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 Payments Experts. Powerful Data.
THE STRAWHECKER GROUP



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This Day
in History: 1847

eProcessingNetwork Introduces iEMVPay

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Trending This Week...

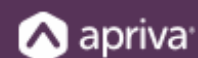
TSG [released new data on EMV this week](#), estimating 37% of U.S. card-accepting merchants are currently EMV-Ready. [Check out the associated infographic.](#) By June 2016, it is estimated that consumers will be able to use their EMV credit and debit cards at 50 percent of U.S. merchant locations.

Other highlights this week include:

- [Visa's REAL Square Stake](#)
- [Apple Pay Buzzes China Mobile Payments Market](#)
- [State Law Mandates New Merchant Contract Requirements](#)
- [How Vantiv's Early Bet on Integrated Payments Paid Off](#)
- [Flint Mobile Payments Go Offline, Tells Customers to Use Stripe to Continue Service](#)
- [ETA - Tap, Dip, Pay: Why You Should Evolve Alongside Payments](#)
- [Where Cash is No Longer King: The Monopoly Board](#)

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[President's Sale - Last Day To Save!](#)

Donner Party Rescued

On this day in 1847, the first rescuers reach surviving members of the Donner Party, a group of California-bound emigrants stranded by snow in the Sierra Nevada Mountains.

In the summer of 1846, in the midst of a Western-bound fever sweeping the United States, 89 people-including 31 members of the Donner and Reed families-set out in a wagon train from Springfield, Illinois. After arriving at Fort Bridger, Wyoming, the emigrants decided to avoid the usual route and try a new trail recently blazed by California promoter Lansford Hastings, the so-called "Hastings Cutoff." After electing George Donner as their captain, the party departed Fort Bridger in mid-July. The shortcut was nothing of the sort: It set the Donner Party back nearly three weeks and cost them much-needed supplies. After suffering great hardships in the Wasatch Mountains, the Great Salt Lake Desert and along the Humboldt River, they finally reached the Sierra Nevada Mountains in early October. Despite the lateness of the season, the emigrants continued to press on, and on October 28 they camped at Truckee Lake, located in the high mountains 21 kilometers northwest of Lake Tahoe. Overnight, an early winter storm blanketed the ground with snow, blocking the mountain pass and trapping the Donner Party. [Click here to read more.](#)

[Take a look at popular eReports](#) TSG published and save in honor of President's Day. *The Founding Fathers wanted you to save!*

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Featured

[Survey Estimates 37% of U.S. Card-Accepting Merchants Are EMV-Ready](#)

2/17/16 *The Strawhecker Group*

[TSG released survey results this week](#) that estimate 37 percent of U.S. merchant locations are EMV-ready four months after the October 1st, 2015 liability shift.

[Check out the infographic: EMV -The Aftermath](#)

TSG's previous survey of payment processors and other payment providers completed last September estimated that over 40 percent would be EMV ready by this time, showing a slower pace of implementation than expected before the shift.

Related:

- USA Today - [Adoption of Chip-Enabled Credit Cards Falls Behind](#)
- Chicago Tribune - [Dip or Swipe? More Retailers Expected to Get on Board with Chip Cards in 2016](#)
- Digital Transactions - [Eye on EMV: Merchant Adoption Shortfall](#)
- Wired - [Excruciating New Credit Cards Finally Give Apple Pay a Problem to Solve](#)

[Visa's REAL Square Stake](#)

2/15/16 *Digital Transactions*

A spate of media reports that Visa Inc. owns nearly 10% of Square Inc. are wrong and are based on a misreading of a filing Visa made Thursday with the Securities and Exchange Commission, according to a person familiar with the matter. The reports said Visa owns 9.99% of the merchant processor. In fact, Visa owns 4.19 million shares of Square's Class B common stock, or 1.4% of the Class B shares in issue as of Square's November IPO.

[State Law Mandates New Merchant Contract Requirements](#)

2/15/16 *Electronic Payments Law*

Typically, language that must appear in merchant contracts is handed down from the card brands. To remain compliant with those constantly-evolving requirements a close eye on card brand rule revisions has been essential. But now states are getting into the act as well. Tennessee provides the latest example. Effective March 1, 2016, Tennessee requires that all merchant agreements disclose certain terms, such as the effective date and term of the contract, the circumstances surrounding early termination or cancellation, and a complete schedule of all fees

applicable to card processing services.

Related: [New Card Brand Fee Disclosure Requirements](#)

[Fraud Schemes Cast a Wider Net, Giving ETA a Wider Scope](#)

2/16/16 ISO & Agent

The Electronic Transactions Association released its updated Guidelines on Merchant and ISO Underwriting and Risk Monitoring last week, spotlighting various merchant categories that face the biggest scrutiny from law enforcement agencies. The ETA aims to help its acquirer members stay aware of the latest fraud trends while also helping them avoid becoming the inadvertent target of a criminal investigation. In particular, the ETA is encouraging its members to monitor potential relationships with payday lenders, debt collection services, credit repair services, fraudulent fundraising campaigns, as well as payment aggregators and facilitators.

[Apple Pay Buzzes China Mobile Payments Market](#)

2/19/16 Forbes

The launch of Apple Pay in China is buzzing through the local headlines a day after the roll-out, in a move that looks certain to shake up a stodgy industry dominated by homegrown names like Alipay. The most revealing headlines report on the rush by everyone, from consumers to banks and merchants to jump onto the Apple Pay bandwagon. That reflects the buzz that any major move by Apple can create in the world's largest smartphone market.

[PayPal Has Redesigned Its App to Put Paying Your Friends Front and Center](#)

2/18/16 The Verge

PayPal has given its mobile app for iOS and Android a serious revamp, furbishing the software with a new, cleaner look, and putting its most popular function - sending and receiving money - front and center. The company says that in the last two years it's seen a 100 percent growth in the number of peer-to-peer transactions made using the app, and has angled the redesign around this. This includes creating a new personalized hub that lets users see the people they pay and get paid by most, as well as making it simpler to request money from their mobile contacts.

[UK Hits 10 Year Chip and PIN Anniversary](#)

2/15/16 Finextra

To mark Chip and PIN's 10 year anniversary on Valentine's Day, the UK Cards Association has published figures which show that plastic has boomed over the decade. In 2006, just 55% of spending at retailers was made on payment cards, compared to 78.5% in December 2015. Meanwhile, Chip and PIN's main purpose of reducing fraud has been met, with annual counterfeit card losses down from £129.7 million in 2004 to £47.8 million in 2014.

[As Marijuana Sales Grow, Start-Ups Step In for Wary Banks](#)

2/16/16 The New York Times

When Lamine Zarrad was not at his job as a federal banking regulator in recent months, he was spending a lot of time at Denver's marijuana dispensaries. As a federal employee, he could not partake of the pot. He was there, instead, to pitch the shops on a start-up he has been working on in his free time and is making official this week after quitting his job as a bank examiner at the Office of the Comptroller of the Currency, a

Where Cash Is No Longer King: The Monopoly Board

2/17/16 NBC News

In a move that will delight younger siblings who never got a chance to be the banker – and infuriate older siblings who had a habit of stashing cash under the board – Hasbro has released a new edition of Monopoly without any bank notes at all. Just like the real world, the new version comes with a stack of debit cards instead of paper money. In the "Ultimate Banking" edition, which Hasbro revealed at this week's Toy Fair 2016, players purchase homes and pay rent by scanning the bar code on a property card, then tapping their own banking card on a handheld card reader.

The American Bank Market's Size Challenges Faster Payments

2/17/16 American Banker

Compared with countries that have already implemented faster payments, the U.S. market contains a far larger and more diverse array of financial institutions that would have to implement the system in order for ubiquity to be achieved. For purposes of direct comparison, the U.K. provides a compelling illustration of a country that has successfully achieved ubiquity or interoperability within its market. The six banks that are members of the U.K. faster payments initiative control 91% to 97% of the total share of deposits, depending on the reporting source. Even at the lower range it is fair to say that interoperability was achieved on day one.

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Mobile Payments & Bitcoin

ETA - Tap, Dip, Pay: Why You Should Evolve Alongside Payments

2/16/16 ETA

You're still **100% PROTECTED** against fraud

The image shows a video player interface with a play button in the center. The background is a dark purple gradient. On the left is a large padlock icon. The text 'You're still 100% PROTECTED against fraud' is displayed in a mix of white and gold fonts. At the bottom, there are standard video player controls: play/pause, volume, and full screen buttons.

With the dynamic duo of ease and security, why shouldn't you see why

40% of consumers have already switched to mobile payments? You can have convenience AND peace of mind - it's time to lean in to the future of payments.

Square Makes Small Business Push For Growth Ahead Of Earnings

2/17/16 Forbes

Following Square's initial public offering in November, the company's executives hung up a new sign at San Francisco headquarters to remind employees of their mission. Located just through the doors of Square's main entrance, the white block letters set against a similarly colored backdrop broadcasts one of CEO Jack Dorsey's highest principles: "Economic Empowerment."

Flint Mobile Payments Go Offline, Tells Customers To Use Stripe To Continue Service

2/19/16 TechCrunch

The number of startups hoping to break through into the world of payments appears to be shrinking a little bit more. Flint Mobile, a startup backed by the likes of Verizon and True Ventures, has ceased payment operations, and this week it started directing its customers to use Stripe for payments services. The shutdown has been slow and confusing, it seems. We have been trying to reach out to Flint Mobile several times, through several channels, but have not had any responses. Flint first issued a note earlier this month telling users that it is transitioning to a new platform and that it would disable card payments during that time.

A Billion Dollars Was Transferred Over Venmo In January

2/16/16 BuzzFeed

People transferred \$1 billion over Venmo in January, the company said today, showing that usage of the mobile money app is still growing fast. The \$1 billion in transfers is more than 2.5 times the volume seen in January 2015, and ten times as much as January 2014. In all of 2015, about \$7.5 billion was transferred using the app. That looks set to grow to at least \$12 billion in 2016 if the January numbers are sustained throughout the year, but could go even higher: Venmo says one-third of its 2015 transfers happened in the final three months of last year, as the holiday season kicked in.

Shopping Is Coming to Snapchat

2/17/16 Recode

Snapchat's Discover section is currently all about content. Soon it'll be about shopping, too. "Sweet is a channel on Snapchat that Hearst and Snapchat have done together, and the tagline is 'Love something new every day,'" Coles said in an interview with Kara Swisher. "But at some point that will morph into an e-commerce platform so you will be able to buy from it."



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Regulation & Security

DHS Issues Guidance on How to Share Cyberthreat Data

2/17/16 Bank Info Security

Imagine this: A company discovers its web server log files show that a particular IP address has sent web traffic that seems to test whether the company's content management system has been updated to patch a recent vulnerability. Useful information to know outside that company?

The federal government thinks so, and cites this example of the type of cyberthreat information that should be shared by businesses with the government, which in turn will share it with other organizations in and outside of government.

Bank or No Bank, Fintech Must Be Regulated

2/18/16 BankThink

The media makes much of a brewing conflict between the fintech sector and the banking industry, citing, for example, a marketplace lending chief executive who says he wants to "kill banks." Drama makes for better headlines. Conflict isn't the right word for the innovations taking place in the way customers and businesses handle their money. Instead, along with these changes come remarkable creativity and the seeds of cooperation. Yet some issues regarding how banks and fintech firms operate cohesively need to be addressed. Principally, consumers still face potential confusion when dealing with two sectors that have differing regulatory regimes.

MasterCard Activates Real-Time Intelligence to More Accurately Predict Fraud

2/18/16 MasterCard

MasterCard today unveiled MasterCard IQ series, a suite of pioneering solutions that use real-time intelligence to empower issuers to make more informed fraud management decisions. Through this effort, cardholders and merchants would see a reduced number of transactions unnecessarily declined, while maintaining the highest levels of security. Javelin estimates that one out of every six cardholders experienced at least one decline because of suspected fraud in the past year.

Hollywood Hospital Pays \$17,000 in Bitcoin to Hackers; FBI Investigating

2/18/16 LA Times

Hollywood Presbyterian Medical Center paid a \$17,000 ransom in bitcoin to a hacker who seized control of the hospital's computer systems and would give back access only when the money was paid, the hospital's chief executive said Wednesday. The assault on Hollywood Presbyterian occurred Feb. 5, when hackers using malware infected the institution's computers, preventing hospital staff from being able to communicate from those devices, said Chief Executive Allen Stefanek.



Economy

OECD Cuts Global Growth Forecast and Warns of Growing Risks

2/18/16 Bloomberg

The OECD cut its global growth forecasts, saying the economies of Brazil, Germany and the U.S. are slowing and warning that some emerging markets are at risk of exchange-rate volatility. Global gross domestic

product will expand 3.0 percent in 2016, the same pace as in 2015 and 0.3 percentage point less than predicted in November, the Organization for Economic Cooperation and Development said Thursday in a report.

Jobless Claims Fall to 262,000, Hit 3-Month Low

2/18/16 MarketWatch

Turmoil in stock markets and fresh worries about the economy aren't putting a big hurt on the U.S. labor market: New jobless claims fell in mid-February to a three-month low. Initial claims declined by 7,000 to 262,000 in the seven days stretching from Feb. 7 to Feb. 13, the government said Thursday. That's the lowest level since the last week of November.

Payments Press

How Vantiv's Early Bet on Integrated Payments Paid Off

2/18/16 ISO & Agent

Vantiv Inc.'s mid-2014 purchase of Mercury Payment Systems proved the company was ahead of the curve on two payments trends - opening its network to third-party app developers and integrating other business features and tools with payments at the point of sale. The \$1.65 billion acquisition of Mercury, now called Vantiv Integrated Payments, helped Vantiv deliver strong financial reports throughout 2015, catapulting its merchant services division revenue to a 25% increase at \$1.3 billion. The move has also been validated by the many high-priced acquisitions that followed, helping more processors build their capabilities for omnichannel and integrated payments.

Contactless Transactions Surpass 1 Billion as Europeans Opt for Convenience

2/17/16 MasterCard

Europeans continue to opt for contactless technology when making payments, with the total number of MasterCard and Maestro processed transactions passing the 1 billion mark in 2015 - an increase of 150% from 2014. Already in Europe, on average, 13% of in-store transactions processed by MasterCard in Q4 2015 were contactless. New data reveal the number of cards, mobile phones or other devices tapping soared by 121%, and the total MasterCard and Maestro spend on contactless transactions was up by 183% year on year. Data also shows the number of contactless cards and devices issued to consumers increased by 50% in 2015.

Visa Europe Expands Tokenization Service

2/16/16 Finextra

Visa Europe is opening up its tokenisation service, letting banks, retailers and tech firms use the technology for a host of new payment options. Tokenisation replaces the traditional 16-digit Visa account number with a unique series of numbers, helping to prevent exposure of sensitive consumer account information in online and mobile payments. Trumpeted by Visa as a key new tool in the fight against fraud, it arrived in Europe a year ago, having already been introduced in the States for the launch of Apple Pay.

Heartland, Smart Card Alliance Collaborate to Improve Payments and Data Security

2/17/16 Heartland

Heartland Payment Systems, one of the nation's largest payment processors, announced it has worked with the Smart Card Alliance to launch the National Center for Advanced Payments and Identity Security, a new training facility hosted by the Alliance. Through a grant from Heartland, the new center will help protect consumers' privacy and

advance the data security of payments and identity through education programs on industry best practices and advances in security technology.

Vantiv Integrated Payments Announces Security Pays 2.0 to Drive Stronger Security Adoption

2/18/16 Vantiv

Vantiv Integrated Payments, a Vantiv company and a provider of payments technology and services for small and medium-sized businesses (SMBs), announced the next phase of the Security Pays initiative. This initiative promotes education and awareness, driving the adoption of security products to add layers of protection to the payments process, such as end-to-end encryption, tokenization and EMV. "In the first Security Pays campaign, we deployed more than 10,000 EMV devices to businesses," said Matt Taylor, group president of integrated payments and emerging channels at Vantiv.

Organization Announcement: American Express

2/17/16 American Express

The following announcement is based on an internal note to American Express employees from Kenneth I. Chenault, Chairman and Chief Executive Officer: As I shared with you a few weeks ago, the operating environment is changing, and we are moving with a sense of urgency to accelerate growth. Against the backdrop of ongoing cyclical headwinds and longer-term shifts in the payments industry, our plan is focused on three key priorities: growing revenues, optimizing investments, and reducing our expense base.

ACI Worldwide to Connect to The Clearing House's Real-Time Payment System in the U.S.

2/16/16 EON

ACI Worldwide, a leading global provider of electronic payment and banking solutions, announced it is working closely with The Clearing House (TCH) in support of its initiative to implement a real-time payment system in the U.S. The initiative will enable FIs to send and receive money instantaneously, revolutionizing payments and financial services, among other industries in the U.S. and around the globe.

Sage Launches New ISV Marketplace

2/17/16 MarketWired

Sage, a market leader in accounting, payroll and payments, launched Sage Marketplace, a new global distribution platform for independent software vendors (ISVs) to showcase their Sage developer add-ons. The "Sage Marketplace" is a single global site that showcases apps developed for Sage products and will allow ISVs to sell add-on components that are integrated with Sage global products, including Sage One and Sage Live. It can be viewed by all Sage customers, who can buy directly from the ISV partner.

TMG Appoints Laferla as VP of Sales

2/17/16 The Green Sheet

Payments processor TMG (The Members Group) today announced veteran sales strategist Daniel Laferla has joined the growing company as vice president of sales. Laferla comes to TMG from technology solutions provider Jelevos, where he served as director of sales. Prior to that, he was vice president of sales for West Corporation, a position he took after a nearly 25-year career with Harland Technology Services.

Citigroup to Exit Retail Banking in Brazil, Argentina

2/19/16 Reuters

Citigroup Inc said it plans to exit its retail banking and credit card

operations in Brazil, Argentina and Colombia as part of its efforts to cut costs and boost profitability. Shares of the bank, which has operated in Argentina and Brazil for more than a century, were down 1.3 percent at \$38.40 in early trading on Friday. The U.S. bank, built with a series of acquisitions dating back to the 1980s, has been trying to slim down since the financial crisis to be as profitable as its rivals.

U.S. Bank Upgrades Commercial Payment Solutions

2/18/16 Yahoo! Finance

U.S. Bank is expanding its commercial payment suite to better serve the unique needs of its business customers. Along with the bank's industry-leading Access® Online data management and reporting tool for managing corporate charge card spending, today it announced the launch of U.S. Bank Commercial Payments Manager (CPM), a new automated solution ideal for mid-sized organizations and those seeking market-leading "virtual card" payment capabilities.

Fiserv Names Robert Hau as Chief Financial Officer

2/16/16 Fiserv

Fiserv, Inc., a leading global provider of financial services technology solutions, announced that Robert Hau will join the company as chief financial officer on March 14, 2016. "Bob's proven track record as a public company CFO along with his strong operational approach to finance will complement our management team very well," said Jeffery Yabuki, President and Chief Executive Officer, Fiserv. "We are excited to welcome him to Fiserv."

Powa Technologies Accounts Show It Had Just \$250,000 in Bank

2/18/16 FT

Powa Technologies, the UK mobile commerce company valued at \$2.7bn, had \$250,000 available in its bank accounts at the start of February, while a unit of the group owed \$16.4m to creditors, according to Companies House. The position was revealed in filings for Powa Technologies (UK) Limited, one of the group's two subsidiaries. The accounts disclosed the board's view on February 5 that there was enough "to cover our requirements for the following two weeks".

Lavu Collaborates with PayPal to Offer EMV Payment Processing to Restaurants, Food Trucks and Bars

2/18/16 EON

Lavu Incorporated ("Lavu"), the world's leading provider of point-of-sale (POS) solutions for restaurants and bars that run on iOS-based mobile devices, announced it has selected PayPal to bring payment processing of EMV or traditional swipe credit and debit card payments to restaurants, bars, food trucks, and other food/beverage businesses nationwide. Restaurant and bar owners often face high costs when processing customers' credit and debit card transactions. Additionally, pricing structures can be opaque, confusing, and expensive, with fees that can ultimately equate to 4-5% of a customer's total bill.

IBM Delivers Blockchain-As-A-Service for Developers; Commits to Making Blockchain Ready for Business

2/16/16 PR Newswire

IBM is working with a number of global partners including London Stock Exchange Group and the Finnish business development organization, Kouvola Innovation. "London Stock Exchange Group is directly engaged in the development of the open blockchain technologies with IBM and we are excited to help enable the creation of solutions that will help manage risk and bring additional transparency to global financial markets," said

Moiz Kohari, EVP, group head of technology innovation, London Stock Exchange Group.

[Shopify Debuts Shopkey, An App That Puts A Product Catalog In Your iOS Keyboard](#)

2/16/16 TechCrunch

A growing number of e-commerce businesses today are assisting their customers over SMS and mobile messaging. There are even SMS-based services, like Magic, Operator, GoButler, and others targeting the emerging "conversational shopping" market. Now, e-commerce platform Shopify is aiming to help its merchants better serve their customers via mobile messaging with the launch of a dedicated iOS keyboard app called Shopkey that offers instant access to their product catalog.

[Vodafone and TransferTo partner on M-Pesa to accelerate Mobile Money Growth Worldwide](#)

2/18/16 TransferTo

TransferTo, a leading global Mobile Money hub, has partnered under a framework agreement with Vodafone Group to enable real-time international money transfers to M-Pesa Mobile Money accounts worldwide. Powered by TransferTo's cross-border Mobile Money network, the global partnership will make it faster and easier for consumers and organizations to send money to multiple M-Pesa accounts, in real time.



Payments Experts. Powerful Data.
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