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## This Week's NewsFilter...

This week's news hits several different news topics including: a response to [NACS' view on interchange](#), [Sandy's impact on job's](#) was less than expected, and [Salt Lake City is bullish on ISIS](#).

We saw more M&A again this week with [EVO Payments International acquiring PowerPay](#) and [FTS acquiring DPP](#). The industry is heating up as the year winds down!

## Featured

### NACS' Interchange Talking Points Are Getting Play

12/05/12 *PaymentsPulse*

The talking points of the National Association of Convenience Stores (NACS) that argue interchange equals a tax (referenced in the paragraph below) are getting significant play in the industry as well as among some mainstream press outlets (Real Clear Politics, for example). It's one sided and largely inaccurate view of the world and should be very concerning to the payments industry as a whole. It appears lobbyists have learned that calling something a tax in this environment is good politics, despite the fact that debit and credit are different - one is a loan, the other is not. If you thought Durbin was the end of government intervention in the payments industry, prepared to be surprised.

### As Mobile-Payment Giants Bicker, Startups Step Up

12/05/12 *ReadWrite Mobile*

The mobile payments industry is stuck in neutral. The ability to pay for your goods and services at brick-and-mortar locations from your smartphone is a dream of technologist and financial companies, but the realities of a complicated industry with billions of dollars at stake and too many moving parts has stymied progress. Well, almost.

### Job Growth Quickens, Jobless Rate at 7.7 Percent

[Acquisition Multiples & Attrition Summary](#)

[Merchant Aggregation](#)

[Acquirer Strategic Assessment](#)

[TSG MPPS Benefits](#)

[MPPS Example Executive Summary](#)

[Case Study: Driving Value Through Competitive Bidding](#)

[Should Traditional Merchant Acquirers "Beware of Square"](#)

## This Day in History: 1941 Pearl Harbor Bombed

At 7:55 a.m. Hawaii time, a Japanese dive bomber bearing the red symbol of the Rising Sun of Japan on its wings appears out of the clouds above the island of Oahu. A swarm of 360 Japanese warplanes followed, descending on the U.S. naval base at Pearl Harbor in a ferocious assault. The surprise attack struck a critical blow against the U.S. Pacific fleet and drew the United States irrevocably into World War II.

With diplomatic negotiations with Japan breaking down, President Franklin D. Roosevelt and his advisers knew that an imminent Japanese attack was probable, but nothing had been done to increase security at the important naval base at Pearl Harbor. It was Sunday morning, and many military personnel had been given passes to attend religious services off base. At 7:02 a.m., two radar operators spotted large groups of aircraft in flight toward the island from the north, but, with a flight of B-17s expected from the

*12/07/12 Reuters*

Employment grew faster than expected in November as the hit from superstorm Sandy on payrolls was less forceful than many feared. At the same time, the jobless rate fell to a near four-year low, but that was largely because so many Americans gave up the hunt for work. "The labor market is not getting worse, but is also not getting much better as it is unchanged relative to the recent trend," said Jacob Oubina, a senior U.S. economist at RBC Capital Markets in New York.

### **Study: Majority of businesses not adequately protecting payment card data**

*12/04/12 Security Info Watch*

According to the results of a study conducted by SecurityMetrics, a Utah-based provider of data security and compliance solutions, more than 70 percent of merchants store unencrypted payment card data on their business network. In addition, the "2012 Payment Card Threat Report," found that more than 10 percent of the merchants polled store magnetic stripe track data, which is used by criminals to reproduce credit and debit cards.

## **Mobile Payments**

### **Review: ISIS Not Yet Equipped to Change the Way People Shop**

*12/05/12 The Salt Lake Tribune*

To most Utahns, Isis is just a funny-sounding name for something they've seen recently on TV or a billboard. But the companies pushing this mobile electronic-payment system believe it's the future of commerce. Similar to Google Wallet, Isis (pronounced eye-sis) is a mobile wallet system devised by T-Mobile, Verizon and AT&T in which users buy items in stores with the tap of their mobile phones. It's being tested in just two U.S. cities, Salt Lake City and Austin, but it's planned to go nationwide within six months.

### **Carrier-Led Mobile Payments Venture Isis Partners With USAT To NFC-Enable 7,500 Vending Machines In Select Test Markets**

*12/03/12 Tech Crunch*

Isis, the carrier-led mobile payments venture backed by AT&T, Verizon and T-Mobile, is today announcing a partnership with USA Technologies, to introduce up to 7,500 NFC-enabled vending machines in Isis' two test markets of Austin and Salt Lake City. The machines will allow for payment acceptance using USAT's ePort hardware and ePort Connect service. That means consumers can soon purchase items in the machines by simply tapping their phones to pay.

### **Mobile-Pay 'Disconnect' Plagues The Industry**

*12/05/12 ISO & Agent*

As if the emerging mobile payments market isn't complicated enough, new research indicates the payments industry, retailers and consumers are rarely on the same page as consumers in terms of how they view new payment technology. That disconnect, combined with a "wait-and-see" approach to mobile payments, could cost some players potential customers, according to a report from Cincinnati-based payments processor Vantiv Inc. and Mercator Advisory Group.

United States at the time, they were told to sound no alarm. Thus, the Japanese air assault came as a devastating surprise to the naval base. [Click here to read more.](#)

## **In the Mobile Payments Dongle Battle, Does EMV Matter?**

*12/03/12 BTN*

Dutch payment services company Adyen is taking the grand tour of Europe this week, hitting London, Berlin and Amsterdam to sell a new mobile payments technology that would appear to give it a built-in advantage over competitors in the U.S. such as Square and Bank of America. Both Square's and B of A's technologies support traditional magnetic stripe cards. Neither seemed to be itching to develop products to accept EMV-compliant cards as Adyen introduced its new product on Monday.

## **By Taking a Pass on NFC, Apple Punches a Hole in a Key NFC Forecast**

*12/05/12 DigitalTransactions*

When Apple Inc. this fall launched its latest smart phone, the iPhone 5, without a NFC chipset, the move was widely seen as a blow to the prospects for NFC as a technology for mobile payments. Now comes a report estimating just how damaging that blow could be. Worldwide transaction volume based on NFC will be 39% less than expected by 2017, according to the report, released Wednesday.

## **Regulation & Security**

### **How to Manage Confidential Information in the Era of Big Data**

*12/06/12 BankThink*

For the financial services industry, compliance with regulatory standards governing information privacy and security has never been more challenging than it is today. In the last eight years alone, eight new federal laws have targeted the industry. Much of this legislation focuses on protecting non-public information, such as information appearing on applications for obtaining financial services like a credit card or loan, and its counterpart, personally identifiable information, including customer account numbers and Social Security numbers.

### **Retail Lessons From South Carolina's Data Breach**

*12/03/12 StorefrontBacktalk*

I've been thinking about South Carolina, which is living through a major data breach involving millions of personal and corporate records, and a few hundred thousand payment-card numbers. The State is doing some things well. Governor Nikki Haley has been a visible public face of the State's response, and my guess is that she is finding out more about data security than she ever thought she needed-or wanted-to learn.

## **Economy**

### **Amid 'Fiscal Cliff' Stalemate, Main Street Deteriorates**

*12/06/12 CNBC*

Anxiety over the "fiscal cliff" isn't just affecting Wall Street. Many entrepreneurs report slower activity as uncertainty swirls about how tax hikes and government spending cuts will affect them. Faced with unanswered questions, entrepreneurs are stuck contemplating trimming

costs and laying off workers-not creating Main Street jobs, which has traditionally fueled economic recoveries.

### **Small Business Employment Increases, but Revenue Falls for Eighth Consecutive Month**

*12/03/12 Intuit*

U.S. small business employment saw an increase of 30,000 jobs in November, while hours worked and compensation also rose. Small business revenue fell 0.3 percent in October, continuing a decline that began in February. These are among the results for the monthly Intuit Inc. Small Business Employment and Revenue Indexes, which together provide a current picture of the economic health of the nation's small businesses.

### **Holiday Sales Surge with Four Billion-Dollar-Plus Days**

*12/03/12 Internet Retailer*

Holiday online sales are off to a record-breaking start this year, with four billion-dollar-plus days in the last two weeks of November, according to web measurement firm comScore Inc. From Saturday, November 3, through Sunday, Dec. 2, shoppers in the United States spent \$20.38 billion online, up 15% from the comparable period last year, comScore says.

## **Payments Press**

### **EVO Payments International Acquires PowerPay**

*12/06/12 EVO*

EVO Payments International, one of the nation's largest privately held credit card processors, announced that it has acquired PowerPay, a premier provider of integrated E-Commerce and POS payment processing solutions headquartered in Portland, Maine. Ray Sidhom, Chairman for EVO Payments International, states, "The acquisition will create substantial value for EVO and its customers by bolstering its best-in-class merchant services technology, solutions, and programs necessary to foster growth and maintain a competitive edge."

### **FTS Acquires Dependable Payment Processing and Discount Payment Processing**

*12/06/12 FTS*

Financial Transaction Services (FTS), one of the nation's fastest-growing providers of payment acceptance services, announced that it has acquired Dependable Payment Processing and Discount Payment Processing (collectively known as DPP), two affiliated companies based in Pittsburgh that provide electronic payment processing solutions. With powerful online portfolio management tools and a leading-edge agent center, FTS and DPP will provide outstanding service to their shared customers.

### **Pivotal Payments Introduces Mobile Payment Options for Businesses in North America**

*12/05/12 Pivotal Payments*

As part of their ongoing commitment to provide innovative payment solutions for businesses of all sizes, Pivotal Payments, North America's fastest growing payment processor, announced a new mobile payment platform that can be used on smartphones and tablets. PivotalMOBILE is

an integrated payment solution that includes an application for iOS, Android and BlackBerry devices, along with a card reader that plugs directly into the mobile device's audio port.

### **Swipe No More - US Airways Becomes World's First Airline to Accept MasterCard® PayPass™ -Enabled Cards and Devices In-Flight**

*12/03/12 Investors*

Leading the way for the next-generation of in-flight payment acceptance, MasterCard has taken contactless payments 30,000 feet off the ground. The Company today announced US Airways has become the first airline in the world to accept MasterCard PayPass™ -enabled cards and devices for in-flight purchases. US Airways passengers can now buy food, beverages and other services by simply tapping their MasterCard PayPass-enabled card and devices helping to speed up trans. times and provide convenience.

### **Global Payments, Casio Partner on ePOS**

*12/03/12 NCR*

Global Payments and Casio Electronics Co. Limited announced today that they have been working together on a new Electronic Point of Sale (EPoS) package for small high-street retailers. Traditionally, retailers have been challenged with sourcing the separate components of their PoS solution from a variety of suppliers with hardware, software, PoS installation and support being provided by many different organizations.

### **Intuit's GoPayment Gets an Update**

*12/06/12 Mobile Payments Today*

Intuit Inc. is updating its GoPayment mobile payment app with some new features and functionalities aimed at small business customers. The new version allows the user to customize the GoPayment app and receipts, track cash payments, manage inventory and transactions across devices, and even control access to information when deploying multiple GoPayment-enabled devices across a workforce.

### **Optimal Payments and Vantiv Announce Processing Agreement**

*12/06/12 Optimal Payments*

Optimal Payments Plc, a leading international online payments provider, announced that it has entered into an agreement with Vantiv, Inc., a leading provider of payment processing services and related technology solutions for merchants and financial institutions of all sizes in the United States. Under the agreement, Optimal will be able to offer its global merchants a sophisticated online payments solution in the U.S. market.

### **NCR Combines Self-Service and Mobile Payments to Enhance the Customer Experience at Restaurants**

*12/05/12 NCR*

NCR Corporation announced the launch of NCR Mobile Pay, a new solution that enables restaurant patrons with a smartphone to browse their bill, re-order menu items and alert their server, among other features. NCR Mobile Pay is designed for restaurants that use NCR Aloha point-of-sale (POS) technology, enabling cloud-based credit card processing on mobile devices.

## **Fiserv Reaches Milestone, Delivers 2 Billionth e-Bill**

*12/04/12 Fiserv*

Fiserv, Inc., a leading global provider of financial services technology solutions, announced that it has delivered its two billionth electronic bill, or e-bill, since 2005. E-bills contain the same information as paper bills and are delivered through the online banking or company websites where many consumers already pay their bills. By incorporating e-bill delivery into their regular bill payment habits, consumers are able to save time, gain financial control and stay organized.

## **USA Technologies and The Pepi Companies Celebrate 100% Cashless Achievement**

*12/05/12 BusinessWire*

USA Technologies, Inc. and The Pepi Companies are pleased to announce the successful completion of Pepi's transition to 100 percent cashless. Pepi, a food, vending and coffee solutions business serving the states of Alabama, Georgia and Florida, is believed to be the first full-service food and beverage vending company that offers cashless on all its vending equipment.

## **U.S. Bank Partners with Mitek for Mobile Photo Bill Pay; Will Launch to Consumers in Early 2013**

*12/05/12 DailyFinance*

U.S. Bank, fifth-largest bank in the United States and lead bank of U.S. Bancorp, and Mitek Systems, a leading mobile imaging software solutions provider and the pioneer of Mobile Deposit® technology, have entered into a strategic mobile technology partnership to offer Mitek's Mobile Photo Bill Pay™ product to U.S. Bank customers.

## **RapidAdvance Announces Steven G. Mandis Has Purchased An Ownership Stake In The Company And Will Become A Strategic Advisor To The Company**

*12/01/12 PRWeb*

Rapid Financial Services, LLC (dba RapidAdvance), one of the nation's leading providers of short-term working capital to small businesses, today announced that Steven G. Mandis, a former executive at Goldman Sachs and Citigroup and consultant to McKinsey, has purchased an ownership stake in the Company and will serve as a Strategic Advisor.



The advertisement features a blue background. On the left, there are four shopping cart icons arranged in a 2x2 grid, with a large red arrow pointing to the right towards a single shopping cart icon. To the right of the arrow, the text "Want to be a Merchant Aggregator?" is written in a bold, dark red font.



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