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THE STRAWHECKER GROUP



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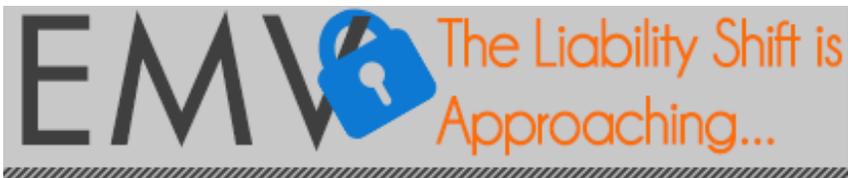
Mobile Payments & Bitcoin

Regulation & Security



Highlights this week include:

- [Small Businesses are Slow to Embrace New Chip-Card System](#)
- [Apple Pay's New Partner Has One Big Advantage Over Square](#)
- [Hey Twitter, is Jack Dorsey Going to be CEO or What?](#)
- [Dwolla Starts White-Label Service, Putting Name in Background](#)
- [Aussie Court Slaps \\$18M Fine on Visa for Anti-Competitive Practices](#)
- [EVO Announces Acquisition of Citi's Merchant Acquiring Business in Mexico](#)



Survey Concludes Next Thursday

As October 1st quickly approaches, TSG is repeating its EMV survey from March to further gauge overall EMV readiness now. TSG will provide participating companies with a profile of answers versus the market averages.

[Click here to complete the brief survey.](#) The deadline is 9/10/15.

TSG's Payment Gateway Directory

TSG's Payment Gateway Directory ([Preview](#)) offers a look into 28 leading gateway providers, covering 56 data points on

[Economy](#)

[Payments Press](#)

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This Day in History: 1886

Geronimo Surrenders

On this day in 1886, Apache chief Geronimo surrenders to U.S. government troops. For 30 years, the mighty Native American warrior had battled to protect his tribe's homeland; however, by 1886 the Apaches were exhausted and hopelessly outnumbered. General Nelson Miles accepted

functionality and company information.



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Featured

TSG in WSJ: Small Businesses Are Slow to Embrace New Chip-Card System

9/02/15 *The Wall Street Journal*

After the October date, merchants that haven't switched to point-of-sale systems meeting the new EMV-short for Europay, MasterCard and Visa-standard will generally be liable for losses when they physically accept counterfeit credit cards.

Some vendors are offering special promotions. Payments startup Square Inc. in June began offering merchants one Square reader that meets the new chip-card standards at no charge. Square won't say how many have taken up the offer, or whether the new readers will be delivered by Oct. 1, though it promises to cover EMV-related chargebacks for small businesses that have ordered the new reader.

iHospital's switch will cost about \$15,000, or roughly \$600 per terminal. "We use a custom system so our options are really, really limited," said Mr. Newman. In all, merchants will spend \$7 billion on new payment terminals and related software, estimates [The Strawhecker Group](#), a payments consulting firm.



Payments Versus Sports: Perspective in Valuations

In recent years, payments companies have been some of the most valuable on Wall Street. Many of these companies have recently become publicly traded and are technology driven.

For example, PayPal was founded in 1998, went public in July, and is already almost as valuable as the collective 32 NFL teams (\$41 billion

Geronimo's surrender, making him the last Indian warrior to formally give in to U.S. forces and signaling the end of the Indian Wars in the Southwest.

Geronimo was born in 1829 and grew up in what is present-day Arizona and Mexico. His tribe, the Chiricahua Apaches, clashed with non-Indian settlers trying to take their land. In 1858, Geronimo's family was murdered by Mexicans. Seeking revenge, he later led raids against Mexican and American settlers. In 1874, the U.S. government moved Geronimo and his people from their land to a reservation in east-central Arizona. [Click here to read more.](#)

versus \$45 billion, respectively). MasterCard and Visa went from membership organizations to publicly traded companies in 2006 and 2007, respectively; since that time, their value has increased drastically.

Payments		Sports	
Company	Market Cap (\$B)	Team	Value (\$B)
Visa	\$171	All NFL Teams	\$45
MasterCard	\$102	All MLB Teams	\$36
Amex	\$76	All NBA Teams	\$33
PayPal	\$41	Top 50 NCAA Football Programs	\$19
First Data	\$30	All NHL Teams	\$15
Discover	\$23	All Premier League Clubs	\$13

[Click here for the full visual comparison.](#)

[Apple Pay's New Partner Has One Big Advantage over Square](#)

9/03/15 Quartz

Apple announced a new partnership last week with PayAnywhere for a new device that helps merchants accept Apple Pay transactions. It looks to be a nice product that will help Apple Pay make inroads with smaller businesses. It will be available starting this month for \$39 exclusively at Apple Stores-quite a coup for a payments company with 400 employees.

[Open-Platform Mobile Wallet the Only Answer: Heartland's Carr](#)

9/02/15 ISO & Agent

Heartland Payment Systems CEO Bob Carr will never be accused of not making his feelings known about the Merchant Customer Exchange mobile wallet venture. A year ago at the annual Mobile Payments Conference, Carr proclaimed that the imminent rollout of Apple Pay was "the final nail in the coffin" of MCX. This year, Carr simply said, "I am sticking with that." It's not that Carr has any particular grudge against the major retailer's joint venture and still-developing CurrentC mobile wallet. He just doesn't care for the model.

[Ashley Madison Customers are Handing Over Thousands of Dollars in Bitcoin to Blackmailers](#)

9/04/15 Business Insider

Millions of Ashley Madison customers had their personal information leaked in a hack of the site, and now blackmailers are making big money using the data. The Register reports that researchers have been able to track payments online that were sent using the virtual currency bitcoin. Cloudmark analyst Toshiro Nishimura looked into bitcoin addresses that were included in emails sent to victims of the Ashley Madison hack. Blackmailers have been contacting users of the site promising to remove their data from the internet, or threatening to send it to their relatives or colleagues.

[Hey Twitter, is Jack Dorsey Going to be CEO or What?](#)

9/03/15 MarketWatch

Despite the obvious issues with his Square commitment and Twitter's public avowal of needing a full-time CEO, many have not given up on Dorsey as the front-runner. Early investor Chris Sacca, who has been quite outspoken publicly about his advice for Twitter, told Re/code he believes Dorsey should be the company's new CEO. Re/code's Kara Swisher also reported that Dorsey wants the job and has been trying to figure out how

to make it happen.

Separate But Tied Together: Why eBay Is Dropping Non-PayPal Payment Methods

8/31/15 *Digital Transactions*

PayPal Holdings Inc. and eBay Inc. went their separate ways just 45 days ago, but already the fallout from that split is beginning to make itself felt. eBay is telling sellers on its main online marketplaces that starting Sept. 27 it will stop supporting three electronic payment services that compete with PayPal: Paymate, an Australian service; ProPay, a service owned by processor Total System Services Inc.; and Skrill, a U.K. processor that was acquired earlier this year by merchant-services provider Optimal Payments Plc.



Mobile Payments & Bitcoin

PayPal Launches Quick & Easy Millennial-Friendly Payment Service

9/02/15 *TIME*

On Tuesday, PayPal announced a new service called PayPal.me, designed to add some modern functionality to its old-by-Internet-standards payment platform. The new offering takes a page from Venmo, the mobile payment app popular with millennials that PayPal acquired last year. Venmo lets users send and request money with the tap of a few smartphone buttons—a stark contrast to the comparatively byzantine experience of requesting money on PayPal, which requires users to log into a website and fill out a form.

Dwolla Starts White-Label Service, Putting Name in Background

9/02/15 *The Des Moines Register*

Dwolla unveiled a service Wednesday that it hopes will let the Des Moines-based payments company attract more customers even as it pushes the Dwolla name to the background. The company has launched a "white-label" payments processing service, meaning other businesses and banks can sign on to use Dwolla's money-transfer system, but won't have to put Dwolla's label on it.

Klarna Powers Mobile Payments for Overstock.com in U.S. Push

9/01/15 *Fortune*

The Stockholm-based payments company announced its first U.S. deal as it take on PayPal and Stripe in their home turf. Payments companies PayPal and Stripe are getting a new competitor in the U.S. this week as Stockholm-based payments upstart Klarna makes its first move in the U.S. Klarna said Tuesday that it has partnered with online retailer Overstock.com to power its mobile payments.

Related:

[The Deputy CEO of Swedish Payments Firm Klarna is Leaving After Overstock, Klarna Looks To Add 50 to 60 U.S. Merchants By Year](#)

[End](#)



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Regulation & Security

Credit-Card Fraudsters Pump Gas Stations for Profit

9/03/15 *The Wall Street Journal*

May require subscription. Credit-card fraudsters are filling up at the gas pump. As motorists head out on the last big driving weekend of the summer, the credit-card industry and gas-station owners are deploying everything from sophisticated software to heavy-duty padlocks to combat an epidemic of fuel-related theft and fraud. The crackdown is gaining additional momentum because many gas stations will be among the last merchants to install equipment accepting a new generation of fraud-resistant cards.

Aussie Court Slaps \$18M Fine on Visa for Anti-Competitive Practices

9/04/15 *Finextra*

The Australian Federal Court has ordered Visa to pay \$18 million in fines for freezing our rival currency conversion services on terminals that use its cards. Australia's competition watchdog, ACCC, brought the case after the card scheme instituted rule-changes in 2010 that prohibited the supply of dynamic currency conversion services on POS transactions on the Visa network globally by rival suppliers.

More ATM "Insert Skimmer" Innovations

9/03/15 *Krebs on Security*

Most of us know to keep our guard up when withdrawing cash from an ATM and to look for any signs that the machine may have been tampered with. But ATM fraud experts say they continue to see criminal innovations with "insert skimmers," wafer-thin data theft devices that fit inside the ATM's card acceptance slot and do not alter the outward appearance of a compromised cash machine.

Former Secret Service Agent Pleads Guilty to \$800K Bitcoin Theft

9/01/15 *Bank Info Security*

Former U.S. Secret Service agent Shaun W. Bridges, 32, has pleaded guilty to stealing \$820,000 worth of bitcoins while helping to run the U.S. government's investigation into the notorious underground narcotics marketplace known as "Silk Road." Bridges pleaded guilty Aug. 31 in California federal court to both money laundering and obstruction of justice, according to the Department of Justice.

The Future of FinTech is Here.
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Economy

Employers Added 173,000 Jobs in Aug., Jobless Rate Falls to 5.1%

9/04/15 USA Today

Payroll growth slowed in August as employers added 173,000 jobs in a key report that could help the Federal Reserve decide whether to raise interest rates later this month. The unemployment rate fell from 5.3% to 5.1%, lowest since March 2008. Economists surveyed by Bloomberg expected employment gains of 218,000, according to their median forecast. Businesses added 140,000 jobs last month, fueled by strong advances in health care, professional and business services, and leisure and hospitality. Federal, state and local governments added 33,000.

PayPal Study Reveals Adults Globally Owed More Than \$51 Billion by Friends and Family

9/01/15 Business Wire

PayPal released a new PayPal Money Habits Study that sheds new light on people's attitudes and behaviors around money. In a survey of 4,000 consumers in the U.S., Canada, Germany and Australia, the study found that one third of adults in the U.S. have ruined a relationship over IOUs and are owed on average \$450. A driving reason is discomfort around financial conversations; more than 50 percent of Americans find it awkward to ask their friends or family to pay them back.

Minimal Growth In The Small Business Economy Continues

8/31/15 Newtek

Barry Sloane, Chairman, President and CEO of The Small Business Authority® commented, "Our index measures trends in the small business economy across 8 important subcategories. The index is depicting slow, anemic growth. Is our economy growing at first quarter GDP of 0.6% or at the recently reported 3.7%? Our index has depicted growth, albeit slow growth, for many quarters and months. We are not growing at zero or 4% but clearly our index is telling us things are slowing.

IMF: It's Too Soon to Raise Interest Rates

9/03/15 CNN

The International Monetary Fund has warned the world's biggest economies against raising interest rates too soon. There are still too many risks to global growth, the fund said. Advanced economies should continue to pursue "growth supportive policies." The warning came in a letter to central bankers and finance ministers of the G-20 group of leading economies, who are meeting in Turkey this week.



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Payments Press

EVO Announces Acquisition of Citi's Merchant Acquiring Business in Mexico

9/01/15 PR Newswire

EVO Payments International (EVO), a leading card payment acquirer and payment service provider operating throughout North America and Europe, announced the successful completion of the purchase of Citigroup's merchant acquiring business in Mexico, conducted through Banco Nacional de Mexico S.A. (Banamex), a wholly-owned subsidiary of Citigroup.

CPI Card Group Gets Ready For IPO

9/01/15 24/7 Wall St.

CPI Card Group Inc. filed an S-1 form with the Securities and Exchange Commission (SEC) for its initial public offering (IPO). There were no terms given in the filing however the offering is valued up to \$100 million. The company plans to list on the NASDAQ Global Select Market under the symbol PMTS. The underwriters for the offering are BMO Capital Markets, Goldman Sachs, and CIBC.

TSYS Signs Payments Agreement with Metro Bank

9/01/15 TSYS

TSYS announced that it has signed an agreement to process Metro Bank's credit and debit card portfolios on TSYS' TS2® processing platform, as well as provide Metro Bank fraud management services through TSYS Managed ServicesSM EMEA. Metro Bank is the U.K.'s first new high street bank in more than 100 years. It offers personal, business and private banking, with a focus on providing customers with unparalleled levels of service and convenience.

MasterCard Start Path to Build the Future of Commerce with Startups

9/03/15 MasterCard

In today's crowded and competitive business environment, startups are seeking global opportunities that will rapidly scale their business. To address this need, MasterCard today announced the launch of Start Path Global - a unique six-month partnership programme for startups that extends Start Path's existing footprint in a greater number of countries globally across Asia Pacific, the Middle East, Africa and Latin America, as well as in Canada .

Top PayPal Executive Hill Ferguson Out in Management Shake-Up

9/03/15 Recode

PayPal is adjusting its course on a major restructuring it made earlier this year, and its product and engineering boss for its consumer business is leaving as a result. Hill Ferguson, a top executive and officer who was SVP of PayPal's consumer business, has stepped down, he announced in a post on Facebook earlier today. Bill Ready, who was Ferguson's counterpart for the merchant side of PayPal's ecosystem, is gaining more control and will now run product and engineering for the entire company, a spokesman said in a statement.

Mutual of Omaha Bank Selects FTNI to offer Enhanced Online Payment Functionality

9/02/15 FTNI

"FTNI's ETran solution brings a strategic mix of benefits to our national processing including a fully-compliant consolidated receivables platform and the ability to automate traditionally manual, time-consuming processes," said Matt Minchow, executive vice president of National Banking, Mutual of Omaha Bank. "FTNI's ability to scale and easily configure ETran to meet our specific processing needs across our

national business made for an excellent fit."

Verifone Debuts First Intel-Powered mPOS system

9/01/15 PYMNTS

Verifone and Aava said Tuesday morning that they are launching the first handheld mPOS system powered by Intel technology and geared toward enterprise users. The companies said in a release that the system, dubbed the Verifone e355 mPOS terminal, is based on Verifone's device and operating system-agnostic terminal, coupled with the Aava handheld tablet PC. The new Verifone/Aava offering supports operating system options that span Android, iOS and Windows, which, according to the release, allows retailers to make longer term investments in mPOS solutions with an attendant lower cost of ownership, along with connection to legacy back-end systems.

First American Payment Systems Partners with Womply to Offer Merchants 1stPayInsights

9/02/15 PR Web

First American Payment Systems, a leader in payment processing, and Womply, an innovative, merchant-centric technology company, have partnered to offer merchants 1stPayInsights, a powerful platform to enable First American's merchants to grow, protect, and simplify their businesses. 1stPayInsights is a new platform for small business owners that provides them data and tools needed to achieve a 360 degree view of their business performance.

TransFirst® and PatientPay Announce Sales Partnership

9/01/15 WSET

TransFirst®, a leading provider of electronic transaction processing services, has formed a strategic sales partnership with PatientPay, an online practice management and payment technology for healthcare practices. TransFirst will provide payment processing solutions that will integrate with the PCI-compliant PatientPay technology, creating a seamless online payment experience for providers to offer their patients.

Moneris Works with Verifone to Offer One of the First EMV-Certified Unattended Payment Solutions in the United States

8/31/15 EON

Moneris Solutions Corporation, one of North America's leading credit and debit card processors, announced it has completed EMV certification of Verifone's line of unattended payment devices. With this certification, merchants can now adopt a secure unattended payment solution that can be deployed quickly and easily to ensure they are ready for EMV and NFC payment acceptance. Verifone's UX Solutions are a series of customizable and versatile unattended payment devices for use in all types of self-service environments.

Flint, the No-Dongle Mobile Payment App, Strengthens Android App Offering

9/03/15 LTP

Flint Mobile, a mobile payment service that allows small businesses, freelancers and non-profits to get paid by credit card through a free mobile app that requires no external card reader, today announced enhancements to its Android app that include immediate electronic receipts via SMS. With the new Android SMS support, business owners will no longer need to type in a customer's email addresses to provide receipts as the SMS message will provide a link to take customers directly to their receipts and invoices.

TruBeacon, Inc. Developer of Software Solutions for Merchants Joins Hand with Mutual of Omaha Bank

8/29/15 LTP

Mutual of Omaha Bank's Merchant Services division has partnered with TruBeacon, Inc.; an Omaha based developer of sophisticated mobile apps for financial institutions and leading retailers, to provide solutions for mid-sized merchants all over US. As a result of this collaboration, Mutual of Omaha Merchant Services will provide TruBeacon, Inc.'s multi-location management, order display, reporting software and merchant branded mobile apps. These services are ideal for merchants, franchisees and quick service restaurants.

US Bankcard Unveils Restaurant POS

8/31/15 *The Green Sheet*

US Bankcard Services, Inc. is proud to introduce its new restaurant Point of Sale (POS) system. The POS system combines multiple actions and streamlines them into one sleek system to make business management more efficient for restaurant merchants. In addition to enhanced productivity, merchants who adopt the USBSI POS system will also receive USBSI's renowned customer service and technical support to complement their new system and make running their business an even more rewarding experience.

Samsung Looks to Gemalto to Speed Up Mobile Payments

9/03/15 *Mobile Today*

Samsung has teamed up with digital security firm Gemalto to speed up the roll out of its mobile payment service. Samsung Pay is due to launch in South Korea and the US later this summer. The manufacturer's partnership with Gemalto comes off the back of its collaboration with Mastercard, enabling it to extend Samsung Pay into Europe.

Barclays to Tap Bitcoin for Charity Donations

9/01/15 *Press Examiner*

The company had previously revealed it is pursuing a proof of concept with European exchange and services provider Safello, and in March had accepted three Bitcoin firms into its FinTech accelerator program. Banks have been poking around bitcoin technology for some time to better understand how it works and how they might use it. Now, they appear to be getting a lot more serious about the digital currency.

@Pay Integrates with iATS Payments

9/03/15 *Street Insider*

@Pay LLC, an express payment technology company, announced that its platform integrates with iATS Payments. This integration enables a new frictionless process for nonprofit fundraising. @Pay's express payment technology enables supporters to easily and securely give to their favorite causes. Just like with any express payment experience, users go through a simple one-time account setup process. Once the account is created, donors can give to any nonprofit using @Pay's express payment technology with just two simple clicks each time.





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