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Payments Experts. Powerful Data.  
THE STRAWHECKER GROUP



Oct. 30th,  
2015  
Edition #478



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## Trending this week...

This week the industry saw a bevy of new announcements as Money 2020 and WSAA took place in Las Vegas, see below for what was [heard at the shows](#). In addition, TSG reviewed Square's S-1 Filing and prepared the subsequent [snapshot of their merchant portfolio in the U.S. market](#).

With **Halloween** tomorrow, TSG used its data warehouse of over 3M card-accepting merchants to look at 12 months of spending for over 500 clothing rental stores across the U.S. to see how the holiday impacts monthly sales. [Check out the spooky results!](#)

Highlighted Articles:

- [Cybersecurity Bill Passes in Senate](#)
- [With Chase Pay, JPM Stakes Claim in Uncertain Mobile Future](#)
- [Bitcoin Now Kosher, Card Network Partnerships Suggest](#)
- [Heartland CEO: Blockchain Could Power Trillions in Bank Transactions](#)
- [Meet the Nebraska Woman Who Allegedly Defrauded Square Out of Millions](#)
- [USAA Switching Credit, Debit cards to Visa from Longtime Partner MasterCard](#)

**EMV: Trick or Treat? Share your EMV Experiences**

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## This Day in History: 1938 Welles Scares Nation

Orson Welles causes a nationwide panic with his broadcast of "War of the Worlds"-a realistic radio dramatization of a Martian invasion of Earth.

Orson Welles was only 23 years old when his Mercury Theater company decided to update H.G. Wells' 19th-century science fiction novel War of the Worlds for national radio. Despite his age, Welles had been in radio for several years, most notably as the voice of "The Shadow" in the hit mystery

It's been a month since the EMV liability shift deadline and TSG would like to know your perspective on this transition; the good, the bad, the ugly, or any other thoughts that you would like to share on EMV.

[Click Here to Comment](#)



## New eReport

### Attractive Vertical Analysis (AVA) for Payment Processing

The AVA eReport ([PREVIEW](#)) utilizes data from TSG's data warehouse of over 3M merchants. This report lists 245 merchant types and includes key metrics on each of them including volume statistics, profitability, and attrition. Using the Profitability and Attrition Metrics, a score is assigned to each merchant type. This is the "attractiveness" of the merchant. [Click here to purchase.](#)



## Featured

### TSG's Big Data: Halloween Costume Spending

The Strawhecker Group (TSG) looked at 12 months of spending data for over 500 clothing rental stores across the U.S. to see how Halloween impacts their monthly sales.

[Click here to see big data.](#)

The top chart shows that in 2014, Clothing Rental Stores had sales of \$42,500 in the month of October, 215% higher than the other 11 months. However, the bottom chart displays that the average purchase size fell 50% to \$55 in October, versus \$111 the rest of the year due to heavy discounting and the increased competition during the busy Halloween season.

For many costume rental shops, the Halloween shopping season accounts for a nearly a third of profits. This year, expect the competition between these merchants to be more intense as early spending estimates predict that 2015 Halloween sales will be down from last year.



### Square IPO Analysis

When Square was launched in 2009, the market was intrigued to see how their dongle-based solution, with an easy boarding process and simplified pricing strategy, would impact the U.S. merchant acquiring space. It was a revolutionary approach to card acceptance and has



program of the same name. "War of the Worlds" was not planned as a radio hoax, and Welles had little idea of the havoc it would cause.

The show began on Sunday, October 30, at 8 p.m. A voice announced: "The Columbia Broadcasting System and its affiliated stations present Orson Welles and the Mercury Theater on the air in 'War of the Worlds' by H.G. Wells." [Click here to read more.](#)

since inspired many competing solutions.

## [Click here to read TSG's full analysis.](#)

Now six years later with an IPO pending, TSG reviewed Square's S-1 Filing and prepared the subsequent snapshot of their merchant portfolio in the U.S. market. Please note that this report contains estimates that should be viewed as directional in nature that reflect a blended time period over the past 12 months.

## Heard @ Money 2020 & WSAA

### Highlighted Tweets from this week's Money 2020 Conference in Vegas:



**Bradley Leimer**  
@leimer



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The Internet, born in 1969, was ugly, chaotic, promising in 1995. Bitcoin, blockchain, and distributed ledgers feel similar today [#money2020](#)



**Jason Del Rey** @DelRey · Oct 28

Amazon's Rich Koehler: "If it takes more than three taps to reach any part of your product catalogue, it basically doesn't exist" [#money2020](#)

RETWEETS  
31

FAVORITES  
42



1:27 PM - 28 Oct 2015 · Details



**ngenuity journal** @ngenuityjournal · Oct 28

Merging of [#chasepay](#) and [@currentc](#): 94M accountholders, 40 merchants and 70 brands- Brian Mooney, CEO MCX [#money2020](#)



2



2



**Pinnacle Exhibits** @PinnacleExhibit · 22h

Many people saying [@Poynt](#) was the busiest, most popular space [@Money2020](#)



RETWEETS  
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Daniel Marlo @daniel\_marlo · 22h

[#money2020](#) you know it is last session when stat cited is 30% of millennials would rather give up sex then their phone really [#mobilefirst](#)

← ↻ 3 ★ 3 ⋮



PYMNTS @pymnts · Oct 28

Cross-border sales are expected to be 15% of global eCommerce by 2018: [ow.ly/TVWVP6](http://ow.ly/TVWVP6) [#Money2020](#)

← ↻ 11 ★ 4 ⋮

### Tid Bits Heard at WSAA:

- Regulation - 14 agencies are watching over the Payments industry
- Cyber Security - 47 states have laws to announce a data breach policy
- EMV - security issues due to signature only - routing issues in the U.S. due to dual networks
- Cash Advance - Treasury looking into companies to seek further regulations
- Congress - new congressional payment caucus with 35 members

### First National Bank Warns of Large Data Breach at Unidentified National Business

10/30/15 Omaha World Herald

A large data breach at an unidentified national business has prompted First National Bank of Omaha to reissue new debit cards to customers in seven states. First National's own security was not compromised in the incident, a spokesman said. Its connection to the breach is limited to customers who may have done business with the company that was the target of the attack, he said. "We recently issued new debit cards across our seven-state service area to customers whose cards may have been compromised through a nationwide breach that has not yet been announced," First National spokesman Kevin Langin told The World-Herald.

### Cybersecurity Bill Passes in Senate

10/27/15 US News

The Senate on Tuesday approved a cybersecurity information sharing bill amid concerns that the measure doesn't do enough to encourage the business community to share information about threats and that it will do little to additionally safeguard Americans' online security or privacy. The Cybersecurity Information Sharing Act, which passed on a 74-21 vote, aims to help prevent massive data breaches of consumer data by offering legal protections to companies that would enable them to share more information about their networks and hacker threats with the government and other businesses.

Related:

- [Cybersecurity Information \(Over\)Sharing Act?](#)
- [A Quick Guide to the Cybersecurity Bill Passed by the U.S. Senate](#)

### With Chase Pay, JPM Stakes Claim in Uncertain Mobile Future

10/27/15 BTN

Mobile payments have not taken hold among average consumers, but as Eileen Serra sees it, Starbucks' model of tying rewards and mobile together is crucial to getting people to see their phones as extensions of their

wallets. "The reason to use mobile payments has to be more than hitting 'pay,'" said Serra, who is the chief executive of Chase Card Services at JPMorgan Chase. "Starbucks has been the most successful mobile payment model because they have integrated loyalty and rewards. That's how you drive adoption. You give [consumers] a reason to use it."

Related:

- [Chase Announces Chase Pay, Its Own Digital Wallet](#)
- [The Problem with Chase Pay, The Bank's Forthcoming Apple Pay Competitor](#)

## [Visa Said to Complete Deal for Visa Europe as Early as Monday](#)

*10/29/15 Bloomberg*

Visa Inc., the world's largest payments network, may announce as early as Monday that it's acquiring former subsidiary Visa Europe Ltd., according to a person briefed on the plan. The deal, which would unify the brand globally after the companies separated eight years ago, is valued at more than \$20 billion, said the person, asking not to be identified because the talks are private. Visa, which is scheduled to report fourth-quarter results Monday, said in July that it was in discussions over a potential deal and would provide an update during the quarterly earnings call, if not sooner.

## [Bitcoin Now Kosher, Card Network Partnerships Suggest](#)

*10/30/15 BTN*

In the few years since bitcoin - the currency and the blockchain framework behind it - became part of the general consciousness, the financial services industry has slowly shifted from ignoring it to considering its potential applications. Bitcoin has gained a reputation for being too radical for regulated institutions to touch. Instead, the potential of using a blockchain-like system, such as a "private distributed ledger" independent of bitcoin, has been mooted to solve longstanding industry concerns such as modernizing the payment system and securities settlement.

## [Klarna, A Unicorn, Is Coming To The U.S. And Going After U.S. Credit Card Companies](#)

*10/28/15 TechCrunch*

If you live in the U.S., you might not be terribly familiar with Klarna, a 10-year-old Stockholm-based company that provides payment services for online storefronts in a somewhat unique way - by "separating the buying from the selling," as company cofounder and CEO Sebastian Siemiatkowski explains it. Put simply, you visit a site powered by Klarna, input only your email and zip code, and presto, your item is purchased. You then have 30 days to pay back Klarna, using whatever payment method you like. The big idea is to increase conversion rates, and whether or not they realize it, 35 million consumers have now used Klarna across the sites of 50,000 merchants, who understandably love the service. (The fewer keystrokes required, the higher the chance a purchase will be made, especially with a smartphone.)

## [Heartland CEO: Blockchain Could Power Trillions in Bank Transactions](#)

*10/29/15 CoinDesk*

"I wish I could give you a grand leading vision." It's the first thing Heartland CEO Bob Carr says as he sits down in the media room at Money20/20, the modern white leather couch clashing with his holiday sweater. We're talking about the buzz around the bitcoin blockchain, the technology's decentralized ledger, and how it relates to the future of his New Jersey-based payments firm. Frankly, I'm surprised he arrived. With all the chasing

that goes into setting up meetings, it's a bit startling the CEO of the fifth largest merchant acquirer in the US would venture down to the press room for the kind of theoretical conversations bitcoin and blockchain discussions often spiral into, especially when it was only loosely on our schedules.

### Walmart Exec: 'Anarchy' Coming in Holiday Transition to Chip Credit Cards

*10/26/15 Recode*

Count Walmart payments executive John Drechny among those upset with the timing of the credit card industry's transition to "chip" credit cards. In a panel discussion at the Money20/20 payments conference in Las Vegas on Monday, Drechny said the October deadline for merchants to switch over to equipment that can accept new chip cards will cause chaos during the holidays. "We're forcing anarchy" on the payments world right now, Drechny said. He envisions a holiday season in which shoppers will choose which card to pay with depending upon how easy it is to actually use when they get to checkout.

### Why PayPal Plans to Extend Its Fast-Growing Venmo Service Into Merchant Payments

*10/29/15 Digital Transactions*

Up to now, PayPal Holdings Inc.'s Venmo payments service has been strictly a mobile person-to-person product appealing largely to twenty-somethings, but within a year users will be able to pay with Venmo at PayPal merchants if the parent company's plan works out as expected. PayPal disclosed Wednesday in its quarterly earnings call that it will start piloting Venmo as a payments service for merchants some time before the end of the year. The test will take place with "selected PayPal merchants," said Dan Schulman, PayPal's chief executive, during the call.



## Mobile Payments & Bitcoin

### Opportunities, Challenges for Mobile Payments

*10/26/15 Green Sheet*

During a mid-October Strategic Leadership Forum hosted by the Electronic Transactions Association in Phoenix, executives from The Strawhecker Group, Verifone, Samsung Pay, LoopPay, and Vantiv gathered for a panel discussion titled Mobile Payments: From Buzzword to Business. In an interview with The Green Sheet, SLF mobile panelist **Jared Drieling, Business Intelligence Manager for The Strawhecker Group** revealed key takeaways from the event and his own perspectives as a payments expert. Not surprisingly, the advancement of mobile and Europay, MasterCard and Visa (EMV) chip-card payment initiatives in the United States were core topics at the event. However, panelists also discussed business startups, funding, mergers and acquisitions, modern acquiring, big data and data security.

### During 2015 Money20/20 Keynote Address, MCX CEO Brian Mooney Discusses New Partnership with Chase to Enhance CurrentC™ for Consumers

*10/29/15 BusinessWire*

During his keynote address at the 2015 Money20/20 conference in Las Vegas

yesterday, Merchant Customer Exchange (MCX) CEO Brian Mooney discussed the company's partnership with Chase - announced earlier this week at the same conference - as well as additional updates on CurrentC™'s development. As part of the partnership, MCX will integrate Chase Pay as a form of payment into CurrentC™, the company's mobile payments platform currently in public beta in Columbus, Ohio.

### **Mobile Payments Will Triple in the US in 2016**

*10/26/15 eMarketer*

The number of people in the US using their phones to pay for goods and services at the point of sale will continue to climb steadily, with 2016 being a year of significant growth for the technology. According to the latest proximity mobile payments forecast from eMarketer, the total value of mobile payment transactions in the US will grow 210% in 2016. eMarketer defines proximity mobile payments as point-of-sale transactions that use mobile phones as a payment method, via tapping, waving and similar functionality.

### **Samsung Pay Will Work With More Credit and Gift Cards in the U.S.**

*10/28/15 Engadget*

Samsung Pay will be a lot more useful in the US these coming months. According to the South Korean electronics maker, the mobile payment service is doing quite well in the country, but it still has a limited reach because it only supports cards issued by a handful of major banks. In the coming months, though, the app will start accepting cards from Chase, PNC Bank, TD Bank, SunTrust, Fifth Third Bank, Key Bank, Silicon Valley Bank, Security Service Federal Credit Union, Navy Federal Credit Union, Virginia Credit Union, Associated Bank, Randolph Brooks Federal Credit Union and People's United Bank.

Related: [Android Pay vs. Samsung Pay: Explained](#)

### **MasterCard, Bain Capital Ventures, New York Life Invest In Bitcoin Company Digital Currency Group**

*10/28/15 Forbes*

Fresh off the heels of selling his first company, SecondMarket Solutions, to Nasdaq last week, financial whiz Barry Silbert is officially launching his next startup, Digital Currency Group, and announcing that it has raised an undisclosed sum from a number of investors, including MasterCard, Bain Capital Ventures and New York Life. They are the latest in a string of traditional financial institutions including Nasdaq, Citi, Visa, American Express, Goldman Sachs and others to invest in a digital currency company.

### **Will Merchant Mobile Wallets Play Nice with Location-Based Marketing?**

*10/27/15 ISO & Agent*

New mobile wallets like the Merchant Customer Exchange's CurrentC may find themselves in conflict with other high-tech mobile apps that came to market sooner. At the heart of the issue is consumer fatigue. How many retailer applications will shoppers wish to use during a single shopping trip, and can they pay and redeem offers without having to open multiple apps? Though MCX has long described its platform as one that would integrate with existing retailer apps, but the wallet's design doesn't address emerging technologies such as Bluetooth beacons. Merchants in malls have even more complexity, since they must support their own apps as well as an app designed to encompass the mall itself.

### **MasterCard Launches New Program that Can Turn Any Consumer Gadget, Accessory, or Wearable into a Payment**

## Device

10/27/15 *CU Insight*

MasterCard introduced a new program that will bring MasterCard payments to a wide array of consumer products across the automotive, fashion, technology, wearables, and yet to be imagined categories. The program gives consumers the freedom to shop using the device or thing that is most convenient to them, with the highest level of security available. The program will launch with the support of several marquee partners across multiple verticals to fit every lifestyle need.

## Apple Pay is Expanding to Australia and Canada with American Express

10/27/15 *The Verge*

Apple announced an expansion of its mobile payments service Apple Pay in two new countries, Australia and Canada, for owners of American Express cards. CEO Tim Cook broke the news on Apple's fourth-quarter earnings call today, saying the company wanted to bring Apple Pay to more "key global markets." Apple Pay, which lets users make payments either online or in-store using iPhones and iPads with a fingerprint sensor, has been available in the US since its launch in October 2014.

## Walgreens is Adding Its Rewards Card to Apple Pay

10/28/15 *TNW*

Yesterday, Apple announced Apple Pay was going global. Stateside, it seems Walgreens is making its loyalty card available for your Wallet app. The Walgreens Balance Rewards program typically asks that users enter a phone number at a payment terminal to get rewards. Inclusion in Apple Pay allows you to tap your phone on an NFC-equipped terminal to get points on purchases.

## Mobile Payments' Great Big Leap

10/26/15 *PYMNTS*

There's a perfect storm brewing in mobile payments. And it's a storm that the shift to chip cards in the U.S. has intensified. That, in combination with the pressure on retailers to drive the top line and the massive ubiquity of smartphones, will only accelerate the move to mobile commerce in the U.S. A move that will likely take mobile payments right to the cloud - at least for a few big merchant sectors - and pretty fast.

## Regulation & Security

## Meet The Nebraska Woman Who Allegedly Defrauded Square Out Of Millions

10/26/15 *BuzzFeed*

Earlier this month, the mobile payments company Square registered to go public with the Securities and Exchange Commission (SEC). As observers clawed through the long-awaited 198-page document, one unexpected detail stood out: In the risk section of the filing, Square acknowledged a \$5.7 million loss "related to fraud by a single seller." That solitary seller represented nearly 23% of Square's transaction and advance losses for the first half of 2015. The Wall Street Journal said it "raised questions" about Square's ability to prevent fraud.

## RushCard Says It Will Reimburse Customers

10/29/15 *The New York Times*

RushCard, the prepaid debit card company plagued with technology problems this month, said on Thursday that it would pay \$2 million to \$3 million to refund customers for losses as well as inconvenience. Plans for a

reimbursement fund, to be financed by RushCard, are being reviewed by the company and regulators, and exact details will not be released until regulators approve it

## **Wells Fargo Eliminates Foreign Transaction Fees for Small Business Credit Cards, Lines of Credit**

*10/28/15 Business Wire*

In a move that will help reduce expenses for U.S. small businesses that are doing business internationally, Wells Fargo announced it has removed its foreign transaction fees on all business credit card and business line of credit access card transactions made outside the U.S. effective October 1. With this change, Wells Fargo is the only major U.S. bank that today does not charge a foreign transaction fee on all of its small business credit cards.

## **Economy**

### **Third-Quarter GDP Lands with Thud: Just 1.5% Growth**

*10/29/15 MarketWatch*

The U.S. economy cooled off in the third quarter as companies cut back production to prevent a worrisome buildup in inventories, particularly of goods destined for foreign markets. Gross domestic product - the value of everything a nation produces - rose at a 1.5% annual pace from July through September, the government said Thursday. The U.S. had grown at a crisp 3.9% rate in the second quarter.

### **Fed Considers December Rate Rise, Sees 'Moderate' Expansion**

*10/28/15 Bloomberg*

Federal Reserve policy makers said they will consider tightening policy at their next meeting in December, without making a commitment to act this year, as the economy continues to expand at a "moderate" pace. Even with a slower pace of recent job gains, "labor market indicators, on balance, show that underutilization of labor resources has diminished since early this year," the Federal Open Market Committee said in a statement Wednesday following a two-day meeting in Washington.

### **Consumers Preparing to Find Steals & Deals This Holiday Shopping Season**

*10/29/15 American Express*

This holiday season, Americans plan to cash in on Black Friday and Cyber Monday deals, with nearly 45% of consumers making purchases on Black Friday and 47% shopping on Cyber Monday, according to the American Express Spending and Saving Tracker. Between these two shopping holidays, consumers plan to spend \$584 (up 17% from 2014), and this year, 20% more of affluent consumers-categorized as those earning \$100,000 or more annually-will be leading the charge, as 56% plan to take advantage of this annual shopping holiday compared to just 46% last year.

### **Thrifter U.S. Consumers May Be Hurting Restaurant Sales**

*10/29/15 The Street*

Are consumers becoming more cautious and spending less at restaurants? The mounting evidence suggests yes. On Thursday, Buffalo Wild Wings (BWLD - Get Report) reported its second consecutive earnings shortfall, sending shares plunging 17% in midday trading. Same-store sales at company-operated and franchised locations rose 3.9% and 1.2%, respectively, during the quarter. The sales gains marked a slowdown from the start of the quarter in July, when same-store sales at company-operated restaurants were up 4.8% and higher by 2% at franchise locations. And sales have cooled further

into October.

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## Payments Press

### Remember the Guy Who Gave His Employees a \$70,000 Minimum Wage? Here's What Happened Next.

10/26/15 *Slate*

Before Dan Price caused a media firestorm by establishing a \$70,000 minimum wage at his Seattle company, Gravity Payments ... before Hollywood agents, reality-show producers, and book publishers began throwing elbows for a piece of the hip, 31-year-old entrepreneur with the shoulder-length hair and Brad Pitt looks ... before Rush Limbaugh called him a socialist and Harvard Business School professors asked to study his radical experiment in paying workers ... an entry-level Gravity employee named Jason Haley got really pissed off at him. It was late 2011. Haley was a 32-year-old phone tech earning about \$35,000 a year, and he was in a sour mood. Price had noticed it, and when he spotted Haley outside on a smoking break, he approached.

### OmnyPay Wants to Disintermediate the Payment Providers. Has it Got a Chance?

10/27/15 *ComputerWorld*

Retailers have a traditionally bristly relationship with credit and bank card companies. These companies have tight control over the mobile payment process and this control translates into a very expensive value proposition for retailers. Not to mention the fact that card companies insert themselves in the middle of the retailer/customer relationship. This situation is both expensive, but perhaps more importantly limits the depth of the relationship between buyer and seller.

### USAA Switching Credit, Debit Cards to Visa From Longtime Partner MasterCard

10/26/15 *WSJ*

USAA, one of the nation's largest issuers of debit cards and credit cards, is switching its portfolio to Visa Inc., marking a blow for MasterCard Inc., which processed USAA transactions on its network for roughly 30 years. The move is the latest in a continuing scramble of large portfolios hotly sought-after by payment networks Visa, MasterCard and American Express Co. It is relatively rare, however, for a card issuer, such as USAA, to switch network affiliations after such a long relationship.

### Organization Announcement: American Express

10/28/15 *American Express*

*Ken Chenault:* I have decided to take a number of actions now on the fourth lever - our management structure - so that we can build momentum on the other three as we focus on our planning process for 2016 and beyond. Making changes now will help ensure that we're positioned to take full advantage of our opportunities going into next year. With that overarching goal in mind, today I'm announcing a reorganization of our businesses at the senior level.

### Visa Checkout Integrates Token Technology

10/28/15 Visa

Global payments technology company Visa has announced the integration of token technology into Visa Checkout, its online checkout service that enables safe, easy payments in a few clicks. Visa made this announcement at the ongoing Money 20/20 in Las Vegas, Nevada, where more than 10,000 people from the payment industry are expected to attend.

### **Acquisition Advances Heartland Commerce's Restaurant POS Capabilities**

10/30/15 Heartland

Heartland Payment Systems, one of the nation's largest payment processors, announced it has acquired privately held Digital Dining, a provider of restaurant point-of-sale (POS) and management systems throughout the United States. The acquisition allows Heartland to help restaurants turn their POS system into a secure commerce center as it collaborates with other operations including payroll, marketing and loyalty programs.

### **MasterCard Incorporated Reports Third-Quarter 2015 Financial Results**

10/29/15 MasterCard

MasterCard Incorporated announced financial results for the third quarter of 2015. Excluding a special item, the company reported net income of \$1.0 billion, up 1%, or 9% after adjusting for currency, and earnings per diluted share of \$0.91, up 5% or 11% adjusted for currency, versus the year-ago period.

### **FIS and The Clearing House Team to Execute a Ubiquitous Real-Time Payment System for the U.S.**

10/28/15 LTP

The Clearing House (TCH) announced that it is teaming with FISTM to deliver a ubiquitous real-time payment system for the United States. By incorporating FIS' proven real-time payments technology and expertise, TCH's real-time payment system will expand its reach and vastly accelerate the speed of delivering the system to the U.S. market including FIS's network of over 3000 financial institutions.

### **PayPal Misses Revenue Forecasts In First Earnings Report Since EBay Split**

10/28/15 Forbes

PayPal reported earnings for the first time following its split with eBay on Wednesday, announcing revenue that was slightly below forecasts while posting a 31% boost in profits. Shares fell more than 5% to \$34.67 in after-hours trading. For the three months ending on Sept. 30, PayPal reported third quarter net income, excluding one-time items associated with the company's split from eBay, of \$377 million, or 31 cents per share. That is compared to a net profit of \$288 million, or 24 cents a share, in the same period last year, and comes in higher than the average profit of 29 cents a share that was expected by analysts polled by Yahoo.

### **First Data Reports Third Quarter 2015 Financial Results**

10/26/15 First Data

First Data Corporation, a global leader in commerce-enabling technology and solutions, reported financial results for the third quarter ended September 30, 2015. Consolidated revenue for the third quarter was \$2.9 billion, up 5% versus the prior year period. Segment revenue, which modifies consolidated revenue for pass-through items and other impacts, was \$1.8 billion for the quarter, up 4% versus the prior year period, or up 7% excluding currency impacts.

### **Vantiv Reports Third Quarter 2015 Results**

10/28/15 Vantiv

Vantiv, Inc. announced financial results for the third quarter ended September 30, 2015. Revenue increased 17% to \$816 million in the third quarter as compared to \$697 million in the prior year period. Net revenue increased 13% to \$430 million in the third quarter as compared to \$381 million in the prior year period, primarily due to an 8% increase in transactions and a 5% increase in net revenue per transaction.

### **Heartland Payment Systems Reports Record Third Quarter 2015 Adjusted Earnings Per Share of \$0.79**

10/30/15 Yahoo! Finance

Heartland Payment Systems, Inc. announced record third quarter Adjusted Net Income and Adjusted Earnings per Share of \$29.7 million and \$0.79, respectively, for the quarter ended September 30, 2015. Adjusted Net Income and Adjusted Earnings per Share were \$24.8 million and \$0.68, respectively, for the quarter ended September 30, 2014. For the third quarter of 2015, Heartland reported GAAP Net Income of \$23.9 million, or \$0.64 per share.

### **TSYS Reports Third Quarter Adjusted EPS Grew 40.2%**

10/27/15 TSYS

TSYS results for the third quarter and year to date. "We are very pleased with our outstanding third quarter results. These exceptional results were driven by the performance of our clients, the businesses we serve, the consumers who buy and use our products and our team members executing to our strategic plan," said M. Troy Woods, chairman, president and chief executive officer of TSYS.

### **TSYS and Ingenico Group to Offer New Semi-Integrated EMV Solution**

10/26/15 Business Wire

TSYS, a leading global payments provider, and Ingenico Group, a global leader in seamless payments, announced a new semi-integrated solution to simplify the EMV® certification process. TSYS is the first processor to Class A certify Ingenico Group's new offering, which is designed to enable partners with the ability to easily build and deploy secure EMV and NFC solutions. The combined TSYS and Ingenico Group offering provides Value-Added Resellers (VARs) and Integrated Software Vendors (ISVs) with a simple and secure pathway to begin enabling EMV payments.

### **KeyCorp to Acquire First Niagara for \$4.1B**

10/30/15 CNBC

Cleveland-based KeyCorp said on Friday it will buy Buffalo-based First Niagara Financial for \$4.1 billion, one of the largest deals among U.S. regional banks this year. KeyCorp offered \$11.40 per share - 0.68 of its shares and \$2.30 in cash - for each First Niagara share, representing a premium of 9.8 percent to the stock's close on Thursday. KeyCorp said the combined company will have about \$99.8 billion in deposits, \$83.6 billion in loans and 1,366 branches across 15 states.

### **USAePay Merchants Can Now Use Star Micronics mPOP™**

10/26/15 PRWeb

Industry leading payment gateway USAePay's mobile application, is now compatible with Star Micronics' mPOP™, a Mobile Point of Purchase peripheral. Star Micronics' mPOP™ is a tablet POS that combines a receipt printer and cash drawer to create a unique point of purchase solution. It is compatible with all major operating systems (iOS, Android, and Windows), just simply connect your preferred tablet or mobile device via Bluetooth or USB and open USAePay's mobile application for use. mPOP™'s fully

integrated peripheral and compact design, makes it an ideal solution for tablet and mobile device based POS systems.

### **Pivotal Payments announces EMV certification for its FlexPoint® integrated payment processing platform**

*10/28/15 Pivotal Payments*

Pivotal Payments, a leading provider of technology-driven global payment processing solutions, announces it has certified FlexPoint®, its proprietary integrated payments platform, with Visa, MasterCard and American Express card networks, becoming one of the few card processors in North America to achieve this coveted designation. FlexPoint's point-of-sale (POS) terminal hardware and software combination now offers the highest level of security available to protect against card-present data fraud.

### **Sage Partners With Kount to Help Small and Medium Businesses Combat Online Payments Fraud**

*10/26/15 StreetInsider*

Sage North America, a leading provider of business management software and services to small and medium businesses (SMBs), announced its payments division, Sage Payment Solutions, has partnered with Kount, a leading innovator of fraud solutions in risk management, to develop and bring to market new solutions to enhance fraud detection for small and medium businesses.

### **FIS Helps Accelerate Acceptance of Mobile Payments at the Pump**

*10/27/15 FIS*

FIS, a global leader in banking and payments technology as well as consulting and outsourcing solutions, announced a technology agreement with SAP (NYSE: SAP), in which FIS will integrate the FIS Mobile Payment Enablement Gateway solution with SAP® Vehicles Network running on SAP HANA® Cloud Platform. When used together with SAP Vehicles Network, the FIS Mobile Payment Enablement Gateway solution will allow consumers to pay at the pump from within their car or using their mobile phone.

### **Dwolla Expands Into Exchange Marketplace**

*10/28/15 The Des Moines Register*

Dwolla has officially entered a new market that will move its business beyond bank and payments transfers. The Des Moines-based payments startup announced Wednesday that it has signed a commercial agreement with CME Group, a Chicago-based exchange for futures and derivatives trading. Under the agreement, CME will integrate Dwolla's real-time transfer network to process payments for some of the transactions made on CME's exchange.

### **Payment Startup Marqeta Raises \$25M, Reveals High-Profile Customers**

*10/28/15 Silicon Valley Business Journal*

Payment startup Marqeta raised \$25 million in Series C funding Tuesday to expand in the U.S. and Europe. New investors IA Capital and Affirm CEO Max Levchin participated in the round with existing backers such as 83North, Granite Ventures and Commerce Ventures. Financial Technology Partners LP and FTP Securities served as exclusive strategic and financial advisors for the transaction. The company has raised \$46 million to date.

### **PayPal Doles Out \$1B in Small Business Loans Since Launch of Working Capital**

*10/27/15 ZDNet*

PayPal says its small business lending program Working Capital has disbursed

\$1 billion in loans to more than 60,000 PayPal merchants. The milestone follows a string of substantial growth metrics for Working Capital since its inception in 2013. Last year, PayPal announced the program was distributing \$1 million in loans each day, whereas now it's loaning \$100 million each month. And it was less than 6 months ago since PayPal said the program had doled out roughly \$500 million in total small business loans.

### **The U.S. Merchant Acquiring Transaction Market is Extremely Active**

**TSG is presently assisting buyers in connecting with sellers.**

TSG has been engaged to identify ISO and merchant acquiring business acquisitions and capital partnerships.

Key investment criteria includes:

- First Data back-end portfolios (with/without the sales component)
- Producing monthly Net Revenue of \$20,000 to \$35,000

If you are interested in discussing a potential transaction, please provide high level details of your business and [email us](#). Learn more about [TSG's Transaction Advisory services](#). All responses will be treated confidentially.



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