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Trending This Week...

This week, following their Q2 earnings release, [Vantiv announced it is acquiring Element Payment Systems](#) - a payments technology company that manages more than \$10 billion in annual transactions.

In other news, [five individuals were charged in connection with what many call the largest hacking and data breach case ever](#) in the U.S. which affected at least 160 million credit/debit card numbers and involved companies such as [Heartland Payment Systems, Global Payments, and many others.](#)

Also, be sure to check out [TSG's new report series](#) below centered around attrition, profitability, vertical attractiveness, and more.

Other highlights include:

- Visa, MasterCard Look to Gain [Bigger Foothold in Mobile Payments](#)
- [First Data Staying The Course With ISOs](#)
- [Debit Networks Offer EMV Compromise](#) That Would Allow Visa, MasterCard apps

SMB Merchant Survey: POS Feature/Functionality

This 49 page report highlights results from an online survey of small business owners and those responsible for small business payments. A total of nearly 300 surveys were gathered covering five segments: restaurants, retail sales, retail food/liquor,

[Transaction Advisory](#)

[Acquisition Multiples & Attrition Summary](#)

UPDATED [Merchant Aggregation](#)

[Acquirer Strategic Assessment](#)

[TSG MPPS Benefits](#)

[MPPS Example Report](#)

[ETA/TSG Economic Indicators Report](#)

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

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

[What Benefits Me By Paying a Credit Card Swipe Fee?](#)

[Use a Smart Phone to Buy Things!](#)

This Day
in History: 1775

U.S. Postal System Established

On this day in 1775, the U.S. postal system is established by the Second Continental Congress, with Benjamin Franklin as its first postmaster general. Franklin (1706-1790) put in place the foundation for many aspects of today's mail system. During early colonial times in the 1600s, few American colonists needed to send mail to each other; it was more likely that their correspondence was with letter writers in Britain. Mail deliveries from across the

business/personal services. and auto/boat/mobile dealers/shops. [Click here for a preview of this report](#). This enhanced preview contains a table of contents containing the outline for the full report, you will know everything you are getting before you purchase. [You can order it here](#) for \$1,195.

Featured

New Reports: Attrition & Profitability Data

7/26/13 *TSG Metrics*

The Strawhecker Group is announcing a new series of reports - TSG Data Briefs. Using dynamic data, TSG Data Briefs are host to vital information within the payments industry such as attrition, profitability, vertical attractiveness, and much more. See the previews below, which represent an example of the full report minus the data.

- **U.S. Acquiring Industry Volume & Net Revenue Attrition & Growth: 2010 - Q1 2013 - \$499**
 - Detail on account attrition, dollar volume net attrition, and net revenue net attrition as well as same-store-sales and growth
- **U.S. Merchant Portfolio Profitability: 2009 - Q1 2013 - \$900**
 - A snapshot of the collective performance of TSG's SMB database including attrition & profitability
- **U.S. Merchant Vertical Attractiveness Q1 2013 - \$3,900**
 - Analysis on where opportunities reside within given verticals in the merchant acquiring industry
- **U.S. Merchant Acquiring Discount by Tier: Q1 2012 - Q1 2013 - \$4,900**
 - Profitability decomposition trends by merchant size category

TSG Data Briefs are sourced using thousands of perimeters found in [TSG's exclusive database of 1.6M merchants](#).

[Click here to order any of these exclusive reports.](#)

Vantiv to Acquire Element Payment Systems

7/25/13 *Cincinnati News*

Vantiv Inc. Thursday announced it is acquiring Element Payment Systems on the same day the company released a strong second quarter earnings report. Based in Arizona, Element Payment Systems is a payments technology company that manages more than \$10 billion in annual transactions for merchants. Vantiv plans to close the deal in the third quarter and does not expect the acquisition to have an impact on the company's 2013 financial results. Terms of the deal were not disclosed. [Click here for Vantiv's second quarter earnings](#).

Atlantic were sporadic and could take many months to arrive. There were no post offices in the colonies, so mail was typically left at inns and taverns. In 1753, Benjamin Franklin, who had been postmaster of Philadelphia, became one of two joint postmasters general for the colonies. He made numerous improvements to the mail system, including setting up new, more efficient colonial routes and cutting delivery time in half between Philadelphia and New York by having the weekly mail wagon travel both day and night via relay teams. Franklin also debuted the first rate chart, which standardized delivery costs based on distance and weight. In 1774, the British fired Franklin from his postmaster job because of his revolutionary activities. However, the following year, he was appointed postmaster general of the United Colonies by the Continental Congress. Franklin held the job until late in 1776, when he was sent to France as a diplomat. He left a vastly improved mail system, with routes from Florida to Maine and regular service between the colonies and Britain. President George Washington appointed Samuel Osgood, a former Massachusetts congressman, as the first postmaster general of the American nation under the new U.S. constitution in 1789. At the time, there were approximately 75 post offices in the country. [Click here to read more.](#)

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Five Charged in Hacking of Financial Companies

7/25/13 Dealbook

Federal prosecutors on Thursday brought what they called the largest hacking and data breach case in the country, charging five people with running an organization that hacked the computer networks of more than a dozen corporations, stealing and selling at least 160 million credit and debit card numbers. The scheme was run by four Russian nationals and a Ukrainian, said the prosecutors, who announced the indictments in Newark.

Card Fraud Scheme: The Breached Victims

7/26/13 Bank Info Security

Federal authorities in New Jersey this week unsealed indictments of five defendants allegedly linked to Heartland hacker Albert Gonzalez and network breaches that affected Global Payments and numerous others. Investigators say the attacks compromised personally identifiable information and credit and debit details linked to hundreds of millions of accounts.

First Data Staying The Course With ISOs

7/22/13 ISO & Agent

ISOs can expect business as usual with First Data Corp. despite new faces in top management at the Atlanta-based transaction processor. "There's been no change, to date, in our strategy with ISOs," says O.B. Rawls, First Data senior vice president and general manager, national and ISO portfolio. "Our strategy is still to support and grow the ISO channel."

European Union Advocates Limiting Fees on Debit and Credit Card Transactions

7/24/13 The New York Times

European Union officials on Wednesday proposed capping certain fees on credit and debit card purchases, immediately setting off a fierce debate about whether consumers would benefit. The European Commission, which wants to set a ceiling on the transaction fees that banks charge retailers for purchases with plastic, said the move would help stimulate the sluggish economy by saving retailers 6 billion euros (\$7.9 billion) a year.

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Mobile Payments

Visa, MasterCard Look to Gain Bigger Foothold in Mobile Payments

7/26/13 Mobile Commerce Daily

While Visa and MasterCard have not played a major role in mobile payments to date, they are betting big that the next generation of mobile payments from banks will leverage the networks' platforms. The leading payments networks face possible loss of brand recognition and disintermediation from digital wallets as mobile payments driven by alternative providers such as PayPal grow. However, it is still in the early days, and payments networks are betting that mobile payments offerings from banks will be an important way that users make payments via their phones in the future.

Shopkick Adds In-App Purchases To Help Retailers Fight Amazon: 'We Are The Anti-Amazon Coalition'

7/23/13 Tech Crunch

Shopkick, the iOS and Android app that lets users search for products, find out where they are sold, and then automatically get checked in at retail locations for discounts to buy them in stores, is making another move today that widens its remit beyond simply driving more bricks-and-mortar business. The startup is launching in-app purchases, starting with 30 major stores that were already a part of the Shopkick's product aggregation platform, including Target, Macy's, Best Buy, and Old Navy.

Lemon Wallet App Adds a Payment Network to Connect Merchants With its 3M Users

7/23/13 The Next Web

Lemon has officially announced a new payment network that lets merchants integrate with the digital wallet app to process transactions from its 3 million users. The Lemon Network SDK is designed for in-app and mobile purchases. Instead of handling payments directly, Lemon will support all US payment processors, such as Paypal, Stripe and Braintree.

Why the Only Real Way to Buy Bitcoins Is on the Streets

7/23/13 Wired

On a damp Thursday night in July, a half-dozen men gather on the steps of San Francisco's Yerba Buena Gardens, just across from St. Patrick Church on Mission Street. They dress down, mostly wearing the jeans and t-shirts uniform of Bay Area programmers. As the sun sets, they're trading currency in the fog, selling silver and cash for Bitcoins and other cryptocurrencies. Every now and then a new trader wanders by, asking, "Buttonwood?"

Smartphone App Lets Pedicabs Pick Your Pocket - And Pedal Away Scot Free

7/22/13 New York Post

The smartphone credit-card app called Square allows crooked pedicab drivers to overcharge unsuspecting tourists and pedal away scot free, several hacks told The Post yesterday. The pedicabbies often tack on fees through the app without alerting the customers, who don't know how much they've been charged until they see their credit-card statements and it's too late, the drivers said.



Regulation & Security

Debit Networks Offer EMV Compromise That Would Allow Visa, MasterCard Apps

7/24/13 Digital Transactions

A trade group representing most of the nation's debit networks has agreed to allow EMV applications other than its own to work on chip cards in the United States. The new position taken by the Secure Remote Payment Council represents what the group calls a "major compromise" and opens the door for chip applications from Visa Inc. and MasterCard Inc., which the SRPC had previously barred.

Canada: Regulate, Don't Litigate - Competition Tribunal Rejects Commissioner's Case Against Visa And Mastercard

7/24/13 Mondaq

Earlier this week, in a much anticipated decision, the Competition Tribunal ("the Tribunal") dismissed the Commissioner of Competition's application challenging Visa's and MasterCard's rules for credit card acceptance by merchants, with particular focus on the card acceptance fees charged to merchants. "Interchange" fees make up a large portion of the fees charged to merchants for accepting card payments, and merchants must pay higher interchange fees when consumers use a premium credit card.

PCI's Not-So-Open Global Forum

7/22/13 StorefrontBacktalk

PCI's Global Forum is an open forum in name only, at least as long as it continues to force changes on members that they are not permitted to even know about until someone who has been briefed chooses to tell them. What makes me say that? Let me tell you a story about how PCI really works.

Threat of New Cyberattacks Against Banks Met with Shrug

7/25/13 BTN

They're back. The Izz ad-Din al-Qassam Cyber Fighters are threatening banks with a new wave of distributed denial-of-service attacks. Since last September, al-Qassam has taken responsibility for a series of cyber assaults that have plagued some of the nation's largest banks - shuttering the online banking operations of Wells Fargo, PNC and dozens of others.

AMG Defendants Settle FTC's Debt Collection Charges

7/22/13 FTC

The Federal Trade Commission has reached a partial settlement with the principal defendants in its case against the payday lending operation AMG Services Inc., resolving allegations that the defendants threatened consumers in debt collection calls and violated the Electronic Fund Transfer Act, or EFTA.

Economy

U.S. Business Spending Plans Rise, Jobless Claims Up Slightly

7/25/13 Financial Post

gauge of planned U.S. business spending rose for a third straight month in June, offering a hopeful sign for a pickup in economic growth in the second half of the year. Other data on Thursday showed first-time applications for unemployment benefits increased slightly last week, but the underlying trend pointed to continued job gains.

An Unstable Recovery Built on Debt

7/22/13 MSN Money

This is the financial crisis that keeps on giving. Right now, I find myself asking many of the same questions about debt, risk and collateral that investors were asking in the run-up to the bankruptcy filing of Lehman Brothers in September 2008. The two big questions I have at the moment: Where's the collateral for all this debt -- private, corporate and governmental -- that has been issued in efforts to prop up global growth? And what's that collateral worth?

Millions of Consumers Cross Virtual Borders to Shop Online

7/23/13 Internet Retailer

U.S. online retailers that don't accept orders from consumers in other countries are missing out on sales, as tens of millions of shoppers are eager to buy from U.S. e-commerce sites, according to a PayPal-sponsored survey released today. The survey of online shoppers in six major markets suggests that 93.7 million consumers in those six countries will buy \$105 billion worth of goods from e-commerce sites in other countries this year.

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Payments Press

Visa Inc. Reports Fiscal Third Quarter 2013 Net Income of \$1.2 Billion

7/24/13 Barron's

Visa Inc. announced financial results for the Company's fiscal third quarter 2013 ended June 30, 2013. Net income for the quarter was \$1.2 billion or \$1.88 per share, an increase of 16% and 20%, respectively, over the prior year adjusted results. The prior year results were adjusted to exclude a litigation provision of \$4.1 billion and related tax benefits associated with the Multidistrict Litigation proceedings taken in the fiscal third quarter of 2012.

Discover Financial Services Reports Second Quarter Net Income of \$602 Million

7/23/13 Discover

Discover Financial Services today reported net income of \$602 million or \$1.20 per diluted share for the second quarter of 2013, as compared to \$525 million or \$0.99 per diluted share for the second quarter of 2012. The company's return on equity was 23%. Total loans grew \$3.7 billion, or 6%, from the prior year to \$61.7 billion. Credit card loans grew \$2.3 billion, or 5%, to \$49.8 billion and Discover card sales volume increased 4% from the prior year.

Global Payments Reports Year-End Earnings

7/25/13 Global Payments

Global Payments Inc. announced results for its fiscal fourth quarter and year ended May 31, 2013. The company delivered revenues of \$2.4 billion or 8% growth and cash earnings per share of \$3.65 or 3% growth over prior year. Chairman and CEO Paul R. Garcia said, "We are focused on delivering a strong fiscal 2014 with cash earnings per share growth of 8% to 10%. Importantly, this includes a significant step up in annual security costs."

Pivotal Payments Celebrates 10 Years

7/23/13 Green Sheet

This month marks Pivotal Payments' 10 year anniversary in the competitive and continually-evolving payment processing industry. Established in 2003, the Montreal-based company has become a leader in merchant services and payment processing solutions in North America, servicing over 60,000 merchants and processing more than US\$10 billion in annual transaction volume.

Merchant Warehouse Hires Russell Harty as Senior Vice President

7/25/13 Yahoo! Finance

Merchant Warehouse®, a leading innovator of payment technologies and merchant account services, today announced the addition of Russell Harty as Senior Vice President, Key Accounts and Partner Channel. With more than 20 years in the payments industry, Harty will focus on evaluating and adding new partners and expanding the footprint of Merchant Warehouse solutions.

North American Bancard CEO Named Executive of the Year in Best in Biz International Awards

7/25/13 Benzinga

North American Bancard (NAB), a leading electronic payment solutions company, announced today its Founder and CEO, Marc Gardner, has been named the silver winner in the Executive of the Year category of the 2013 International Best in Biz Awards, a prestigious independent business awards program judged by members of the press and industry analysts.

Allpoint Deal Meant to Help Discover Draw Checking Accounts

7/23/13 Credit Union Times

Discover cardholders have surcharge-free access to Allpoint-branded ATMs because Discover wants to enhance its new checking account program, according to a company spokesman. Meanwhile, two major ATM and payments CUSOs said they can withstand the new competition. Discover Financial Services launched Discover Bank in 2000 when it

changed the name of the Greenwood Trust Co., a bank it acquired in 1985, to Discover Bank.

Next Gen Dine Restaurant Point of Sale Now Available on the Apple iPad

7/22/13 PRWeb

Next Gen Dine restaurant point of sale by Prelag Partners LLC is now available to use on the Apple iPad. The application is available to download and use on a Next Gen Dine iPad, but will soon be available on Android and Windows Surface devices. This system offers several features that other POS systems do not. Next Gen Dine is truly incomparable to any other point of sale.

New Sage Intelligence Tools Give Businesses Greater Insight for Better Decision-Making

7/22/13 Sage

Sage North America announced today the launch of two new business intelligence (BI) tools, providing Sage ERP users with integrated solutions that are intuitive and simple to use. Sage Enterprise Intelligence for Sage ERP X3 and Sage Intelligence Reporting Bundle for Sage 100 ERP, Sage 300 ERP, and Sage 500 ERP join Sage Inventory Advisor (announced in June 2013) to empower small to medium-sized companies to make informed, confident decisions that will help grow their businesses.

Visa Hails Slovakia as a 'Hero' Market for Contactless Technology

7/25/13 Finextra

Visa Europe has chosen Slovakia as a showcase market for the adoption of contactless technology, with 1.43 million cards in circulation recording one million contactless transactions per month. Almost seven per cent of Visa transactions in Slovakia are contactless, with an average spend of nine euros per card.

Fiserv Makes Investment Portfolio Accounting Capabilities Available in Secure Online Portal

7/25/13 Fiserv

Fiserv, Inc., announced the availability of its Prologue™ Investment Portfolio Accounting application as a hosted (ASP) solution via the Intelligent WorkplaceSM web portal. Launched in the first quarter of this year, Intelligent Workplace provides centralized and cost-effective access to multiple Fiserv solutions that help manage performance, grow profits and protect assets.

MoneyGram International Reports Second Quarter 2013 Financial Results

7/25/13 MoneyGram

MoneyGram International, Inc., a leading global payment services company, reported financial results for the second quarter, which ended June 30, 2013. Total revenue of \$365.1 million increased 11 percent on both a reported and constant currency basis. Money transfer revenue increased 13 percent over the prior year on both a reported and constant currency basis.

hyperWALLET Chooses Earthport to Enhance Cross-Border

Payments Service

7/25/13 Realwire

Earthport, a leading provider of cross-border payment services, today announced an agreement with hyperWALLET Systems Inc., a leading provider of global payment solutions, to enhance cross-border payments for corporate customers. Under the new agreement, hyperWALLET will leverage Earthport's global network to deliver more competitive payments services to a greater number of countries.



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