Scheme Gateway Set to Accelerate UnionPay Acceptance Worldwide**

*4/13/15 EON*

Transaction Network Services (TNS) has launched a new global card scheme gateway which will enable merchants and banks to quickly and easily connect with UnionPay for authorization and processing of in-store payment transactions. Banks, processors and merchants wishing to accept UnionPay cards will be able to use the TNS Scheme Gateway to access UnionPay's processing hub in Hong Kong, removing the need for self-managed complex and costly bespoke connections.

### **BBVA Acquires Leading User Experience Firm Spring Studio**

*4/15/15 PR Newswire*

BBVA has acquired Spring Studio, a San Francisco-based user experience (UX) and design firm, to accelerate the Group's efforts to become the leading digital bank through great design and technology. The purchase is another step by BBVA to lead digital banking amid the rapidly changing landscape of financial services, marked by new customer demands and the entrance of digital-only players. BBVA believes that design is fundamental to the success of the business, investing to make it a core competency.

### **Apriva to Sponsor, Showcase mPOS App at SEAA Conference**

*4/15/15 The Green Sheet*

Apriva, the leading provider of secure end-to-end wireless transaction and information solutions, announced that they will be sponsoring and exhibiting at the 2015 Southeast Acquirers Association's (SEAA) annual conference in New Orleans from April 20-21, 2015. The SEAA annual conference focuses on education and providing information on current issues concerning sales agents and other players in the electronic payments industry.

### **Visa Chief Brand Officer to Join Post-Split Hewlett-Packard**

*4/14/15 Bloomberg*

Visa Inc.'s Antonio Lucio, who oversees marketing, advertising and communications as chief brand officer, is leaving the company to join Hewlett-Packard Co.'s printer business. Lucio, 55, has been with Visa since 2007, the Foster City, California-based payments network said Tuesday in a filing. He notified the firm he would be leaving earlier this month and his

resignation is effective April 24.



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