December 14, 2009 • Issue 09:12:01

Uncle Sam's finger in the payment pie: A legislative update

By Patti Murphy
The Takoma Group

Having flourished outside the public limelight for about a generation, the merchant acquiring sector today confronts legislative and regulatory initiatives on multiple fronts that have the potential to radically change the way acquirers and their partners operate.

The first big change takes effect Jan. 1, 2011. That's when acquirers and other providers of credit and debit card settlement services must start keeping track of gross transaction totals, by individual merchant, for annual reports to the Internal Revenue Service. The first of these reports – detailing monthly and annual gross total credit and debit card payments by merchant during 2011 – are due to the IRS early in 2012.

The proposed rules contain an exemption from reporting for merchant accounts that process less than $20,000 in yearly credit card payments.

The new rules were imposed under the Housing and Economic Recovery Act of 2008, and they mirror closely the reporting requirements already governing many banks and companies (those familiar 1099 forms). The major difference is that the proposed IRS Form 1099-K, unlike other "miscellaneous" income reports, asks for monthly as well as yearly gross payment totals by merchant (payee).

Merchants must be identified by business name and address as well as tax identification number (TIN); those that fail to provide valid TINs would be subject to backup withholding, according to a draft of IRS rules for implementing the new requirement. Since acquirers already require TINs when opening merchant accounts, the new reporting requirement shouldn't be too difficult to implement, according to industry consultant Paul Martaus.

Similar reporting proposals had been circulating around Washington, D.C., for about four years and had been successfully thwarted by banking industry lobbyists until 2008, when Congress was forced to bail out Fannie Mae and Freddie Mac, two government sponsored enterprises pushed into bankruptcy by the subprime mortgage meltdown. Under federal budget rules, public expenditures are supposed to be matched by new revenues.

"Everything happened so fast," said Thomas Goldsmith, Director of Communications and Public Relations at the Electronic Transactions Association. "Congress needed revenue offsets to help pay for the bailouts." The industry had little opportunity to rally forces against the proposal, Goldsmith added.

The Green Sheet Inc.
www.greensheet.com

AdvisoryBoard

Affiliations: ETA, WPA

Produced and printed in the U.S.

NotableQuote

Some believe referral generation is counterintuitive in the middle of a recession. One writer likened it to asking a car crash victim to buy a time share while riding in the ambulance to the hospital.
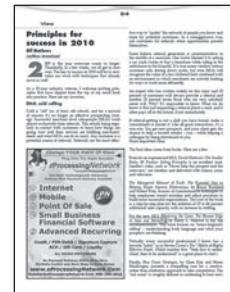
Inside this issue:
CONTINUED

WINNER APEX

Green Sheet, Inc. — Winner
APEX Awards for Publication Excellence
in print and online— 8 consecutive years.
Plus, Grand Awards in 2004, 2005, 2006 & 2007

The Green Sheet Inc.
www.greensheet.com

Forum

Misleading MCCs

I have worked within the industry for the past eight years, and it seems like I'm running into more and more salespeople taking advantage of using improper MCCs [merchant category codes] to lower interchange levels for merchants.

For example, I have seen car washes set up as gas stations, so the result is the merchant ends up paying a lower interchange level. But I know this isn't ethical. Another example is oil resellers who only sell heating oil being set up on the utility MCC code; the end result is the merchants pay much lower interchange levels.

What can I do to prove to merchants that this practice is unethical, and they could get in trouble for doing this? And who exactly should I report the salesperson to? We have enough cheaters and liars in this industry. I want to start doing something about it

Luciano Di Felice
Advanced Payment Solutions LLC

Luciano,

We referred your question to Adam Atlas, a veteran payments industry attorney. Following is his response:

The intentional improper MCC coding of a merchant would, under most agent agreements, constitute a material breach of the agreement. I would deem it a breach because it amounts to the agent intentionally providing the acquiring bank with false information concerning the merchant.

Whether or not a merchant is aware of the scheme arranged by the agent, the merchant is also potentially exposed to liability for operating under the wrong MCC.

There are two solutions that you might try. One is to inform merchants that they are exposing themselves to potential termination by their acquiring bank for using the wrong MCCs. The second is to send a whistleblower e-mail to agentregistration@visa.com. I have seen that e-mail used as a place to send whistleblower information concerning agents acting in ways that are outside the law or rules applicable to our industry.

Of course, you cannot be assured that either of these approaches will work.

Thank you, Luciano, for your commitment to strengthening our industry's practices and reputation. And thank you, Adam, for your sound advice.

Editor

Preparing to fight fraud

I'm rather new to the credit card processing industry and currently work … as an account retention manager. This is great, ground floor industry training, but my goal is to eventually work in the card fraud sector of the industry. I would like to know what industry organizations offer seminars or educational opportunities, including online training if available. If you can offer any advice, I would greatly appreciate it. Thank you for allowing me to join your outstanding Web forum.

Eric Hughes
XtraValue Payments Inc.

Eric,

Welcome to the payments industry, and thank you for joining GS Online's MLS Forum. Following are five educational resources pertaining to fraud prevention:

1. The Fraud Practice offers in-house and remote, webinar-based training options on a variety of topics. (www.fraudpractice.com/ training.html)

2. The International Association of Financial Crimes Investigators, Nevada Chapter, is holding its 2010 Training Seminar Summit on Fraud, Sept. 8 to 10, 2010, in Las Vegas. (www.iafci.org/web/ home/am/contentmanagernet/contentdisplay.aspx?section=hom e&contentid=8716)

3. Mares & Co. offers instruction on how to use the programs in Maresware: The Suite, which includes programs for computer forensics, data analysis and information security . (www.dmares.com/ maresware/training/maresware.htm)

4. The Association of Certified Fraud Examiners has archived hundreds of articles on a variety of fraud topics. (www.acfe.com/ resources/articles.asp and www.tampabaycfe.org/sites.htm)

5. The Bank Training Center provides training via online courses, webcasts, webinars and audio conference. Topics include fraud prevention pertaining to credit cards, checks, Internet payments, phishing, identity theft, new accounts, deposits and information system breaches. (www.banktrainingcenter.com/fraud.asp)

In addition, the Electronic Transactions Association's ETA University recently launched the ETAU Online Payment Essentials, a series of four courses covering industry basics, including Sales Channel Development, Introduction to Electronic Processing, Introduction to Sales and Marketing, and Introduction to Operations. Best of luck to you.

Editor

Eliminate the Paper Chase and Take Your Profits to the Next Level!

CLICK

HERE

NorthAmerican™ BANCARD

A Better Opportunity. A Brighter Future.

Go paperless! No signatures! No mailing! No faxing!

- The industry's most innovative, efficient and secure merchant-facing "Click Here I Agree" application
- Receive an automated notification the minute your merchant gets started
- Completely customizable (including pricing and equipment) from your own FREE mirrored website

Easy to use and completely online.

NAB gives you just what you need to close more deals and make more money. Check out these additional cutting-edge sales tools:

Sales Partner Notification Systems
- Receive customizable email or text message alerts
- Stay on top of your merchants' needs and one step ahead of your competition

Agent Portal
- NAB's Agent Info Center puts the power of online sales support right at your fingertips
- Instant access to everything you need to increase your productivity and profits

Lead Wizard
- Grab millions of new and existing business leads as soon as they appear
- Seal the deal with new merchants before your competition even knows they exist

ELAP (NAB's online merchant application entry system)
- Set customized pricing and create individualized equipment set-ups
- Get accurate, live download instructions and merchant numbers within minutes

Enhance Your Image
- Get a FREE NAB email address and 800 number
- Get your very own professionally developed website complete with customized pricing

Focus On Growth
- Direct payment to sub-agents
- Expand your sales versus manage your office

Total sales support. Just one more way we are creating a better opportunity and a brighter future for our Sales Partners. Want to make more money? Make the switch to NAB today!

Call or visit us online today!

1-877-201-4833 • www.GONAB.com/gs

QSGS

A quick summary of key articles in this issue to help keep you up-to-date on the latest news and hot topics in the payments industry.

STABILITY

If you have found yourself uneasy about the security and future consistency of your residuals, consider a partnership with First American Payment Systems. With two decades of financial stability, you can trust us with your hard earned wealth. *Call us today.*

1-866-Go4-FAPS
(1-866-464-3277)

sales@first-american.net • www.first-american.net

FIRST AMERICAN PAYMENT SYSTEMS
Your Partner for Quality Payment Solutions

Don't Go Broke!! Go Global!!

GLOBAL CHECK

90 day same as cash in house financing for your merchant. With ARCNET* your merchant does not need to lease or buy equipment. All your merchant will need is an Internet connection. So stop losing money on costly leases and build your portfolio quicker.

$545.00 commission on every ARCNET* deal!!!

With our 100% over program you the agent have full control over your merchants and more important your money. On average our agents make 2% on every transaction done and now with the ARCNET* program your residuals will build much quicker than they ever have. Even better, there is no out of pocket expenses to you.

Global Check has been in the check conversion industry since 1994 and we have helped 100's of agents become successful with our new and innovative programs such as ARCNET*.
Setting the industry standard for ARC we at Global Check strive to mainstream our programs too make it easier for our agents to close deals.

Visit us at www.globalcheck.com
or call us at 1-800-988-6221
and ask about our other great programs also.

*Patent Pending

44

News

Holidays a boon for data thieves, too

For many retailers battered by a difficult economy, this year's holiday season offers not only a little festive mirth but also their best chance to climb out from the doldrums. Yet the year-end retail surge could be a boon for thieves. In this article, PCI Security Standards Council (PCI SSC) General Manager Bob Russo offers tips on how retailers can protect their businesses this month.

46

News

ETAU now in session

The Electronic Transactions Association's ETA University is offering four new online courses that, together, comprise the ETAU Online Payment Essentials. They are designed especially for merchant level salespeople (MLSs) and mid-level management, and each course can be completed in less than three hours.

56

Education

Street Smarts℠: To train or not to train

Really, there's just one prerequisite for working in our industry: Can you sell? With any sales position there are two important buckets: technical knowledge and sales technique. Which one is more important?

62

Education

Digging into PCI – Parts 5 and 6: Maintain a vulnerability management program

Security issues are not static: the threats are constantly evolving and changing, and that means security solutions need to be constantly fine-tuned. This installment of a multipart series addresses the fifth and sixth requirements of the Payment Card Industry (PCI) Data Security Standard (DSS).

QSGS

66

Education

The annual marketing and communications plan

Many companies devote time at the end of the year to develop business plans, sales strategies and budgets; however, they often overlook creating a comprehensive, integrated marketing and communications plan to support their goals. For ISOs, what should that plan entail?

68

Education

PIN entry devices: Plan now for July 2010

Many are struggling with the PCI SSC's PIN entry device security initiative. But there is good reason for having it. While credit card data continues to be a primary target for cyber thieves, it is cardholder data coupled with the debit PIN that commands top dollar on the black market today.

70

Education

Creating positive consequences: Three tips

In the payments world, the "rule of unintended consequences" can be defined in multiple ways. One reason the PCI DSS is the topic of the day is because of unintended consequences. In our business, what can we do to avoid unfavorable outcomes?

77

Inspiration

Work that family mojo

Of all the places labeled a "home away from home," the workplace usually tops the list. It follows that co-workers form a family away from family. This article discusses the importance of forging meaningful bonds with colleagues on the job.

IndustryUpdate

Proudly sponsored by

VeriFone
THE WAY TO PAY™

NEWS

Chase taking holiday pulse

Chase Paymentech Solutions LLC, a merchant acquirer and payment processor, released an updated version of its Cyber Holiday Pulse Index, which monitors online shopping activity through the holiday season. The 2009 Index will gather statistics from more than 1 million payment transactions a day at the top U.S. retail e-stores (as identified by *Internet Retailer* magazine).

This year's index will provide year-over-year comparisons. In addition, this third annual survey will include daily average ticket value for a more detailed analysis of holiday trends. In 2008, online holiday sales volume and number of transactions increased, but the average ticket amount decreased from the previous year.

"The Pulse Index will help the business community track the heartbeat of online shopping trends throughout the season," said Mike Duffy, President of Chase Paymentech.

Gambling ban gets stay

The **U.S. Department of the Treasury** and the **Federal Reserve** agreed to delay implementation of the Unlawful Internet Gambling Enforcement Act of 2006 (UIGEA). The UIGEA requires the financial sector to adhere to what the Washington, D.C.-based Safe and Secure Internet Gambling Initiative claims are ambiguous and burdensome rules.

House Financial Services Committee Chairman Barney Frank, D-Mass., held a hearing Dec. 3, 2009, to discuss the legislation and a means of regulating the industry rather than banning Internet gambling in the United States altogether.

Sen. Frank introduced the Consumer Protection and Enforcement Act of 2009 (H.R. 2267) in May 2009. A companion bill, the Internet Gambling Regulation and Tax Enforcement Act (H.R. 2268), introduced by Rep. Jim McDermott, D-Wash., could reportedly generate nearly $42 billion over 10 years for the Treasury Department.

Tap and park at East Coast airports

A partnership between **Affiliated Computer Services Inc.** and **MasterCard Worldwide** has resulted in agreements with two East Coast airports to allow motorists to pay for airport parking with a tap of a PayPass-enabled MasterCard.

The roll-outs at Philadelphia International Airport and Miami International Airport began in November and December 2009, respectively. At PIA, PayPass terminals will be installed in 34 exit lanes for access to approximately 18,600 parking spaces. At MIA, which has more than 8,700 parking spaces, over 50 entry and exit lanes will be equipped with PayPass.

Ray Diaz, Chief of Commercial Operations at Miami International Airport, said that "implementing MasterCard PayPass will enable us to simplify parking for our customers and avoid congestion by ensuring speed and efficiency using our airport parking facilities."

The ACS payment terminals will also accept conventional magnetic stripe cards from all card providers. "We have worked in tandem with MasterCard for several years, providing value and efficiencies to the airports we serve by helping them simplify travelers' lives," said Dave Amoriell, Executive Vice President and President of ACS Transportation Solutions Group.

ACS has already implemented and manages simi-

BOTTOM LINES

HEADLINES FROM THE RETAIL WORLD

THANK YOU, PLEASE READ AGAIN!
TRANS ID:460465 EMP:120400

- **eMarketer Inc.** expects a 5.4 percent increase in holiday sales (November and December 2009); its U.S. Retail *E-Commerce Holiday Seasons Sales 2004-2009* revealed a 5.7 percent decrease in 2008. Online travel, event ticketing and digital downloads were excluded from the report.

- Sixteen percent of moms surveyed in **Marketing to Moms Coalition**'s *Holiday Shopping 2009* study indicated they planned to conduct 50 percent or more of their 2009 holiday shopping on the Internet, which represents no change from last year's survey results.

- In a recent **National Retail Federation** study conducted by **BIGresearch**, 66.3 percent of the respondents stated they intended to shop at discount stores on Black Friday; 62.4 percent said they would shop at department stores. More than 27.6 percent anticipated shopping online that day .

lar programs in 20 U.S. airports, including Norfolk International Airport in Norfolk, Va.

ANNOUNCEMENTS

3DSI receives certifications

Payment provider **3Delta Systems Inc.** received certification for Web-based merchant credit card and purchase card transactions from Chase Paymentech.

"On average, we save our customers 30 percent on their payment processing costs compared to what they're currently spending, largely due to better interchange-rate qualification that Level 3 line-item detail provides," said Aaron Bills, Chief Operating Officer and founder of 3Delta Systems.

In other news, RBS WorldPay certified 3Delta Systems for electronic payment transactions. RBS is the U.S.-based payment processing division of the Royal Bank of Scotland Group PLC.

Blue Bamboo unveils new NFC terminal

Blue Bamboo, a division of Shera International, is launching its BlueWave CT100 near field communica-

tion (NFC)-enabled terminal and reader in December 2009. The CT100, based on 13.56MHz contactless technology, works with such contactless cards as ISO 14443 Type A and B, Mifare, Mifare Plus and FeliCa cards.

Hypercom highlights reader, certification

Hypercom Corp. unveiled its compact R3210 contactless reader at Cartes & Identification 2009 held in France from Nov. 17 through 19. Additionally, Hypercom's Wymix PIN Pad received MasterCard payWave certification. The device's contactless antenna enables it to receive payments via contactless cards and NFC-enabled mobile phones.

MasterCard opens mobile gateway

MasterCard introduced its MasterCard Mobile Payments Gateway for financial institutions and mobile network operators to process mobile payments through the MasterCard Worldwide Network.

"The Mobile Payments Gateway will help to make mobile payments a way of life for mobile phone users around the world," said Joshua Peirez, Group Executive of Innovative Platforms for MasterCard.

Merchant Warehouse posts record month

Eleven-year-old payment provider **Merchant Warehouse** exceeded its goal of receiving 3,000 merchant applications in October 2009 by accepting 3,332 applications for the month. This is the most applications the company has received in one month. David B. Isa, Director of Internal Sales at Merchant Warehouse, said the record exemplifies the "growth and success the company has experienced over the past couple of years, with no end in sight."

Pivotal in running for top 50

Pivotal Payments made the finalists' list for Canada's 50 Best Managed Companies award. The nominees, all companies with earnings in excess of $10 million, are judged based on business performance, sustained growth and overall organizational efforts.

The award, established in 1993, is sponsored by Deloitte LLP, CIBC Commercial Banking, National Post Inc. and Queen's School of Business. Winners will be selected March 8, 2010.

Sage joins PCI SSC

Sage Payment Solutions, a division of Sage North America, joined the PCI Security Standards Council. Sage executives will collaborate with other participating organizations on the Payment Card Industry (PCI) Data Security Standard (DSS) and other payment card data protection standards. Sage North America is part of The Sage Group PLC**.**

IndustryUpdate

TMS sweetens deal

Effective Dec. 1, 2009, **Total Merchant Services Inc.** removed the five-deal minimum for its upfront bonus qualification. Agents choose from several revenue sharing programs on a per-merchant basis.

Visa opens new data center

Visa Inc. opened a new global data processing center in the eastern United States which it said enhances its VisaNet processing network.

The biggest upgrade is the implementation of a new operating system, developed with International Business Machines Corp., called z Transaction Processing Facility.

ViVOtech launches sticker, coupon tech

ViVOtech Inc. launched its ViVOtag NFC sticker and the back-end ViVOapps mLoyalty redemption software at Cartes & Identification 2009.

ViVOtech said that with this combined solution, merchants can deliver targeted mobile advertising, marketing and loyalty programs to their customers.

The contactless loyalty solution can adapt any mobile phone to receive the service.

PARTNERSHIPS

CO-OP Financial, Cardtronics renew

CO-OP Financial Services extended its partnership with **Cardtronics Inc.** to provide the CO-OP Financial Network for ATMs in 7-Eleven Inc. stores nationwide. "The key to credit union membership growth is making access to accounts easy and convenient," said Stan Hollen, President and Chief Executive Officer of CO-OP Financial Services.

Tempo goes to Dogster

Dogster Inc. teamed with **Tempo Payments Inc.** to deliver customizable affinity debit cards to its members. Dogster and Catster members apply online for the cards, which are powered by Tempo's Web-based debit card platform. Members may then customize the cards with a photo of a pet and link the cards to their checking accounts.

Gemalto is Nokia compatible, integrates in Taiwan

Gemalto NV demonstrated the interoperability of its NFC subscriber identity module card with **Nokia Corp.**'s NFC-enabled Nokia 6216 mobile handsets at

Cartes & Identification 2009. "Nokia and Gemalto have closely collaborated to enable the ecosystem to take the next step in the rollout of NFC and ensure a positive experience for consumers," said Jeremy Belostock, Head of New Technology Solutions at Nokia. In addition, **Gemalto**, partnering with **eSecure Technology Inc.**, integrated Secure Access Modules into existing EasyCard terminals in Taiwan, which upgrades the terminals for use with contactless cards.

Ingenico signs with HSBC

HSBC Merchant Services LLP, a wholly owned subsidiary of Global Payments Inc., and **Ingenico** extended their partnership to include a four-year deal worth approximately $21.63 million. Ingenico will provide HSBC merchants advanced services and will deploy 37,000 payment terminals to its merchants within the United Kingdom.

Monext, Vasco team up

Payment provider **Monext** partnered with **Vasco Data Security International Inc.**, a provider of authentication, to deliver the Optimized Security Solution. The product is customizable and enables clients to manage all authentication methods, including matrix cards, public key infrastructure certificates, mobile authentication and password generators.

MRI takes Nextep to self-ordering

Nextep Systems and **Manufacturing Resources International** partnered to roll out a touch-screen kiosk solution for quick service restaurant drive-through ordering. With MRI kiosks powered with Nextep software, diners can touch the screen, and the ordering information will display at eye level. The kiosk includes a bar code scanner and card reader.

PPI offers PCI relief, compliance

Payments Processing Inc., a provider of integrated payment solutions, made its PayPros PCI Compliance Relief Program for Developers available. The program uses the PPI PayMover Hosted Payment Service. PPI partnered with **Chief Security Officers LLC** to deliver this solution to address Payment Application DSS validation at a reduced, fixed price. Full funding for qualified software developers is also available.

PPI also released its PayPros PCI Compliance Program for Businesses, which includes a breach reimbursement guarantee. This product was made possible through a partnership with **Digital Resources Group**, an Approved Scanning Vendor and Qualified Security Assessor.

Mazooma integrates with pcRush

U.S. electronics retailer **pcRush Inc.** signed an agreement with **Mazooma Inc.** to integrate Mazooma's real-time, bank-authenticated debit payment solution on pcRUSH.com to allow pcRush customers to pay online for purchases in cash.

STSS to support JR terminals

Sonoma Technical Support Services partnered with **JR's POS Depot** to provide the terminal distributor's clients with support for Hypercom Optimum M4230 and T4230 terminals. Rod Hometh, Senior Vice President of North American Sales for **Hypercom Corp.**, said, "Providing this offering through JR's POS Depot, Hypercom has access to a significant ISO channel that focuses on the mobile merchant market segment."

VPS signs with SecureNet

Atlanta-based **Veracity Payment Solutions** forged a multiyear alliance with **SecureNet Payment Systems LLC**. Veracity will acquire a portion of SecureNet's merchant portfolio and the ability to offer SecureNet Internet processing solutions, which include electronic invoicing, "PINless" debit and automated clearing house processing. This agreement reportedly doubles the number of VPS merchant locations nationwide.

VerifySmart signs MOU

VerifySmart signed a memorandum of understanding with **Tony Cinotti**, who represents a consortium of financial service management executives, to form a joint venture company with the consortium. The new company will roll out a proprietary suite of anti-fraud technologies to financial institutions, businesses and economic development groups across North America, South America and Europe.

Xcellink signs with 3i

Las Vegas-based **Xcellink International Inc.** partnered with **3i Infotech** for the development and integration of its software with Apple Inc.'s iPhone technology. The 3i development team expects to be testing the integration in early January 2010.

ACQUISITIONS

ACI likes EEL

New York-based payments software and solution provider **ACI Worldwide Inc.** signed an agreement to acquire **Euronet Essentis Ltd.**, a division of Euronet Worldwide. Watford, U.K.-based EEL is both a card issuer and merchant acquirer.

Gemalto in talks with Xiring

Gemalto and **Xiring**, a provider of smart card-based authentication solutions for e-commerce and electronic banking, entered into exclusive negotiations regard-

ing Gemalto's acquisition of Xiring's banking activity. Completion of the acquisition is expected by the end of 2009. Details will be released after finalization of the negotiation and signing of the contract.

APPOINTMENTS

CO-OP Financial taps Chatfield

To head its recently acquired and renamed CO-OP Member Call Center, Rancho Cucamonga, Calif.-based CO-OP Financial Services hired **Mark Chatfield**, who left CUNA Mutual Group to assume the position of Chief Operating Officer for the call center.

Jones to steer Truxx

Truxx, a division of Metro Merchant Services that addresses the payment needs of the trucking industry, appointed **Sean Jones** as President. "Many merchants have never been shown what it actually costs to process a credit card," Jones said.

"Truxx will show a merchant the true cost compared to what they are paying, as well as the additional savings they'll realize when they implement Cost Plus and Level II Merchant Accounts."

CCS makes executive decisions

Charge Card Systems Inc. made two changes to its executive team. The company promoted 10-year payment veteran **Johnny Perez** to Payment Card Industry Compliance Manager and invited **Jeff Cohen** on board as Director of Marketing. Cohen has 15 years' experience in marketing.

FAC adds Viera, promotes Burns

Hamilton, Bermuda-based First Atlantic Commerce, an international payment gateway, welcomed **Ronnie Viera** as its Senior Vice President of Information Technology & Operations. Additionally, FAC promoted **Christopher Burns** from Vice President, International Business Development, to Senior Vice President, Business Development.

Wood gets NABbed

North American Bancard Inc. hired **Marty Wood** to its team of National Sales Managers. "Marty's addition to NAB has already had a significant impact upon our sales team and enhanced our overall growth and performance," said Marc Gardner, President and CEO of NAB. "In the four months Marty has been with us, we have already exceeded our recruitment goals."

Principles for success in 2010

By Biff Matthews
CardWare International

2009 is the year everyone wants to forget. Thankfully, in a few weeks, we all get to start over. The key to success in 2010 will be to revitalize our work with techniques that already serve us well.

As a 35-year industry veteran, I welcome putting principles that have slipped from the top of my mind back into practice. Here are my favorites.

Ditch cold calling

Cold is "old" (or, at least, old school), and for myriad reasons it's no longer an effective prospecting strategy. Successful merchant level salespeople (MLSs) work almost exclusively from referrals. This entails being regularly in contact with customers to learn how things are going, how well their services are fulfilling merchants' needs and what MLSs can do to assist. Any customer is a potential source of referrals. Referrals are the most effec-

tive way to "spider" the network of people you know and mine for potential customers. In a nonaggressive way, ask customers for referrals when opportunities present themselves.

Some believe referral generation is counterintuitive in the middle of a recession. One writer likened it to asking a car crash victim to buy a time share while riding in the ambulance to the hospital. It is true many vendors reduce customer calls during down cycles, but wise MLSs will recognize the value of a less cluttered field combined with an environment in which merchants are actively looking for ways to work more efficiently.

An expert who has written widely on this topic said 20 percent of customers will always provide a referral and another 20 percent (even those who are very satisfied) never will. Why? It's impossible to know. What we do know is that just requesting a referral plants a seed, and it often pays off in the future, if not immediately.

If referral-getting is not a skill you have honed, make a commitment to master it. Like all good interactions, it's a win-win. You get new prospects, and your client gets the chance to help a trusted vendor – you – while helping a colleague by being introduced to you.

Share important ideas

The best ideas come from books. Even for an experienced MLS, David Mattson's *The Sandler Rules: 49 Timeless Selling Principles* is an excellent read. Sandler's rules, such as "Never help the prospect end the interview," are timeless and delivered with humor, irony and relevance.

The Managerial Moment of Truth: The Essential Step in Helping People Improve Performance, by Bruce Bodaken and Robert Fritz, focuses on transformative techniques to help employees correct mistakes and adjust processes to build more successful organizations. The core of the book is a step-by-step plan for the addition of 25 to 40 percent additional sales capacity, with no increase in staffing.

For the new MLS, *Mastering the Game: The Human Edge in Sales and Marketing* by Kerry L. Johnson is my top recommendation. This book focuses on "neuro-linguistic selling" – understanding body language and what your prospects are thinking.

Virtually every successful professional I know has a favorite "habit," as in Steven Covey's *The 7 Habits of Highly Effective People*. (Habit number five: "Seek first to understand, then to be understood" is a great place to start.)

Finally, *Blue Ocean Strategies*, by Chan Kim and Renee Mauborgne, presents a compelling case for a creative, rather than combative, approach to sales competition.

The "red ocean" is roughly defined as continuing to beat one's head against the wall, turning the proverbial water

red. The "blue ocean" is the path less traveled. But to pursue that, you must exit your safety zone – perhaps for good. What other services can you offer? What kind of expertise can you bring to your current or prospective clients? It's all about helping customers stay in business.

Also, avoiding boredom is an ongoing challenge for type A personalities; as a result they improvise, sometimes to their detriment. Remember that your presentation, though delivered many times, remains fresh to the prospect. So, if it works, resist the impulse to change it.

On a related note, when prospects ask common questions, even seasoned MLSs can slip into canned responses. It's hard to stay focused when you're answering the same question for the fortieth time, so try harder. Bright, successful people are bored easily; that's understandable. Just don't let it erode your performance.

Keep clients viable

2010 is not likely to begin with a bungee-style bounce-back. Growth is likely to be anemic. The smart money says the economy as a whole will continue to be sluggish through most of next year.

There will be more bank failures and foreclosures, and lots of industries will go into – or remain in – the doldrums. When the ice finally breaks, pent-up demand will cause a surge, but it will be some time before there is capital to start new businesses.

For the MLS, this means it's time to focus on services that can help keep clients viable.So, what does that mean? The most urgent issues relate to Payment Card Industry (PCI) Data Security Standard (DSS) certification and compliance, and contingency strategies for notification and other legal obligations in the event of a security breach.

There are companies that offer policies to perform those functions and satisfy both state and federal requirements. And there is PCI insurance, which covers fines levied by card brands and state regulators. The ability to help merchants navigate these options will add to your credibility, your revenue stream and your retention rate during this challenging business cycle.

The first cousin to data security is identity security. I recently read *Stealing Your Life: The Ultimate Identity Theft Prevention Plan*, by Frank W. Abagnale. The book outlines steps merchants and others can take to protect their identities. What many do not realize is that company identities are being stolen at rates nearly equal to that of individuals. Helping merchants erect practical fraud barriers is another way to expand your suite of services.

Encourage equipment upgrades

With the mid-year deadline approaching, opportunities exist to assist customers with upgrading their equipment

for PCI PIN Entry Device compliance. The July 2010 PIN encryption deadline is of critical importance to merchants. They all need effective solutions. Know and discuss the requirements in realistic terms, and avoid scare tactics.

Because of the rapidity of change in our industry, I want to reiterate something I advocated in an earlier article: Equipment purchases do not make sense for merchants today. Lease-to-purchase makes some sense, but rental gives the merchant the greatest flexibility.

With rental, there is income, and later, upgrade opportunities for MLSs. Additionally, rental gives both parties the ability to cancel the agreement. It also prevents merchants from becoming saddled with obsolete equipment.

This is 180 degrees from what I said two years ago, but changes are coming rapid fire, and many of them involve security. Changes not even on the visible horizon will have to be managed as well – and soon. If you're part of that managing, you will distinguish yourself in the value you add to every merchant in your portfolio. 🔲

Biff Matthews is President of   Thirteen Inc., the parent company of CardWare International, based in Heath, Ohio. He is one of 12 founding members of the Electronic Transactions Association, serving on its board, advisory board and committees. Call him at 740-522-2150, or e-mail him at biff@13-inc.com.

Automate or flounder

By Scott Henry
VeriFone

Nothing stays the same. Today's payment terminals are no exception. Their software must be updated periodically for compliance purposes or to provide new functionality. This is not a problem if you only have a handful of customers; you can hop on a scooter and personally download new software to each terminal or talk merchants through the download process by phone. If you're dealing with dozens, hundreds or thousands of units, it's too time consuming to be practical. And it diverts efforts from activities that generate incremental revenue.

So why not automate the download process? If you pre-schedule "behind the scenes" remote updates, there's no need for on-site visits or phone calls to walk merchants through the download process. You set schedules on the download server and let the technology do the rest.

Industry inefficiencies

In the payments industry, the inability to effectively manage mass updates to the installed base of deployed systems is widespread. We are lagging far behind other industries in our ability to automate core processes.

ISOs are dealing with ongoing frustrations and high support costs for application rollouts. This can cause them to defer upgrade cycles, which further increases costs due to inefficient legacy applications left in the field far too long. This results in greater demand for support as things go wrong and risks alienating customers unhappy with system performance or uptime issues.

Manual download processes simply aren't scalable. Mustering tech staff or diverting sales staff to this can be a mammoth effort complicated by merchant schedules, download failures and long knowledge-transfer cycles on system operation. The typical result is to upgrade only when merchants call in for support.

A better way

The software industry has aggressively implemented server-automated updates. Windows desktops and laptops typically connect to Microsoft Corp. servers every Tuesday to find the latest patches for the applicable system.

Imagine if Microsoft had to mail out CD-ROMs every week and then deal with a barrage of help-desk calls. The company simply wouldn't do it often, which would result in persistent security gaps, inefficient system performance and general user unhappiness.

Past attempts to provide such automated functionality in our industry have been unsuccessful; however, technology has evolved to provide a more seamless, easy-to-use experience. It is now possible to implement next-generation technology that provides a simple interface to enable download automation across a subset group or an entire, installed base of terminals.

Advanced intelligence technology can automatically balance loads and schedule downloads, based upon the number of terminals targeted for software updates and communication resources available. The result is virtually hands-free application deployment, limited support costs for upgrades and limited customer interface with system-level functionality.

The terminal automatically polls the server at preset intervals to find out if a download schedule is available. If so, the schedule is downloaded to the terminal, which then automatically requests that download at its scheduled date and time.

Download activities occur in the background according to predetermined parameters (such as only in off hours and if no conflict exists with other applications), so there is no need for merchants to participate in the download process.

Error correction and detection procedures ensure that if

BY THE NUMBERS!
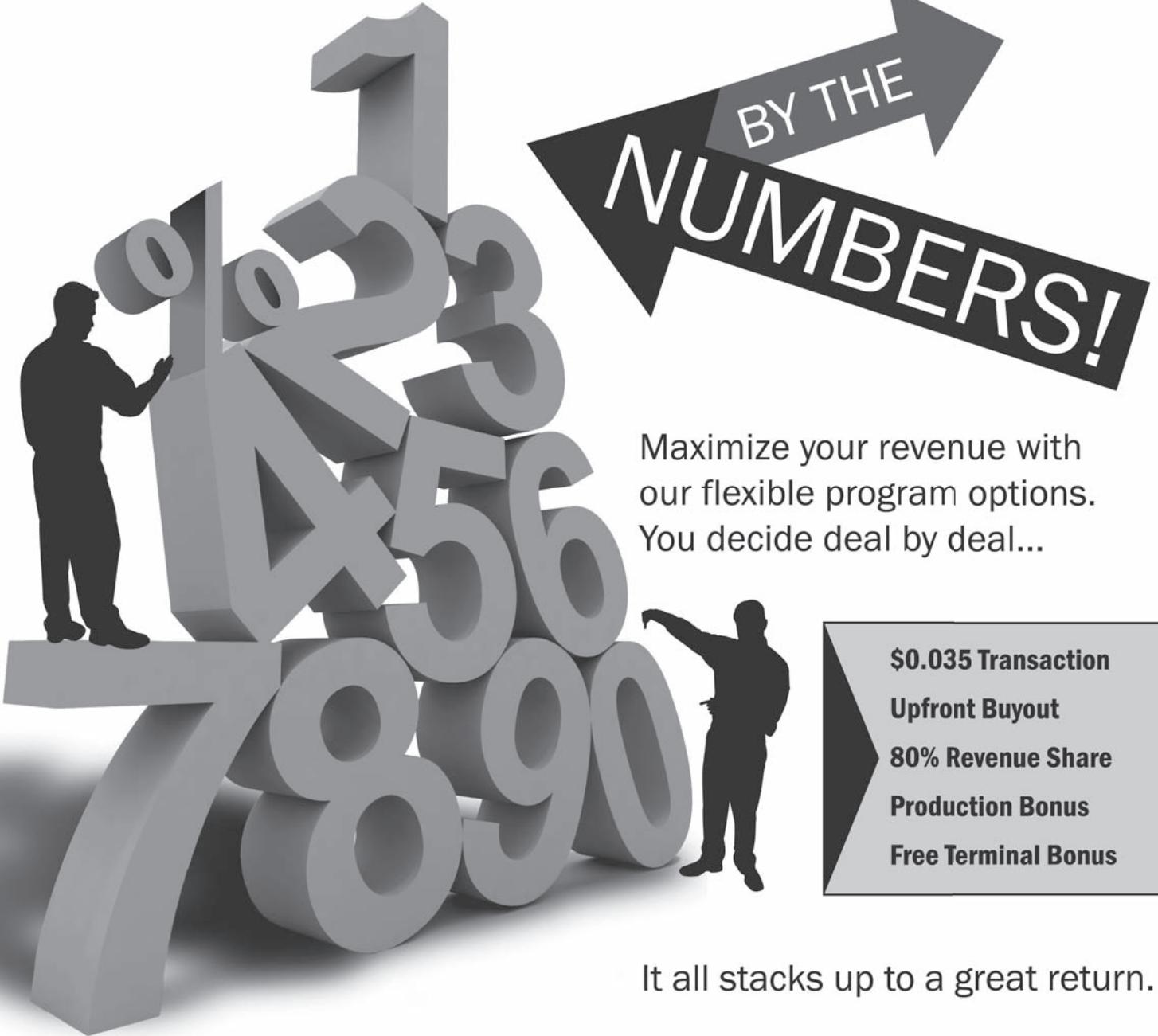
Maximize your revenue with our flexible program options. You decide deal by deal...

$0.035 Transaction

Upfront Buyout

80% Revenue Share

Production Bonus

Free Terminal Bonus

It all stacks up to a great return.

At Equity Commerce, we realize one size does not fit all. We've developed four flexible programs for you to choose from based on your clients' needs deal by deal. It's all in the numbers. Say your client has larger ticket items, we offer a program with a higher revenue share and competitive transaction costs. Now if they sell large quantities of small ticket items, we give you the option to offer them a lower transaction fee to be competitive. On top of that, we're piling on free terminals and production bonuses. We think you'll agree that selling by the numbers will maximize your return.

World class service, combined with our sell by the numbers programs and quick credit approvals empower our partners to maximize their earnings by customizing programs for their merchants.

Contact Equity Commerce today to learn more about our agent programs.

866.790.3995, X 203 | sales@equitycommerce.com | www.equitycommerce.com

Equity Commerce, L.P. is a registered ISO/MSP of Harris , N.A., Chicago, IL and Meridian Bank, Devon, PA.

EQUITY COMMERCE, L.P.®
The Leader in Payment Processing

View

communication is down at the scheduled download time, or if a conflict is present, the terminal will reattempt the effort until successful.

This advanced approach to download management provides secure downloads of an unlimited number of parameters, system updates and applications simultaneously, at the most economical and least disruptive times. Comprehensive, dynamic reports can keep you completely in sync with and in control of the upgrade process.

Managed services

Much of the computerized world is marching, if not running, to take advantage of hosted services, also often referred to as managed services. As devices increasingly become attached to the Internet, it is easier to take advantage of centralized services that are able to leverage the intelligence the various devices contain.

In this manner, it is more cost-effective to deploy and manage advanced services such as automated download.

A hosted environment makes it possible to deliver security solutions (end-to-end encryption, for example) and a wide range of application services (including value-added applications such as loyalty, gift card and prepaid) right to the POS, without requiring a large capital investment.

For ISOs, hosted services can transform the POS into a new point of profit and expand the value they provide to merchants. This technology has allowed many online merchants to quickly and easily set up shopping cart applications.

And the hosted payment service model has well-known advantages: it provides merchants – while incurring little to no upfront costs – a quick, easy setup process; fast transaction speeds; and now integration with existing POS terminals.

Move ahead or fall behind

Improving ongoing business processes is vital for improving productivity and ensuring competitiveness. This is a primary factor why U.S. companies have generated surprising profitability in the teeth of the worst economic recession of our times.

Payment professionals need to continually find ways to introduce greater automation to replace manual intervention, or we'll risk falling behind other industries in our ability to achieve maximum profitability and keep our customers happy. 🌐

Scott Henry is Director , North America Product Marketing, for VeriFone. He can be contacted at scott_henry@verifone.com.

IT'S
BIG
AND IT'S HERE!

United Bank Card

ANNOUNCING THE INDUSTRY'S FIRST

FREE ECR
PROGRAM

Selling Prepaid

Prepaid in brief

NEWS

NBPCA comments on proposed gift card regs

The **Network Branded Prepaid Card Association** distributed a statement in response to the proposed rules for gift cards released by the Federal Reserve Board on Nov. 16, 2009. Though the NBPCA stated it is still reviewing the implications of the Fed's rules, the association's President Kirsten Trusko called the proposal "tough but fair and reasonable." She added that much of what is being proposed "related to expiration dates, clear and conspicuous disclosure of fees, restrictions on certain kinds of fees, et cetera, is already being done by many members of the industry. We look forward to working with the board in the coming weeks to provide comments for improving on certain aspects of the proposed rules and resolving any unanswered questions they may have." The Federal Reserve Board is tasked with drafting rules concerning gift cards as part of the Credit Card Accountability Responsibility and Disclosures Act of 2009.

Oberthur makes strides

Oberthur Technologies Inc. rolled out what it claims is the European Union's first prepaid Visa Inc. contactless card issued by an Italian bank. The Banc Popolare di Sondrio's card (called "Carta di Ateneo" in Italian) is a reloadable prepaid card embedded with a contactless chip.

In other news, Oberthur Technologies' FlyBuy Sticker gained Discover Financial Services' approval, which ensures that the Discover Zip contactless payment application functions properly on the sticker and the sticker is interoperable with Discover-certified POS terminals. Oberthur Technologies also partnered with Todos for a fully managed authentication service that features the Versatile Authentication Server for e-commerce and online banking. The service also includes card readers with associated chip or public key infrastructure smart cards, connected and unconnected tokens, mobile applications, scratch cards, and matrix cards with one-time passwords.

ANNOUNCEMENTS

Coinstar wins four in a row

Progressive Grocer Magazine awarded **Coinstar Inc.** the Category Captain award in the nonfood category for the Coinstar 4th Wall category management program. Coinstar has won this award four years running.

STAR network now loads, reloads

First Data Corp.'s electronic funds transfer network, the STAR Network, now has prepaid load and reload functionality. The infrastructure is under construction to make the new capability available at participating ATM and POS locations, which will be designated by a STAR Reload service icon. The icon will also appear on participating payment cards.

nFinanSe to launch Visa-branded cards

Tampa, Fla.-based **nFinanSe Inc.** will launch its new Visa Reloadable Prepaid Card in Winn-Dixie Stores Inc. supermarkets this month. The card will sell for $3, and cardholders will not be charged for transactions. The monthly maintenance and reload fees are $2.95 apiece.

Paymotech rolls out PayToo Mobile

Geneva, Switzerland-based **Paymotech SA**, a company specializing in global systems for mobile telecommunications and payments, launched a global mobile wallet called PayToo Mobile.

The integrated solution includes a payment component for credit transfers and allows for purchases via bankcard, bar code, secure short message service (SMS), vocal server or near field communication stickers.

SelectCore issues senior options

SelectCore Ltd., a provider of prepaid telecommunication and POS activation solutions for Canadian convenience and grocery stores, will offer 4.9 million options to its senior management, full-time employees and board of directors in light of the company's growth and profitability.

Ukash online issuance expands

U.K.-based **Ukash** reported that it operates in 28 countries worldwide and is now available online in 22 countries. The alternative payment company recently expanded into Austria, the Czech Republic, Denmark, Estonia, Finland, Hungary, Latvia, Norway and Slovakia through consumers' online bank accounts.

PARTNERSHIPS

Blackhawk signs with Michaels

Blackhawk Network, a subsidiary of Safeway Inc., signed an agreement with **Michaels Stores Inc.** for its Gift Card Mall to be installed at Michaels' more than 900 U.S. stores. The Gift Card Mall features over 100 retailer-branded gift cards.

Winter games cards at the Post

Canada Post Corp. will offer three new Olympic and Paralympic Winter Games-themed Visa prepaid cards in 1,500 of its locations.

The **Visa Canada** cards are issued by Citizens Bank of Canada, a subsidiary of Vancouver City Savings Credit Union.

Carta Worldwide joins Multos Consortium

Ontario-based **Carta Worldwide** signed an agreement to join **The Multos Consortium**, a group of organizations responsible for the continued maintenance and development of the Multos specification, a multi-application smart card standard.

Companies launch medical marijuana loyalty card

Palm Beach, Fla.-based payment provider **Commerce Online Inc.** partnered with **RedFin Network Inc.**, a wholly owned subsidiary of Secured Financial Network Inc., to roll out its branded, prepaid loyalty and identification card for licensed medical marijuana dispensaries and collectives in California and Colorado.

Triple team for insurance payments

Franklin Mutual Insurance in New Jersey, in conjunction with **InsurCard** and **The Bancorp Bank Payment Solutions Group**, can now offer to its policy holders the InsurCard Visa Prepaid Card for distribution of insurance payments.

Inside Contactless powers Taggo

Inside Contactless, an Aix-En-Provence, France-based contactless chip manufacturer, is providing critical infrastructure components to **Taggo** for Taggo's contactless sticker that will allow consumers to subscribe to numerous loyalty programs through SMS from mobile phones.

Fleet card rolled out

M2 Europe, leveraging its former Altair Technologies Ltd. assets, teamed with **Airmax Group** to roll out the MasterCard Worldwide-branded Airmax Scope prepaid card, which features hosted data from vehicles and detailed payment reporting for online fuel and expense management.

Pay88 expands into China

Game card provider **Pay88 Inc.** signed a letter of intent with **Chongqing Kai Yuan Investment Co.**, a niche financial services firm that provides microloans to Chongqing small businesses, to provide the Pay88 platform for applying for loans online, along with other features not previously available to the investment company's customers. Chongqing is the fastest-growing regional municipality in China with more than 31 million citizens.

Expense program unveiled in States

Travelex, in partnership with **Passports Inc.**, an organization that provides educational, international travel opportunities for U.S. students, now offers its first business expense program. The MasterCard-branded Travelex Cash Passport card allows businesses to fund and manage the expenses of employees as they attend conferences and conduct other business-related travel.

New team for international travelers

Tuxedo Money Solutions and **International Foreign Exchange** partnered to offer prepaid cards geared to frequent travelers who make payments abroad. Tuxedo said cardholders of the IFX MasterCard Prepaid Currency Card can purchase currency at guaranteed exchange rates and at any time.

UATP inks deal with NxSystems

Universal Air Travel Plan Inc. and **NxSystems Inc.** teamed to deliver voucher prepaid debit cards with multicurrency and split-tender options for its airline partners. "Our product offers consumers a fast, easy method of payment while reducing the risk of fraud to airlines and lowering the cost of distribution – a win-win solution," said Scott Amon, President of NxSystems.

ACQUISITIONS

Global selling money transfer unit

Global Payments Inc. signed an agreement to sell its money transfer business to an affiliate of Palladium Equity Partners LLC. Global Payments will receive between $85 and $110 million, depending on the operating performance at time of closing. According to Paul R. Garcia, Global Payments' Chairman and Chief Executive Officer, the proceeds from the sale will be reinvested in future merchant acquiring growth opportunities.

APPOINTMENTS

Western Union's Ersek promoted to COO

The Western Union Co. promoted **Hikmet Ersek** to Chief Operating Officer from his position as Vice President and Managing Director for Europe, the Middle East,

Africa and the Asia Pacific region. In his new role, Ersek will be responsible for all of Western Union's business units, globally, in addition to the company's operations and marketing functions.

Omni Prepaid taps Verner

Gil Verner joined Omni Prepaid LLC as its Creative Director to expand and progressively develop both the aesthetics and usability of all vertical channels under Omni's Wolfe.com umbrella. 🔲

Feature

Origins of the gift card mall

By Walter Paulsen
Payments Industry Consultant

As the 2009 holiday season bears down on retailers, one payment innovation that seems poised for continued growth is the grocery store gift card mall. Virtually every major grocery retailer has at least one (if not two) front-end caps devoted to prepaid products, while drug and convenience stores have smaller assortments but even more points of retail distribution.

While different surveys generate different numbers, there are certainly no fewer than 40,000 retail locations selling third-party gift cards and other prepaid products, and some counts go as high as 75,000. How did this massive distribution network get started, and what lessons can be learned from its success?

December 2000

With the current breadth of retail gift card distribution, it's hard to believe that not a single grocery store in the United States carried third-party gift cards during the 2000 holiday season. Long-distance phone cards were popular in convenience stores, and prepaid wireless companies were beginning to make inroads. But third-party gift card distribution didn't exist as a retail business. A consumer had to go to a Gap Inc. store to purchase a Gap gift card, a Nordstrom Inc. store to get a Nordstrom gift card or a Borders Inc. store for a Borders gift card. People who wanted to buy an assortment of gift cards at the last minute had to go to a mall and wait in separate lines for every retailer. Retail gift card malls simply didn't exist.

The beginning

In mid 2001, a former video game and toy executive

named Donald Kingsborough joined Safeway Inc., a $35 billion grocery colossus with a reputation long on financial and store operations expertise but short on innovation. Kingsborough had a flurry of ideas he wanted Safeway to try, from leveraging Safeway's Club Card data to new approaches for selling general merchandise.

One of Kingsborough's ideas was that Safeway could sell gift cards from other retailers. While the idea was thought to have promise, huge obstacles stood in the way of its success. For starters, every square foot of space in Safeway stores was already designed to maximize sales. Space near the checkout was highly sought after by candy, gum and magazine vendors.

Safeway was also starting late in the season and had no contracts with gift card retailers, no way to activate cards, no POS integration, no racks to put cards on, no logistical process for putting cards on racks and little interest from store management to launch a completely untested retailing concept in less than 120 days.

Initial holiday season – 2001

Recruiting from outside the grocery industry, Kingsborough assembled a small team and inspired them to think "outside the box." The challenges to launching the program came down to solving three interconnected problems. First, Safeway had to convince quality retail brands to put their gift cards into grocery stores. There had to be enough brands to offer consumers choice, and some brands had to be prestigious; otherwise, the stores wouldn't carry them. Without appealing brands, the idea simply wouldn't work.

Second, the information technology (IT) had to work flawlessly, with minimal fraud, and the cards had to be valid when buyers tried to use them. Selling cards couldn't slow down grocery checkout lines, and the cards had to scan like any other products. Whether it was a box of cereal, a can of beans or a $50 gift card, the sale had to be seamless.

Finally, there had to be a permanent, in-store location for the mall so shoppers could find the cards. At first, Safeway management offered seasonal placement near greeting cards but did not want a year-round program.

However, without a guarantee of full-time, first-class space at the front of the store, retailers would balk, the IT resources wouldn't be available, stores wouldn't support the program and the whole idea would die before even a single card was sold. If any one of these three elements was missing – brands, IT or retail space – the program would fail to launch.

The first Christmas

So what did Safeway do to launch this new program in over 1,500 grocery stores in less than four months?

SellingPrepaid

Despite numerous hiccups and setbacks, the key goals of gift card selection, IT/POS management and permanent rack space were met.

For card supply, Safeway hired salespeople to scour the retail landscape for merchants who wanted to participate. Kingsborough signed Nordstrom, and his team signed Blockbuster Inc., Borders, Pier 1 Imports, Wherehouse Music, and KB Toys. Safeway's own gift card offering filled out the rack. Nordstrom cards were sold in three different denominations; the others had two.

Instead of waiting for a perfect assortment, Safeway was determined to launch what it had by Christmas. Better to launch with a program with room for improvement than to wait for perfection – and give potential competitors a chance to catch up.

To manage complex IT issues, Safeway took advantage of a highly advanced and uniform POS system that had been deployed in all stores; if a gift card worked in one Safeway store, it would work in any Safeway store.

Unlike Walgreen Co., which could only activate gift cards from a single processor (First Data Inc.), Safeway established dedicated connections to gift card processor Stored Value Solutions, as well as First Data, and was even willing to connect directly to retailers like Nordstrom that processed their own cards.

For retail space, Kingsborough's team negotiated internally and secured dedicated gift card racks at every checkout. Instead of replacing existing candy racks, the new gift card racks attached to the top of the candy and magazine fixtures, essentially creating more retail selling space. Skeptics, however, claimed the racks were too high, untested, unattractive and certain to interfere with existing sales. They also believed the malls wouldn't generate enough margin to make up for all the trouble.

Initial launch – November 2001

Initial sales after the November 2001 launch were modest, as it took time for consumers to notice gift cards were available at Safeway and move from sample purchasers to repeat buyers. Even with moderate sales, gift cards had established a beachhead in Safeway stores, IT problems had been solved and the cards of premium retail brands were selling in grocery locations for the first time, paving the way for future growth.

By the second year-end holiday rush, the program had more than tripled in size, and Safeway continued to extend its lead by aggressively expanding the program to other retailers, including grocers.

Today, with the holiday season in full swing, Safeway's gift card program is carried nationwide, and the company controls over 80 percent of gift card distribution in U.S. grocery stores. The program became the core of

Blackhawk Network, a new business unit of Safeway that develops and markets a wide range of prepaid products and services.

Lessons learned

What can we learn from the origins of the gift card mall? Retailers and payment entrepreneurs can take away three key points from the success of the Blackhawk Gift Card Mall.

First, even if the long-term business vision is big, it's all right to start a program before everything is perfect. An initial foot in the door with just six retailers – several of which have since gone bankrupt – created a template that Blackhawk would roll out aggressively in other retail locations.

Instead of an idea, Safeway had tangible results it could point to, and satisfied gift card retailers. Blackhawk quickly learned how to market the program, signed more retailers and enjoyed triple-digit growth rates for most the rest of the decade.

Second, innovation will almost always meet with resistance – from internal and external sources. Safeway's gift card team, led by Kingsborough, was creative and tenacious in figuring out how to solve problems and overcome opposition.

Despite technical, regulatory and business hurdles, the Safeway team pushed ahead. The existence of skeptics and strong opponents – inside and outside the organization – does not mean a business idea lacks merit.

Third, more than anything, the success of Blackhawk demonstrates the power of a good idea pursued with vigor. In innovation it's not always going to be possible to do things right: there will be problems, and mistakes will be made. But if a company is doing the right thing, there is room for error and experimentation, because the idea itself is so robust.

Kingsborough recognized the power of the gift card mall idea and pushed his team to launch the program quickly, learn from mistakes and never stop innovating. The results speak for themselves. Every time someone buys a gift card at a grocery store, that purchase validates the power of a good business idea to overcome obstacles and create big, new business categories. 🌑

Walter Paulsen is a board adviser and consultant to prepaid, payments and social gifting companies. He was most recently President of CardFact, an unclaimed property services company that was purchased by CardCompliant in September 2009. Prior to CardFact he was a V ice President and founding member of Blackhawk Network, where his team built the industry leading Gift Card Mall. W alter can be reached at walter.paulsen@ post.harvard.edu, http://www.linkedin.com/in/walterpaulsen or 650-465-7929.

ADVISORY BOARD

The best moves of 2009 – Part I

With the close of 2009 approaching, we sought insights from The Green Sheet Advisory Board to help you, our readers, as you strategize for the coming year. We asked the following questions of our industry leaders about their business decisions in the past year:

1. What is the absolute smartest thing you've done for your business in the past year?
2. Why was it a good move?
3. Did it require you to take risks? If so, what were they?
4. Is it something other companies could duplicate or something only your organization could do? Why?
5. What do you think your next smart move is going to be?

Following is the first part of their responses. The remaining answers will be published in *The Green Sheet*, Dec. 28, 2009, issue 09:12:02. Thank you to all advisory board members who participated.

Adam Atlas
Attorney at Law

1. Having worked as a payments industry lawyer for a number of years, I decided to offer business strategy consulting in addition to legal advice.

Many lawyers make the foolish mistake of thinking they would make good entrepreneurs because they have spent years advising entrepreneurs. I have not made that mistake.

Instead, I draw on the hundreds of payments business scenarios I have seen to provide a little bit of consulting when clients are making difficult decisions about the direction of their payment businesses. This consulting is most appreciated by businesses that are new to the payments space.

2. I am drawing on the area of business and law that I already know. It's gratifying to have knowledge in a specific area and for clients to see value in the knowledge. Of course, everyone doesn't require business consulting. But for those clients who need it, I am very pleased to help.

3. The principal risk in offering business consulting is that many entrepreneurs are (rightfully) proud and not interested in taking advice from other people on how to improve their businesses. The solution is to always be tactful and have a clear understanding of clients' expectations and do the very best to meet those expectations.

4. Yes. In today's economy, on top of their usual offerings, businesses have to prove to their clients that they are adding value to their clients' enterprises. Some products and services, other than core processing services, can actually increase profits for merchants. Those services are especially interesting now.

5. My next smart move will be to try to create more value for each client within each hour that I work for them. By using technology, such as electronic filing, I am managing to save time for clients and thereby delivering more value to them in the same amount of time. In short, I am always trying to become more efficient for the benefit of both my clients and my practice.

Steve Eazell
Secure Payment Systems Inc.

1. We started a program that gave merchants a pseudo-financing option through the use of checks. We pay merchants all of their money upfront, and consumers get 90 days to pay.

2. Absolutely. There were "90 days same as cash" funding options with checks in the marketplace, but we found none that would actually fund the merchant upfront.

3. Yes. This is an extremely risky proposition, even using proven check-risk tools combined with some credit background; we still have no real guarantee that the consumer is going to pay us back.

The merchant is made whole and can rest because we have guaranteed the transactions. We, on the other hand, have to rely on our experience, savvy and expertise to collect these funds. And in this economy, consumers may not have those funds at all.

4. Yes, but it is risky. It is likely competitors will emulate this program eventually, but due to the risk and the fact that we have filed a patent on the procedure, I would say we are safe for the time being.

5. We have another program that will blow the doors off of this one, which will be revealed at a later date.

Jared Isaacman
United Bank Card Inc.

1. The best decision I've made in the past year was definitely the launch of the free electronic cash register

"Risks are always involved with any investment in new technology, most notably the money and resources that go into the innovation, but when you believe in the product and your sales partners' ability to market it, you have a winning formula."

– Jared Isaacman
United Bank Card Inc.

(ECR) program. While it required a tremendous investment in new technology, it clearly delivered a valuable new product for our ISO partners and merchants.

Integrating the capabilities of a cash register and a credit card terminal into one device truly revolutionizes the way merchants accept credit cards and provides a unique sales tool exclusively to our ISO partners.

2. Up until now, ISOs were competing solely on rates and fees. The free ECR program changes that. It provides an enormous competitive advantage to our sales partners by allowing them to offer a valuable piece of equipment that is vital to any business's operations, completely free of charge.

By all measures, this program has proven to be an overwhelmingly good business move. Since its launch, we have seen an astounding 40 percent growth in application count, higher merchant satisfaction and lower attrition.

3. Risks are always involved with any investment in new technology, most notably the money and resources that go into the innovation, but when you believe in the product and your sales partners' ability to market it, you have a winning formula.

4. We have exclusivity on the product, so it will remain unique to our company. When so much is invested in a new technology, it's important to protect that investment. We made sure we did exactly that with our innovative, free cash register program.

5. I think we will continue to focus on our Harbortouch and ECR product lines. These products, as with anything we do, are constantly evolving and being improved.

We will continue to enhance their capabilities and offer additional complementary services and solutions in line with what our POS systems and free cash registers represent.

Allen P. Kopelman

Nationwide Payment Systems Inc.

1. We looked at all our expenses and overhead and cut back where we could. Also, we're looking to take advantage of the downturn in the real estate market and either lower our rent or buy a building/office. In addition, we have technology, and we figured out a way to get more resellers by offering it to merchant level salespeople (MLSs) and ISOs. We started the company Payment Access to do this.

2. It is a good move to lower fixed expenses if you have the chance. The reseller program is in the beginning stages for Payment Access, but we are slowly getting it going.

3. Being in business is always about taking risks. One risk is teaching MLSs how to make money and just hope that they partner with us to get the job done and not go out and try to do it some place else.

The risk associated with lowering expenses is that you don't want to sacrifice service and quality. The risk in getting a reseller channel going is that it is a shift from selling merchant accounts to selling resellers – MLS, ISOs and so forth – but we have over 1,000 merchants using our software, and it is a great product for the middle market merchant.

We just have to find the right salespeople who understand how to sell to larger merchants in the middle market.

4. Any MLS or ISO should be looking at what is going on in the market. Integrated solutions are growing. Many companies are cutting out the MLS and ISO by doing direct deals.

Partnering with Payment Access gets ISOs and MLSs a private-label solution they can market and use to build their brand, while getting an integration done with a company to bring in more businesses. Any MLS, ISO or other qualified professionals can partner with us. We will assist in integrating their solution into Payment Access to enable payments. Deals like this are being done every day. Partner with someone who can private-label for you, and learn how to grow your business.

5. Growing our payment access network and gaining acceptance by ISOs and MLSs.

The key is building Payment Access into a product that is being private-labeled.

Dan Lewis

AmeriBanc National Ltd.
....

1. My partner, Chris McIntire, and I decided the smartest thing we've done in the last year was to fall back to our core competencies and, frankly, abandon any new sales channel we were experimenting with. With the boom came the financial ability to investigate new areas of revenue production to capitalize on the boom economy; with the bust, we had to be realistic and focus on our core game plan, which became simply to "stay in the game." This also led us to let go personnel that weren't generating income, or weren't critical for other reasons, to reduce our expenses. We even renegotiated with our landlord to cut our lease in half for six months. Nothing was sacred; we had to get realistic and play conservative instead of hoping things would improve.

2. This was a good move, as the economy didn't just bounce back, and there's still a lot of progress to be made. Our processors began to implement fees to merchants and raise some of our prices also, so we had to rethink how we compensate our consultants and pass some increases through to merchants so we could preserve our margins.

3. This was risky in that everyone is feeling the pinch, and increasing prices seems like it could aggravate the problem, but it hasn't been too problematic since we committed to the course of action.

4. Every company can do this; it's just there is a natural reluctance to change even when you have to. It's intimidating to lead a company in a tough economy. A lot of our competitors went out of business because they had extended themselves too far or weren't willing to fully commit to changing to the level it would take to survive and eventually thrive.

5. Our next move is to reach a point of stability and profitability that we are happy with and save even more money than we did before to insulate us further from economic downturns. We didn't have much debt to begin with, which was a major help, but we found many of our vendors and processors had a lot of debt, and they weren't able to hold up their end of agreements we had negotiated in better times.

So it really is a word to the wise to make sure you're never completely reliant on actions of other parties for survival, as that can turn into unpleasant leverage they are all too willing to use if they feel they have to. ☒
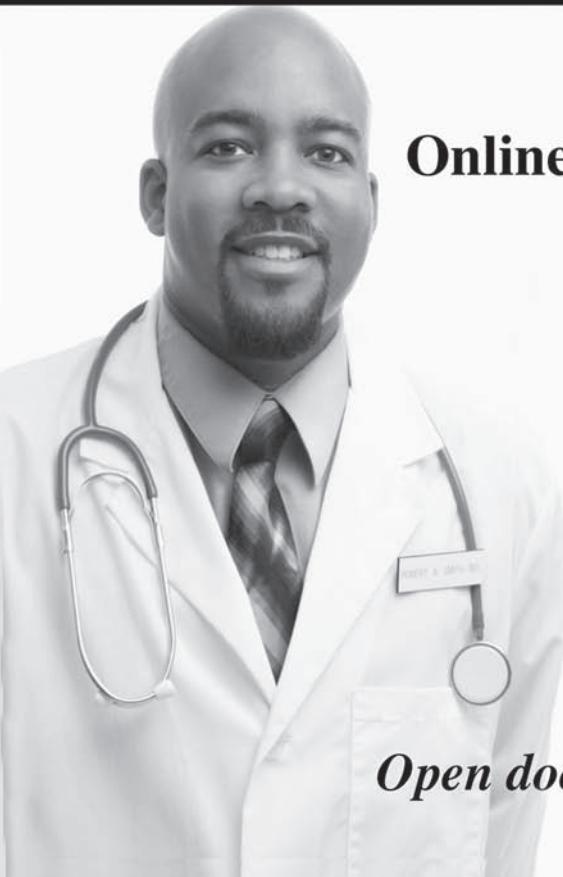
Company**Profile**

Performance Training Systems Bankcard Boot Camp

ISO/MLS contact:
Marc Beauchamp
Founder and President
Phone: 832-642-1049
Fax: 509-352-7523
E-mail: *marc@bankcardbootcamp.com*

Company address:
31 Egan Lake Place
The Woodlands, TX 77382
Phone: 866-276-6683
Fax: 509-352-7523
Web sites: *www.bankcard101.com,*
www.surviveandthrive.biz

ISO/MLS benefits:
• Online or in-person training
• Sales strategy development
• Training for MLSs with zero to two
 years' experience
• Over 20 predesigned sales and marketing
 templates
• Tested alternative to cost-prohibitive training

Mission to train

Marc Beauchamp, founder and President of consulting firm Performance Training Systems, has devoted most of his career to the payments industry since receiving an honorable discharge from the Marine Corps more than 20 years ago. Since then, he has worn the hat of both merchant level salesperson (MLS) and national sales manager.

Beauchamp has sold a variety of products, including payroll services, human resource management software, computer networking, insurance and finance products, and credit management. He was introduced to the payments industry by a friend after being laid off from his first civilian job as a credit manager for a national jewelry chain. He saw tremendous potential within an industry that he felt could compensate him fairly for his efforts.

In the late 1990s, he ran a large sales division for a processing company, overseeing 80 outside MLSs and 25 inside telemarketers and staff. He noted that the money was great, but he felt he was trading money for time. Then the Internet bubble burst and Beauchamp was faced with another crossroads.

"Plans to take the company I was with public did not materialize, so I was faced with the decision to either stay in sales or do something else," Beauchamp said. "I also made the first important distinction of my career: I didn't want anyone to have total control over my livelihood or my career again. That's when I came up with the idea to write my book, *How to Survive and Thrive in the Merchant Services Industry*."

A natural fit

After spending nine months re-searching and writing his book, Beauchamp felt it a natural career extension to take the foundation of sales knowledge he had acquired and segue into consulting, training, and helping MLSs and ISOs grow their businesses. He founded Performance Training Systems in 2003. During the first three years the company focused most of its time on conducting live training events across the country, helping to develop MLS recruiting strategies, lead generation and marketing programs.

"We spend the bulk of our time working with agent offices or ISOs to help them develop a systematic agent program, from compensation to recruiting to field production and training," Beauchamp said. "We also work with numerous clients that offer value-added products to the industry to give agents a clear 'go-to' market strategy and other programs that are attractive to bankcard organizations."

What Beauchamp found, through providing consulting services in-person to thousands of MLSs and ISOs across the country, was the lack of training programs to give MLSs, especially newbies, the necessary skills to be successful. He saw significant gaps in sales training and planning, prospecting, and implementation skills.

> *"Agents can call in from anywhere, and if they miss a call, they have the opportunity to download each session in MP3 format. It's a win-win for everyone: lower cost of training, no travel and agents still receive the material they need to get a jump-start on the business."*
>
> – Marc Beauchamp, founder and President
> Performance Training Systems

Back to basics

In 2006 Beauchamp founded the Bankcard Boot Camp, an online teleconference training program designed to provide affordable, convenient training for new MLSs in the industry with fewer than two years' experience in the industry.

"I realized after working with so many processors and ISOs that they don't offer sales training," Beauchamp said. "There's a lot of manufacturer product training, but nothing that really helped agents with a prospecting plan, business strategy, niche marketing, presentation and closing skills that are specifically targeted toward our industry. That's why I wanted to create something that was cost-effective and packed with lots of content to help those with little or no experience."

Bankcard Boot Camp consists of eight training modules covering the industry basics – from automated clearing house processing and the Payment Card Industry Data Security Standard essentials to underwriting and myriad sales and marketing strategies. Beauchamp offers additional training on how to calculate proposals, as well as sample sales and proposal letters, income goal sheets, a bankcard glossary and other sales resources.

Individual modules are offered on Tuesdays and Thursdays and last approximately two hours. Additionally, Beauchamp conducts live question-and-answer sessions on Fridays to address any need for content clarification. Beauchamp feels that his strength lies in his ability to condense complicated information into easy-to-grasp, concise terms.

"I have the FAQ calls where anyone can call in and ask questions about that week's modules," Beauchamp said. "I also review the entire week's training with them. I really believe in reinforcement so they can get the high points of what I am trying to train them on, open up the forum to questions, and brainstorm in an effort to give them some good input on what I've seen and what strategies seem to work best out in the market today.

"They're actively asking questions because it's impacting their livelihood. My goal is to help them figure out how they're going to compete against all these other people in the industry – not only to make a living, but to build a large recurring revenue stream through residuals or whatever sales strategy or vehicle they've determined to use."

Welcome to all

Beauchamp noted that the Bankcard Boot Camp is perhaps a little too basic for an industry veteran, but he added that professionals from organizations outside the industry, regardless of length of service, may find the information cohesive, succinct and useful. Clients include credit union and bank operations employees, information technology specialists, and third-party product innovators wanting to break into the bankcard space.

"I get a lot of different types of people outside the payments industry as well," Beauchamp said. "And of those attending these training sessions, some organizations want to start recruiting agents and ISOs.

"They want to get a feel for what it's like to be an agent out there and what's involved. And I let these folks know that there are areas within payments that I don't focus on, but I have resources and various industry experts that I can deploy to assist them."

Beauchamp said the Bankcard Boot Camp offers several tangible benefits that cannot be found elsewhere.

"Hiring a dedicated in-house trainer or bringing in an outside consultant to develop and conduct training within an organization can be very cost-prohibitive," Beauchamp said. "Although I still provide the occasional live seminar, today I deliver the majority of my Boot Camps via teleconference, rich with content.

"Agents can call in from anywhere, and if they miss a call, they have the opportunity to download each session in MP3 format. It's a win-win for everyone: lower cost of training, no travel and agents still receive the material they need to get a jump-start on the business."

Maximizing productivity

John Gibbs, a three-year payment veteran and an MLS for United Bank Card Raleigh, an ISO of United Bank Card Inc., found Bankcard Boot Camp through *The Green Sheet*. He recalled that when he was a newbie, he didn't know where or how to start. He just knew he didn't want to hit the streets selling without a plan.

Gibbs believes that it is the ISO owner's responsibility to be a coach and provide tools to help agents under contract with the ISO prosper. He noted that a previous 12-week course he attended gave him a solid foundation on the banking industry, but it wasn't payment specific. On the other hand, Gibbs said Bankcard Boot Camp was much more comprehensive than any training program he had been exposed to previously.

"I was looking to start training for two new reps that didn't have any industry experience yet, as well as personally learning ways to maximize productivity through the use of automation tools to run my business," Gibbs said. "Marc provided his proven, recommended resources and productivity tools to help automate my office and the lead generation process. Most companies are only going to educate you on their way of doing business.

"But sooner or later, any quality MLS is going to find it on their own anyway. Why not provide them with as much information as you have to give so they may go about it in their own way? In the end, they will thank you and repay you with their loyalty. I found that Marc is extremely articulate, knowledgeable and professional about the industry, and he shares that information freely. I can't tell you how much I wish I had found it when I started working as an MLS."

3,000 and counting

Since 2003, Performance Training Systems, in conjunction with the Bankcard Boot Camp, has trained over 3,000 MLSs and ISOs. Beauchamp holds approximately six four-week training sessions every year. In addition to his combination online/teleconferencing options, he offers private Boot Camp training sessions to larger ISOs in a live or teleconference presentation format.

"I've had groups with 20 or 30 people from organization's who don't want people from all over the country on the phone," Beauchamp said. "They just want a private training environment for their folks, which I am happy to accommodate. And I don't just share the good

stuff. I share all the mistakes I've made out in the field as well. I've been down some roads that had dead ends, but I learned from those, remained flexible and figured out a way to make it work."

Beauchamp said it is his passion to make a positive contribution by sharing his knowledge and experience to help people in the payments industry thrive. "Knowledge is power, yes, but the ultimate power is knowledge acted upon," he said. "Even the best strategies won't be successful unless they are proactively implemented. Zig Ziglar said, 'If you help enough people get what they want, you will get what you want.' I try to practice that in everything I do, and so far it seems to be working."

Interchange mandates might help, but not everyone

The U.S. Government Accountability Office weighed in on interchange fees with a 69-page report to the U.S. Congress, released on Nov. 19, 2009. Anyone looking for definitive answers to questions as to what position the federal government should take in the public debate over interchange, however, is apt to be disappointed.

The report – *Credit Cards: Rising Interchange Fees Have Increased Costs for Merchants, but Options for Reducing Fees Pose Challenges* – was prepared in response to a congressional request tucked into the Credit Card Accountability, Responsibility and Disclosure Act of 2009, the credit card reform bill that was signed into law in May 2009.

Interchange rates are not regulated directly by the U.S. government, but concerns over rising card costs have prompted federal investigations, private lawsuits and legislative proposals. Meanwhile, regulators in more than a dozen countries either have made known their displeasure over rising card costs or actually taken steps to control interchange.

Proposals

The GAO report examines the impact similar regulations might have in the United States, as well as other ideas that have been discussed publicly. Specifically, the GAO explores four proposals. These would:

- Pave the way for price controls, through which a government entity would have authority to set or limit interchange fees
- Require that consumers be provided interchange fee disclosures
- Prohibit card network rules that prohibit merchants from steering customers away from paying with high-priced cards
- Grant waivers to anti-trust laws to allow merchants and issuers to negotiate interchange

Repercussions

The report concludes that if any of these proposals were adopted, merchants would likely benefit from lower interchange. Even some consumers might benefit, the GAO suggested, that is if merchants actually passed along their savings in the form of lower prices.

On the other hand, the GAO noted, some of the considered changes would also result in higher costs to cardholders, as issuers look to recoup losses in interchange revenues.

"Each of these options also presents challenges for implementation, such as determining at which rate to set, providing more information to consumers, or addressing the interests of both large and small issuers and merchants in bargaining efforts," the congressional watchdog agency wrote.

For example, the report notes that issuers, "particularly smaller issuers such as community banks and credit unions" have come to rely on interchange as a "significant" source of revenue.

Considerations

The GAO's report to Congress also notes that credit cards constitute a "two-sided" market where two distinct groups (merchants and consumers) pay for goods and services provided by a single network. And it likens credit cards to newspapers, which charge lower prices to encourage readers, which then make the publications more attractive to advertisers, who in turn pay more for ad space.

The GAO report includes plenty of data and background information that should prove useful in any discussions of interchange. *Credit Cards: Rising Interchange Fees Have Increased Costs for Merchants, but Options for Reducing Fees Pose Challenges* (GAO-10-45) is available for downloading at the GAO Web site, *www.gao.gov*. 🍏

Holidays a boon for data thieves, too

For many retailers battered by a difficult economy, this year's holiday season offers not only a little festive mirth but also their best chance to climb out from the doldrums. Yet, the year-end retail surge is liable to be a boon for thieves as well, according to Bob Russo, General Manager of the PCI Security Standards Council. Accordingly, Russo recommends that retailers be particularly vigilant about theft this month.

"Tis the season to be stealing," Russo said.

A number of dangers

One source of heightened peril is simply the leap in overall sales volume during the holidays, which gives thieves more opportunities to strike by the sheer number of people using payment cards.

Russo said purchases around the holiday season also tend to be larger per ticket than they are normally, and the National Retail Federation predicts 28 percent of shoppers will use credit cards this year to buy Christmas presents – meaning a lot of lucrative data will be floating around.

Another potential source of problems is increased reliance among retailers on temporary employees – many of

whom are acquired hastily. Russo said that while short hiring windows often necessitate that employers forego thorough background checks, it is nonetheless important that they at least check potential hires' references.

"Who's to say somebody's not going to come in and spend two days raking you over the coals and then leave?" Russo said.

It is prudent to limit such employees' access to financial records and other sensitive information, Russo noted. He also recommended giving every employee a unique password for entering the company computer network; this serves as a deterrent to crime and a way to trace criminal activity in the event that it does happen.

"You've got to put [new employees] through some sort of training, stay on top of them, teach them what to do in case there's criminal activity they're seeing," Russo advised. "'Procedures' is the buzzword here. I hate to say this, but management hovering is a good way to keep track. If they see an authority, they'll certainly be toeing the line, so to speak."

According to Russo, vulnerability to theft is further heightened by the use of extra "satellite" cash registers and payment terminals to cope with the bombardment of shoppers. Extra stations make it hard for managers to properly monitor transactions, and new and unattended terminals are significantly more vulnerable to tampering.

Usually such tampering involves placing a "skimmer" onto a terminal, which lifts the data off any payment card subsequently used on that device. Skimming agents often fit seamlessly onto terminals, making them hard to detect even under normal circumstances. Russo said they are even more likely to go unnoticed when used on new payment terminals unfamiliar to store owners.

Vulnerable cash registers and terminals

Russo recommended taking pictures of payment devices and checking regu-

larly for discrepancies between the pictures and the physical terminals. He also suggested running a hand across the top of all terminals periodically to check for raised surfaces or uncovered screws, both of which can indicate the presence of a skimmer. "You want to make sure that to some degree you have [POS equipment] in a protected area," Russo said. "You can't put cameras up all over the place, but try to follow an ATM kind of a standard: make sure it's not two feet from the door where someone can shove their hand in and run away. And, finally, monitor what's going on on a regular basis."

Monitoring should always involve checking computer logs for potential criminal activity, Russo said. Some programs will alert retailers of potential fraud
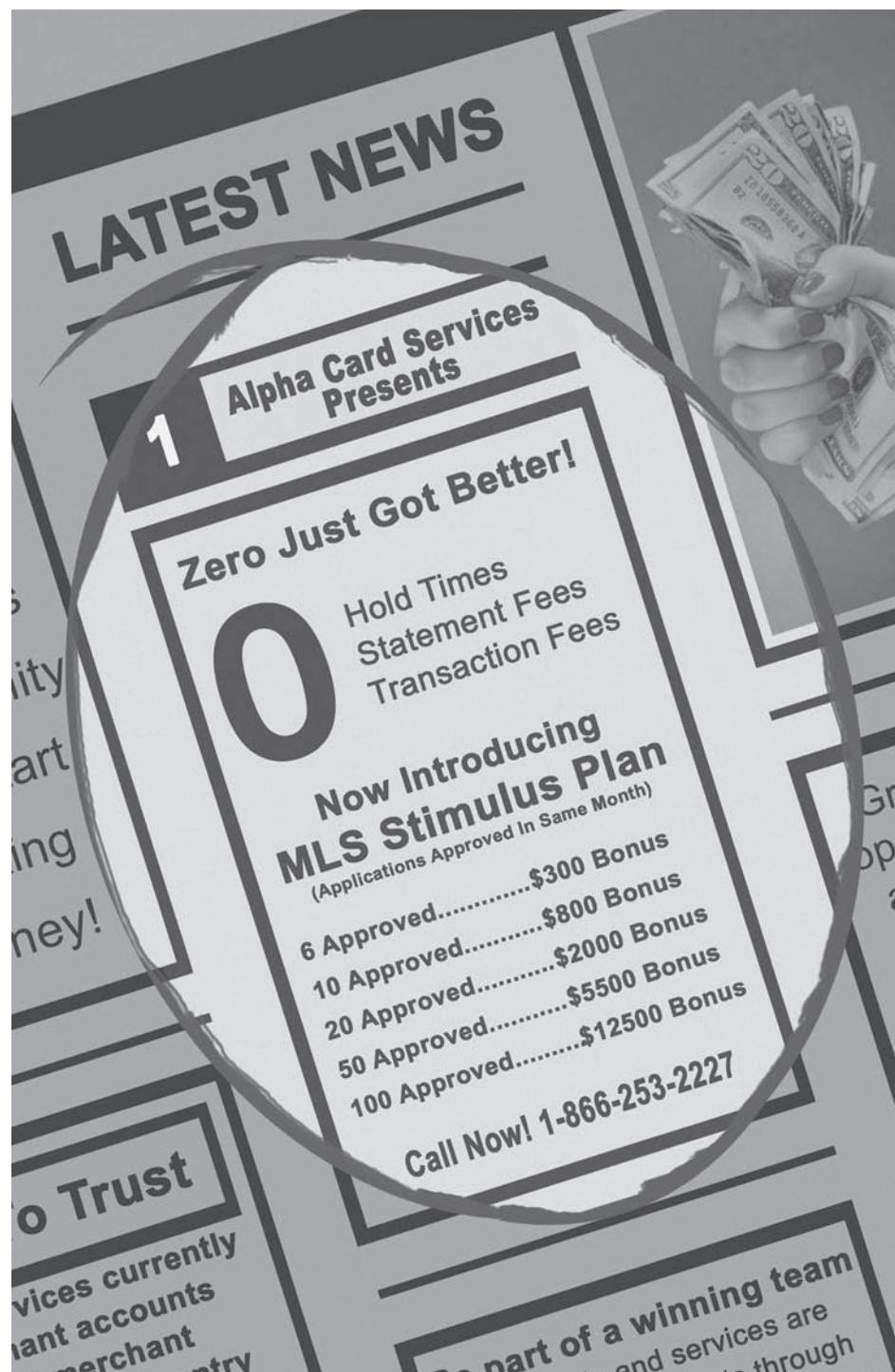
News

(for example, employees accessing records they're not supposed to see) via e-mail or text message, but most require that owners be proactive and check software records themselves. Generally speaking, bolstering security over the holidays should entail very little technical work, Russo said. "There's really a laundry list of things you can do," he said. "It's just simple things, nothing out of the ordinary, to protect what's going on this time of year when it's crazy."

ETAU now in session

The Electronic Transactions Association's ETA University (ETAU) launched four new online courses that, together, comprise the ETAU Online Payment Essentials. Course content was based on the courses taught at the ETA's Annual Meeting & Expo, as well as feedback from payment professionals who requested curriculum on the key facets of the payments industry, ETA Director of Education and Professional Development Rori Forensic said the ETA's Learning Management System technology enables participants to start and stop courses as needed; it also tracks their progress, delivers tests and issues certificates to those who successfully complete courses. The courses include Sales Channel Development, Introduction to Electronic

Processing, Introduction to Sales and Marketing, and Introduction to Operations. These are designed especially for merchant level salespeople (MLSs) and mid-level management. Each course can be completed in approximately 2.5 hours.

"The key to this is the ETA's ability to engage a broad cross section of industry experts in creation of the content," Forensic said. "The collective knowledge, years of experience and world view that are manifest in these courses provide a well-rounded learning experience that cannot be found elsewhere."

Augmenting other offerings

Forensic said these courses are not part of the ETA's efforts to promote an industrywide certification exam for MLSs. "Our members understand that to remain competitive and grow, it is critical to provide opportunities for skills enhancement," Forensic said. "However, in today's environment it is also important that training is delivered in an affordable and convenient way that helps to stretch an organization's professional-development dollars." Forensic believes these courses can benefit all payment professionals. "There are always knowledge gaps that the ETA's Payments Essentials programs could fill," she said.

An AmEx Revolution

American Express Co. reported in November 2009 that it had agreed to acquire alternative payment solutions provider Revolution Money LLC for approximately $300 million. Subject to regulatory review the transaction is expected to close in the first quarter of 2010.

Revolution Money will become the first component of AmEx's recently formed Enterprise Growth organization, which was established to focus on generating incremental fee revenue and drive the company's entry into new payment areas. Kenneth I. Chenault, AmEx's Chairman and Chief Executive Officer, said the new Revolution Money subsidiary's initial areas of focus will include:

- Developing reloadable prepaid products for new market segments
- Introducing new products for card members who currently use other alternative payment systems
- Creating payment alternatives for social media sites
- Developing mobile payment solutions in the United States
- Expanding Revolution Money's payment solutions internationally
- Creating new forms of PIN-based debit products

- Extending product offerings to issuing banks on the AmEx network

"New payment products and platforms are evolving more rapidly than at any time I can remember," Chenault said. "And while there are many growth opportunities in our traditional payments business, we believe that it is important for us to keep identifying cutting-edge technologies."

Poised for growth

Chenault said that Revolution Money (which was launched by AOL co-founder Steve Case's Revolution LLC in 2007) has significant growth potential as it competes with other online, person-to-person payment providers.

"We believe joining with us will help unlock [Revolution Money's] potential, enable us to deliver competitive online payment products more rapidly and efficiently, give us additional online capabilities, speed our entry into emerging payments, as well as broaden our offerings and access to new customer segments," he said.

Chenault added that Jason Hogg, founder and CEO of Revolution Money, will continue as President and CEO. Ted Leonsis, Chairman of Revolution Money, will become a special advisor to AmEx, working with Chenault on mobile and online payment strategies.

GIVING IT TO YOU STRAIGHT.

Last year, my 1099 reflected another record year of making income!

The new cost structure is sweeeeeet! I know I'm making the most I can on every deal.

It's been 5½ years for me with Total Merchant Services. There's no stopping me now — I'm looking forward to 20 more prosperous years.

I feel really secure financially, especially during these times of economic hardship.

Last year, I gave my son Tyler a guitar for Christmas. He is my driving inspiration.

Time can be the difference between **winning** & losing

Same day funding option, one of our **many premier solutions.**

Offer your merchants the option of two batch out times: **4:00 a.m.** (EST) with same day funding* and **9:00 p.m.** (EST) for next day funding*

Join **CREDOMATIC's Partner Solutions Program.**

Partner Benefits:

- On time residuals-paid monthly
- 50-70% TRUE profit sharing on all processing revenue
- NO BIN fees, NO risk fees. NO downgrade surcharges
- Upfront and Residual income on all payment services
- 1% conversion bonus-up to $1000.00 per account
- Activation bonuses-up to $200.00 per account
- 5% commission on merchant cash advances

Same and next day transmission of funds is guaranteed by CREDOMATIC. Actual posting of all deposits to merchant account is determined by merchant depository bank.

Merchant Solutions:

- Same day funding option* on all transactions settled by 4 a.m. (EST)
- Multiple billing options
- Free terminals to sell/lease or place including Verifone VX510, Verifone VX570 and Hypercom T7 Plus
- Free Payment Software with Quickbooks Plug In
- A complete suite of TSYS (Vital) Payment Solutions
- Complete state-of-the-art web-based touchscreen POS solutions for restaurants (ORDYX) and retail (INVENTRAK)
- All services (credit/debit, checks, gift cards, and cash advances) billed on one statement and settled through a single deposit

With Credomatic, it's always possible

For almost 30 years, we have been continuously forging profitable relationships. Join our Partner Solutions Program **today.** For more information, go to **www.credomaticpartner.com** or call us at **1.888.82AGENT (1.888.822.4368)**

GE

Partner GE Money

CREDOMATIC is a registered ISO/MSP of BAC Florida Bank. BAC Florida Bank is an affiliate of **CREDOMATIC**.

CREDOMATIC

Member **BAC | CREDOMATIC** Network

Instead, industry groups have been focusing efforts on working alongside the IRS, contributing expertise to the rule-writing process. The ETA, for example, put together a working group of tax attorneys from various member companies charged with reviewing the draft in detail and submitting comments, according to Mary Bennett, the ETA's Director of Government and Industry Relations.

The premises that underlie the new requirements are that at least some retailers are under-reporting income to the IRS, and if that money can be identified and taxed, it will produce a financial windfall for the government.

"Time and time again, we have seen that better information reporting helps the tax system work better by ensuring everyone pays what they owe," said IRS Commissioner Douglas Shulman. "The IRS will work closely with stakeholder groups to ensure a smooth implementation of this new program."

Martaus, however, believes the government is overestimating the new requirement's monetary potential. "I've been following this issue for several years, and every time it has been raised again the revenue estimates have grown exponentially," he said.

Comments on the draft are due to the IRS by Jan. 27, 2010. Copies of the draft rules and the proposed new 1099-K form are available for download from the IRS Web site. The agency also has scheduled a public hearing on the proposal for Feb. 10, 2010, at the IRS headquarters in Washington, D.C.

Interchange debate sputters

While the momentum for tax reporting was overwhelming, the opposition to the interchange status quo that was building on Capitol Hill earlier this year appears to have been tempered. Martaus suggested the turning point came when House Financial Services Committee Chairman Barney Frank, D-Mass., "pretty much gave it short shrift." Frank's committee took testimony on an interchange reform bill during a hearing in October 2009, but Frank described it as merely a fact-finding

mission. That, of course, hasn't prevented opponents of interchange from trying to force the issue. 7-Eleven Inc. delivered to Congress in late September 2009 a stack of petitions totaling what it said were 1.6 million signatures from consumers demanding an end to "unfair credit card fees" (which is how many opponents describe interchange).

More recently, the National Association of Convenience Stores inaugurated a national campaign to generate millions of additional consumer signatures demanding congressional action. The NACS campaign, slated to begin Dec. 15, seeks to duplicate the 7-Eleven petition drive at convenience stores large and small. "Be Part of the Biggest Consumer Petition Drive in American History," the NACS proclaimed in a recent member alert.

The interchange bill (H.R. 2382) that was the subject of the House Financial Services Committee's October hearing, and was authored by Rep. Peter Welch, D-Vt., would allow merchants to impose minimum purchase amounts for card payments, prohibit higher interchange rates for rewards cards and empower the Federal Trade Commission with oversight authority for acquirer-merchant relationships.

The Government Accountability Office, a congressional watchdog agency, weighed in on the interchange debate in late November, explaining in a report (*Credit Cards: Rising Interchange Fees Have Increased Costs for Merchants, but Options for Reducing Fees Pose Challenges, GAO-10-45*) that there are no guarantees that lower interchange will save consumers money. What's more, the GAO wrote, "identifying such savings would be difficult."

The ETA made similar points in a statement submitted to the House Financial Services Committee in October. "[T]here is no evidence that merchants would attain savings or guarantee to pass price reductions, if any, on to consumers," the ETA statement read in part. "As an attempt to insert the federal government into a series of business-to-business agreements, H.R. 2382 would hurt consumers, not help them."

The American Bankers Association cheered the GAO report and stated that "efforts by the merchant community to have the government interfere with the payment system amount to little more than retailers not wanting to pay their fair share and to have consumers bear this burden."

David S. Evans, an economist and author of *Paying with Plastic: The Digital Revolution in Buying and Borrowing*, suggested in a recent blog post at *www.pymnts.com* that the GAO report puts lawmakers on notice that any serious effort to legislate the interchange issue could be a political bomb. "Consumers will not perceive Congress as having done them any favors if measures to reduce interchange fees are passed," Evans wrote. "They won't notice any savings at checkout even if there are some. We already saw this movie in Australia."

The Reserve Bank of Australia moved to regulate interchange several years ago, and while merchant discounts have dropped, there has been no concrete evidence to date that consumer prices have demonstrably changed.

Focus on data breach laws

Another legislative challenge facing the acquiring sector involves data security

or, more specifically, data breach notification requirements.

Absent federal breach notification guidelines, the acquiring sector and businesses that accept credit and debit card payments are subject to a patchwork of state laws and enforcement policies. According to the National Conference of State Legislators, data breach laws are on the books of 45 states and the District of Columbia, and dozens of new proposals are being introduced in state legislatures every year that would amplify or otherwise amend these statutes.

"Breach notification is the piece that's really troublesome for us," said the ETA's Bennett. "Today there is no real clarity about who bears responsibility for breach notifications."

In Texas alone, six bills were introduced regarding data security breaches just this year. And in Virginia there were seven. One bill pending in the Virginia House (H.B. 971) proposes strict breach notification guidelines and makes provisions for customers whose records have been compromised to seek civil damages in court. And before the Texas House, proposed legislation would mandate Payment Card Industry Data Security Standard compliance by card-accepting businesses and would allow banks to take noncompliant, breached businesses to court.

Meanwhile, one bill (S.B. 155) introduced in the Pennsylvania Senate earlier this year expands upon existing notification requirements. A bill in the Pennsylvania House (H.B. 1458) would require card-accepting businesses to destroy all customer records containing personal information.

For businesses such as payment acquiring entities that operate across multiple state lines, the prospect of complying with scores of local requirements regarding data security and breaches is "a logistical nightmare," Bennett said. "We want there to be one national standard for breach notifications." It's a mission that has had Bennett spending a great deal of time this fall on Capitol Hill, educating the legislative staffers

The Gold Standard

True 80% Residual Payout Since 2004

Tired of dealing with highly leveraged ISO's spending your future residuals to sustain their risky business models? At **MLS Direct Network** we do business the old fashion way... high residual payouts while incurring no corporate debt since 2004 - *portraying old fashion values that seem to never go out of style.*

- Actual Stock Ownership & Account Ownership
- True Pass-Through Interchange Cost
- Direct Processor Access & Reporting
- 5 Cent Network Cost
- Private Label Gateway
- BC/BS Insurance w/Dental
- Zero Hold Times
- Zero Debt

Build a network, build an ownership portfolio, and build your profits.

* Minimum of five years verifiable industry experience required.

MLS
DIRECT NETWORK

(877) 972-0700

www.mlsdirectnetwork.com

Registered ISO/MSP of First Data, LLC., Harris N.A., Wells Fargo Bank, Walnut Creek, CA

CoverStory

who are working on data security legislation. At least three large data security bills are pending in Congress, and data breach notification is just a small part of any one of them, Bennett noted. "We've been getting in there very early in the process, explaining our industry to the people who are writing these giant bills," she said.

The Personal Data Privacy Protection Act (S.1490), introduced into the Senate by Patrick Leahy, D-Vt., would, among other things, classify data security theft as racketeering, set standards for securing personal data and penalties for failing to abide by those standards, and create an Office of Federal Identity Protection within the FTC. All this is in addition to addressing breach notification requirements. The bill was approved by the Senate Judiciary Committee (which Leahy chairs) and now awaits a vote in the full chamber.

Sen. John D. Rockefeller IV, D-W.V., has a bill pending before the Senate Committee on Commerce, Science and Transportation, which he chairs, that takes a national infrastructure approach to data security. The Cybersecurity Act of 2009 (S.773) calls for a comprehensive cyber-security strategy for the nation and licensing procedures for cyber-security professionals, for example.

Sen. Joe Lieberman, I-Ct., Chairman of the Senate Homeland Security Committee, is also said to be drafting legislation that addresses cyber-security; he has not yet introduced a bill.

Meanwhile, on the other side of Capitol Hill, Rep. Bobby Rush, D-Ill., introduced the Data Accountability and Trust Act (H.R 2221), which calls for FTC regulations that companies would be required to follow in protecting personal customer information and for reporting breaches. The bill, which passed the House Energy and Commerce Committee, also specifically preempts state information security laws.

Bennett said lawmakers have been receptive to the ETA's input on this legislation. She cautioned, however, that final legislation is not imminent. "This is massive legislation that will require approval in three or four committees," she said, and then reconciliation of those that are approved. "It's a bit like what's going on with the health-care bill," she added.

Although no legislation addressing data security and data breaches has been introduced in either the Senate Banking or House Financial Services committees, Bennett noted that any final bill in either chamber would need to be put to a vote before one of those two committees. 🔲

Patti Murphy is Senior Editor of The Green Sheet *and President of The Takoma Group. E-mail her at* patti@greensheet.com.

ANOTHER DAY, ANOTHER 480 MINUTES FOR SALES, NOT QUESTIONS.
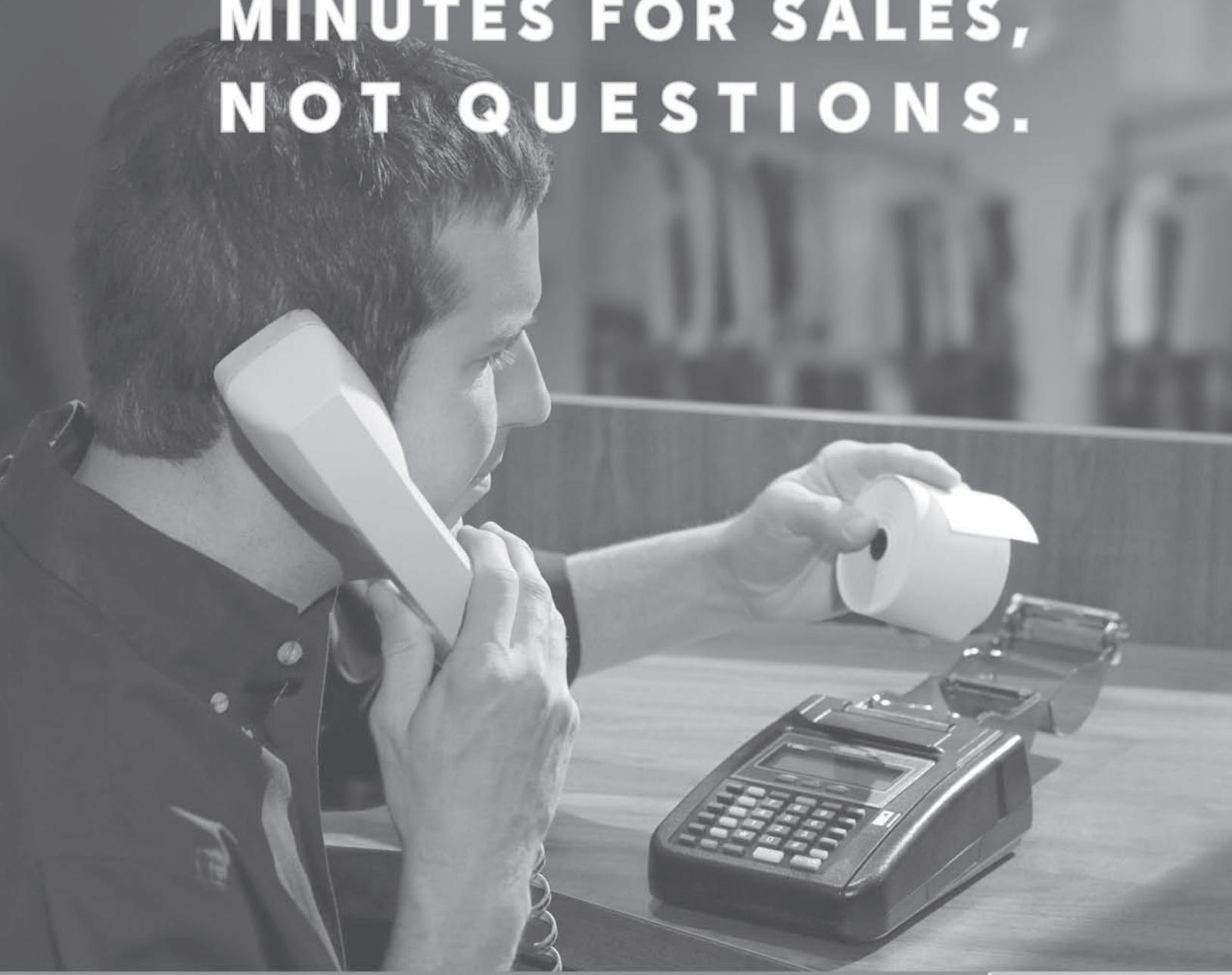
Building strong sales and customer relationships is your full-time job. Answering routine customer calls with the right answers is our full-time job. Every day, the TASQ Call Center answers your customer's everyday questions—"Which way does the receipt paper go in?" "Which button do I push?"—with the on-the-spot answers they need. They're the calls that you, their sales representative, don't have to handle, giving you more time to focus on your next sales opportunity. Your customers get the support they need. You get the time you need.

Find out more at **www.TASQ.com** or call 866.481.3096.

TASQ®
TECHNOLOGY
UNITED STATES • CANADA

Education

StreetSmarts℠

Proudly presented by
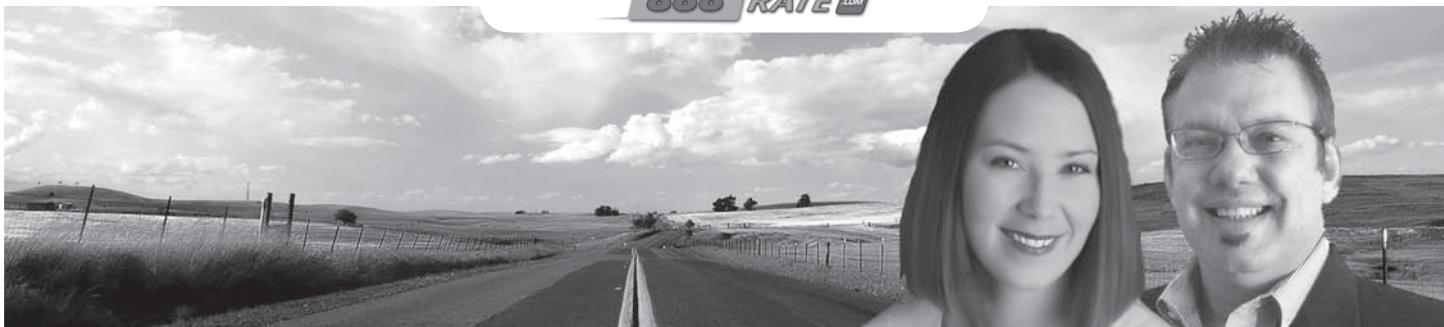
To train or not to train

By Jon Perry and Vanessa Lang
888QuikRate.com

Anna Solomon (whose moniker is FastTransact on GS Online's MLS Forum) is one of our industry favorites. Always involved on multiple forums and blogs, she asks questions that stimulate constructive dialog.

In a recent post, Anna asked, "Is it just me or are others seeing a new trend here about the basic things an MLS's ISO should be doing for them but obviously aren't or at least telling the rep they can? So what are the 'basic' things an ISO should provide an MLS with support or knowledge besides statement analysis and product knowledge?"

This question has been discussed widely throughout the industry. The answer, however, is not simple. Let's start with acronyms. MLS means merchant level salesperson, a title given to those who sell merchant services but are not registered as ISOs with Visa Inc. or MasterCard Worldwide.

TPA responsibilities

On Feb. 1, 2009, Visa issued a paper entitled, *Payment System Risk Bulletin, North America – Agent Registration FAQs for Third Party Agents (Third Party Servicers/Merchant Servicers)*. It can be found online at *http://usa.visa.com/download/merchants/Agent_FAQ.pdf*. If you are new to this industry, we strongly recommend you make it a first read.

In this bulletin, Visa explains the new term "third-party agent" (TPA). Visa states, "The TPA is inclusive and replaces the old terminology of ISO, TPS [Third Party Servicers], ESO [Encryption and Support Organizations] and MSs [Merchant Servicers]. However, these terms are still used to classify the functions performed by a TPA." For this article, we will use the term TPA instead of ISO.

MLSs are not employees of TPAs. They are 1099 independent contractors (ICs). It is the responsibility of TPAs to ensure that the ICs they hire understand the rules and regulations set forth by the card brands. It is often said in law that "ignorance is no excuse"; the same holds true in merchant services.

So, to address Anna's post, all TPAs have the responsibility to provide their ICs access to foundational knowledge of industry requirements, be they legal, regulatory or ethical. To not do so puts both the TPA and the acquiring bank at risk of steep fines.

Beyond that, it is our humble opinion that nothing else is required. Does that make good business sense? Well, let's discuss that.

In most industries, ICs are assumed to have the necessary skills to perform the tasks at hand. They are not employees, so companies have no real incentive to invest in people they have no control over.
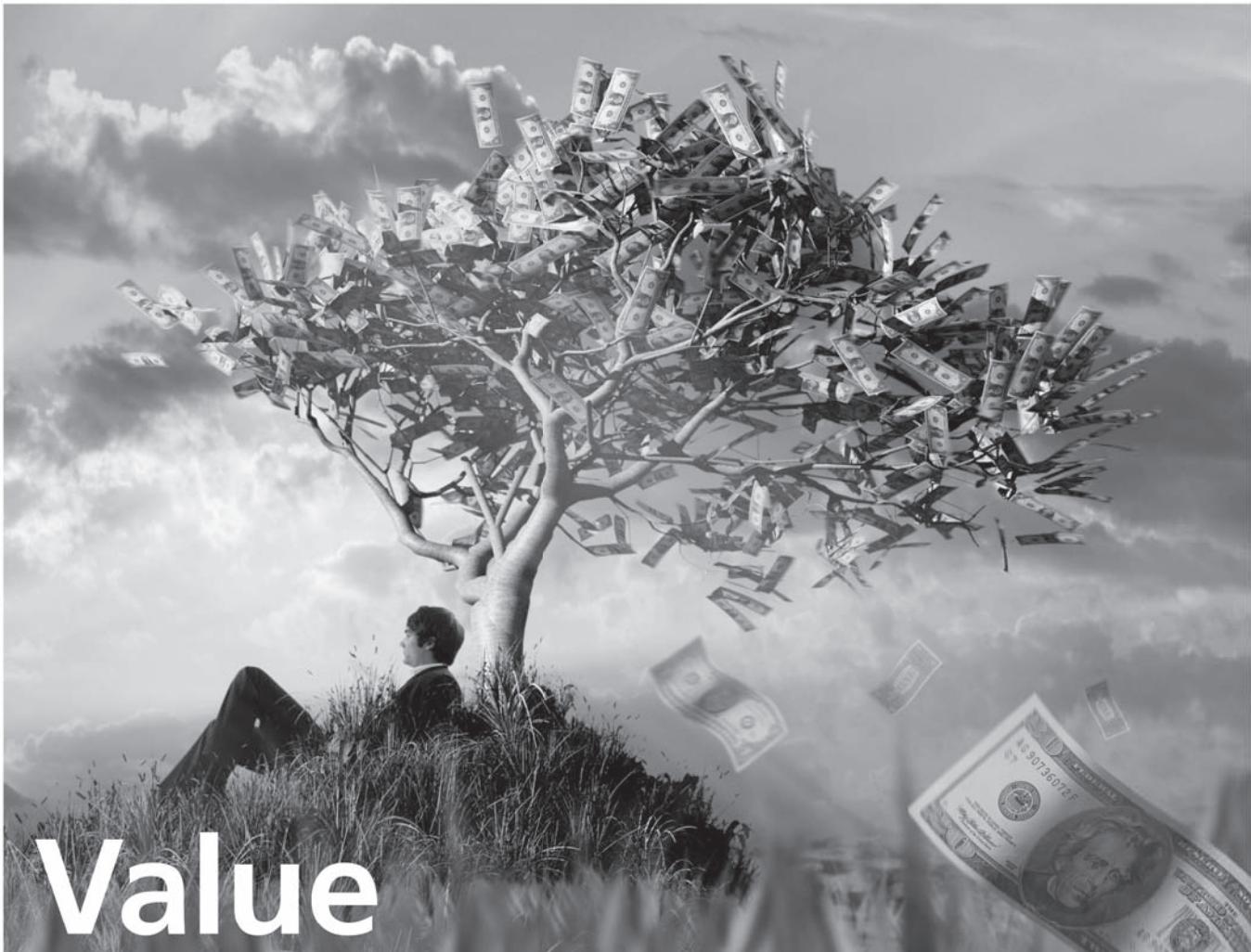
Essential soft skills

What are the prerequisite skills for our industry? Really, there's just one: Can you sell?

On the MLS Forum, ncrum and creditcardman stated they believe helping the IC understand interchange and

supplying 10 key questions would be a good start. We agree. A basic understanding of interchange can be provided relatively quickly; the 10 key questions are sales techniques.

In any sales position there are two important buckets: technical knowledge and technique. On the technical side, do you understand what's under the hood? What makes your product or service work? If you make widgets, how are they made? How are they of higher quality or value in the marketplace? Technical is the "hard," empirical evidence – the engineering side.

Sales technique, on the other hand, involves soft skills. It entails understanding your potential customers' needs and requirements. It is the ability to ferret out likely suspects from qualified prospects and to convert qualified prospects into customers.

Your technical acumen represents 15 percent of your sale (and if you spew too much data about your products or services, your prospects' eyes may glaze over). Technique accounts for the remaining 85 percent of the sale.

A case in point

In 2001, Jon was the Vice President and General Manager for North American operations for a large document management company. The company's business was paper forms. Working together, Jon and the company created a service that delivered the paperwork electronically to the end user, instead of using physical paper and the U.S. Postal Service.

Today that may not sound revolutionary, but in 2001 it was, and the company's

customers included three of the largest international personal computer firms. The company had a North American sales force of over 1,500, and each salesperson wanted training on these new services. As training got underway at regional offices, two broad categories of salespeople emerged.

The first was those who wanted to know every last technical detail regarding the way the service worked and how it was delivered. The second category wanted to understand points related to the bottom line. What was the return on investment (ROI) for clients who used the service? How would their clients gain efficiency or better market share?

Almost across the board, those in the first category failed miserably, while those in the second were generally successful. Why? Because in any sale, understanding your customer's needs and requirements, having a genuine dialog, and showing care and compassion trump technical knowledge.

Today, when we screen potential employees or independent contractors, we look for the soft skills. Candidates who want to know everything about everything raise a red flag. They are usually the ones who will overwhelm customers by spewing jargon and numbers without truly understanding the customers' needs, both now and in the future.

The ROI for training

When a company provides training, the investment is huge. The Society for Human Resource Management estimates the average annual cost of training is $955 per person. It is one thing to invest in training an employee. It's an entirely different scenario when you are considering independent contractors.

As creditcardman stated on the MLS Forum, "Too many agents are churn and burn … Spend all that time and money teaching them, then they go work for some other outfit that provides nothing but offers a better split because they spend nothing on training."

Our independent contractors can sell

BUILD YOUR WEALTH
ON A SOLID FOUNDATION

RELIABLE
PAYMENT SOLUTIONS
A Century Payments Company

CENTURY PAYMENTS IS PROUD TO INTRODUCE THE "FLEX PLAN", AN INNOVATIVE, DURABLE PROGRAM THAT GIVES YOU CONTROL OVER HOW YOU GET PAID FOR EVERY ACCOUNT.

95% RESIDUALS

$250 PER ACTIVATION & 80% RESIDUALS

$500 PER ACTIVATION & 50% RESIDUALS*

$750 PER ACTIVATION*

***Merchant statements required**

THE RELIABLE PAYMENTS PILLARS OF SUCCESS ARE FOUR UNIQUE COMPENSATION PLANS THAT YOU CAN MIX AND MATCH FOR ANY ACCOUNT YOU ACTIVATE.

CHOOSE THE PLAN THAT MAKES SENSE ON A PER ACCOUNT BASIS, AND BUILD YOUR WEALTH ON A FOUNDATION THAT DRAWS STRENGTH FROM DIVERSIFICATION.

StreetSmarts

> *Our independent contractors can sell anywhere; we do not require exclusivity (one of the 20 factors the Inter nal Revenue Service considers to deter mine if a person is an employee or contractor).*

anywhere; we do not require exclusivity (one of the 20 factors the Internal Revenue Service considers to determine if a person is an employee or contractor). However, there is one exception.

On occasion, we will bring on an independent contractor who has no industry experience, but possesses the soft skills to be successful. We provide the initial training and, where possible, prepare and go on sales calls with them. Afterward, we "debrief" the call. We ask: What went well? What could have been better? What did you hear? What did you think you heard?

To commit so much time to someone without experience, we require a two-year exclusive agreement, which does two things. First, as the person gets better, we can recoup our ROI. Second, as the person gets better and we provide greater financial rewards, we want them to acquire the sense that "the grass isn't greener on the other side."

We treat our investment in people as we would any other capital outlay.

Proactive learning

As MTY MSI wrote on the forum, "Every topic mentioned has been covered by the GS either on the forums and/or articles. This is the best place that exists to learn virtually anything about our industry, and you can ask questions." That said, continue to be an avid learner.

With the failure of the automotive industry, we have encountered many people who have lost their jobs. Too many are in the unenviable position of lacking the skills, education or training required for other competitive positions. If for no other reason, we all owe it to ourselves to be avid learners to remain recession-proof.

Keep developing your technique. If you can sell telecommunications services, you can sell merchant services; if you can sell merchant services, you can sell insurance. Given a choice, we'll improve our technique over our technical skills. Selling remains one of the highest-paid professions.

Here are three recommended reads that should help you remember that the operative word here is "selling":

1. *Let's Get Real or Let's Not Play:* Transforming the Buyer/Seller Relationship. While the book has been out for some years, it explains how to sell value rather than price.

2. *The 25 Sales Habits of Highly Successful Salespeople.* This will help you develop your process and discipline. This is a very good primer that is transferable to any industry.

3. *The Accidental Salesperson: How to Take Control of Your Sales Career and Earn the Respect and Income You Deserve.* No one gets into sales "on purpose." This is one of our personal favorites. 🅖🅢

Jon Perry and Vanessa Lang are the owners of 888QuikRate.com, an ISO based in Ft. Worth, Texas, that was named Small Business of the Year by the local newspaper, The Star Telegram. *For more information, tweet them at* http://twitter.com/dfwcard, *comment on their blog at* http://merchantservices.cc *or visit their profile at* http://linkedin.com/in/jonperry *or* http://linkedin.com/in/vanessalang. *Alternatively, you can contact Jon and V anessa by phone at 817-857-3557 or by e-mail at* jon.perry@888quikrate.com *or* vanessa.lang@888quikrate.com.

Education (continued)

Digging into PCI – Parts 5 and 6: Maintain a vulnerability management program

By Tim Cranny

Panoptic Security Inc.

This installment of a multipart series addresses the fifth and sixth of 12 requirements of the Payment Card Industry (PCI) Data Security Standard (DSS). I will discuss what the issues are, what merchants need to do, and what their ISOs, banks or processors can do to help.

The fifth PCI requirement is "Use and regularly update anti-virus software or programs"; the sixth is "Develop and maintain secure systems and applications." Together, the two comprise the PCI DSS section titled "Maintain a Vulnerability Management Program." This section deals with some of the primary problem areas for merchants. There are two main reasons why so many issues emerge here:

1. Viruses and software flaws are the simplest, easiest, most obvious and most popular ways for merchant systems to be attacked.

2. The only way to defend against such attacks is to continually do certain boring, necessary things. That's why the title of this section refers to a management program. It's an ongoing chore that, while not difficult, never really goes away.

The purpose of Requirements 5 and 6

The focus of these two requirements is the fact that security issues are not static: the threats are constantly evolving and changing, and that means security solutions need to be constantly updated, improved and fine-tuned.

In most cases this doesn't require much security expertise (most modern solutions will automatically handle the messy details), but compliance does necessitate a certain amount of steady diligence to make sure all the right things are being done.

There is one major exception to the comment I just made about not needing much security expertise: Requirement 6 also deals with cases in which merchants develop their own software. Merchants in that situation absolutely are responsible for a number of highly technical security issues.

It would be a serious mistake to think that, because these two requirements deal with fairly simple, obvious issues, they are not as urgent or important as some other parts of PCI compliance. In fact, many serious security disasters happen every year because of failure to follow these two requirements.

It is sobering to see how often security experts visit the scene of a breach and find that a complete, simple, free solution was available years before disaster struck, but no one bothered to take preventative action by applying the fix. Requirements 5 and 6 are needed to avert such unnecessary disasters.

The challenges of Requirements 5 and 6

For most merchants, Requirements 5 and 6 are about creating and following necessary, routine processes. Most failures here come from a lack of structure or discipline, rather than an inability to deal with some incredibly complicated or obscure technology.

For example, Requirement 5 is the shortest and simplest of the 12 requirements. It only requires that merchants use anti-virus software (which is readily available from many places and comes installed on most computers) and keep it updated (automatic updating is a standard option with anti-virus products and is usually turned on by default).

Requirement 6 is longer and more complicated, but it is still relatively simple. For most merchants it comes down to a few simple issues:

1. Because new threats and issues are constantly emerging, software needs "maintenance" in almost the same way that a car does. To follow this analogy, you don't need to be a car mechanic, but you do need to arrange to see a mechanic regularly, especially when anything seems to be going wrong.

   For computers the situation is actually more convenient than that: you don't need to take the computer anywhere; you just need to remember to use a few convenient, standard tools to achieve the fixes. The problem comes when merchants forget to follow a process and end up with computers that haven't had any maintenance done on their software for years.

2. The second issue comes from the fact that computers and computer networks are easy for merchants to modify: every time a merchant adds new software or changes how computers are configured or connected, the business risks creating a major security problem.

Requirement 6 also addresses the need to control changes through processes that establish a "Hey, let's think about this for a minute first and look for unintended consequences before we act" mechanism that kicks in before merchants do something they might later regret.

Time to Make Some Money?

With new services, a buy rate program and equipment opportunities, the time is right for check services from CrossCheck, a leader in check processing since 1983.

Services including Electronic Check Processing Plus Recovery, Recurring Billing, Business Office Conversion Plus (with guarantee) and Standard Guarantee offer your merchants the tools they need to stay competitive in today's challenging environment.

Our buy rates, life-time residuals and revenue-sharing programs offer you an additional source of income—from a reliable provider that doesn't compete with your business.

Spend a few minutes talking with us and we'll prepare a program to fit your merchant base and provide you with revenue opportunities. It's time to make money and we can help you do it.

Buy Rates Available on:

Electronic Check Processing Plus Recovery

Recurring Billing

Business Office Conversion Plus

Standard Guarantee

CrossCheck INC.

(800) 654-2365
partners@cross-check.com
http://www.cross-check.com

SAY Yes TO CHECKS®

Paying lifetime residuals for over 25 years.

Education

> *To meet the demands of Requirement 5, merchants should make sure all their computers have anti-virus software running on them, as well as make sure the automatic-update feature is turned on.*

What merchants need to do

As with Requirement 4 (discussed in the previous installment in this series), the strategy of avoiding challenges rather than defeating them doesn't really work here. Merchants need to focus more on confronting the issues and doing the right thing. This is simply because change of one kind or another is inevitable and unavoidable, and so must be managed.

To meet the demands of Requirement 5, merchants should make sure all their computers have anti-virus software running on them, as well as make sure the automatic-update feature is turned on. In most cases, computers will have this software already installed (even if it is only a 60-day trial version), and activating it is simply a matter of turning it on or agreeing to buy a subscription.

Alternatively, googling "anti-virus" will come up with a dozen different solutions that you can order and install without leaving your chair (some of which are both good and free).

Requirement 6 is more about process, so it can't be purchased, installed and updated in the same way. Merchants need to do things rather than buy things, but what they must do is relatively simple. For most merchants it comes down to a few easy-to-understand issues:

1. For typical computers, turn on updates – "Windows Update" for Windows operating systems and "Software Update" on Macs. This ensures that operating systems are updated automatically.

    For special devices such as POS terminals, check with your supplier as to whether updates are already being done for you. (There is a good chance they are, but disaster often comes when people make erroneous assumptions about who

is handling updates). If updates aren't being done automatically, the vendor will tell you how to set that function up.

If the vendor can't do that, it's almost certain that the software in question is not in compliance with the Payment Application DSS, and you should start thinking about finding a new vendor.

2. Pay particular attention to protecting and frequently updating systems that are most likely to be attacked, particularly Web sites and Web applications. These need to be protected by application firewalls or constantly scanned for vulnerabilities, or both. This sort of scanning needs to be a regular event; you might be in good shape today, but that doesn't mean that you'll be safe in a few months.

3. Establish a formal change-control process. It should describe who in the company is responsible for the cardholder data environment: who approves changes before they are made, how changes are documented, how they are tested before rollout and how they will be reversed if they go wrong. Make sure the process is followed; don't let it become a mere document on a shelf collecting dust.

One key rule that simplifies Requirement 6: Do not develop software that touches cardholder data in any way unless that is your core business and you are willing to take the time and money to do so carefully and professionally. The time for amateurs has passed. Following this rule will enable you to mark some of the toughest and most dangerous parts of Requirement 6 "Not Applicable," which is even better than "Pass."

What to do for your merchants

Again, this part of the PCI DSS does not entail merchants needing to be rescued from technical nightmares. What they

might need is assistance in liaising with vendors of payment applications, POS terminals and other devices that must be PCI compliant.

Merchants will also need general advice on how to set up change-control programs. ISOs can do this themselves if they choose, but it might be simpler and better to partner with a security specialist to provide that sort of hand-holding and expert guidance.

Dr. Tim Cranny is an internationally recognized security and compliance expert and is Chief Executive Officer of Panoptic Security Inc. (www.panopticsecurity.com). *He speaks and writes frequently for the national and international press on compliance and technology issues. Contact him at tim.cranny@panopticsecurity.com or 801-599-3454.*

Education (continued)

The annual marketing and communications plan

By Peggy Bekavac Olson
Strategic Marketing

Year-end is a great time to reflect on what's happened over the course of the current year and to prepare for the coming year. Many companies use this time to develop business plans, sales strategies and budgets; however, they often overlook creating a comprehensive, integrated marketing and communications plan to support their goals.

An integrated marketing and communications plan documents in detail the actions required to support reaching specific business goals and sales objectives. It identifies what to do, when to do it and how to do it, with all marketing tactics working together in a consistent, repetitive approach to reflect the same messages and visual clues.

This makes your company and messages more likely to be understood and remembered in a crowded, noisy marketplace.

An integrated approach

For ISOs, an annual integrated marketing and communications plan should address a number of areas, including how to support your sales team to achieve revenue targets, new merchant solutions and services you will introduce during the course of the year, steps or campaigns to improve merchant acquisition and decrease merchant attrition, and actions that increase brand recognition and thought leadership.

Start with you business plan, and make sure you are clear on the overall goals and objectives for the coming year. Then review and assess the current year from a marketing and communications standpoint to document what activities, programs and materials you have in place and to identify what's working, what's not and any gaps.

Next, develop your marketing and communications plan by generating a comprehensive list of potential tactics to use in supporting your business today and throughout the coming year. You'll want to address a variety of topics as well as begin the process of estimating resource requirements, both in-house and agency, in addition to associated budget expenditures for each market vertical, segment and channel you do, or want to do, business in.

An essential checklist

Primary areas to consider and questions to ask include:

- **Brand image and corporate identity:** Are your company's logo, brand look and feel (style and coloring), and business templates up-to-date, professional and uniform across all communications vehicles? Are you interested in consolidating multiple brands from previous acquisitions or rebranding to create a totally new image?

- **Positioning and messaging:** Do you succinctly articulate your company's promise of value and the value propositions for each of your products and services? Do you clearly differentiate yourself from the competition?

- **Marketing collateral:** Do your materials consistently represent and reinforce your corporate identity and brand messaging, or are they a bunch of one-off, disparate pieces? Are they easy to grasp or filled with meaningless gobbledygook and techno speak? Are they being used effectively, or are they just taking up shelf space?

- **Sales materials and tools:** Are your sales reps and resellers armed with appropriate materials (quality and quantity), including presentations, brochures, data sheets, handouts, testimonials, case studies, demos, return on investment calculators, pricing sheets and white papers, or are they left to figure out how to create their own?

  Have you considered brandable materials for agents and resellers so they can insert their own logos and contact information? Are materials and tools available for download from your Web site?

- **Merchant materials:** Do you have materials like quick reference guides, terminal overlays, installation and implementation guides, acceptance signage, POS signage and merchandising materials readily available in print and downloadable PDF format?

- **Lead generation:** Do you know your lead-to-sale conversion rate? Are you doing enough to fill your sales funnel or pipeline adequately? What lead generation vehicles will you employ – direct mail, telemarketing, e-mail marketing, social media, merchant referral campaigns, or Web and print advertising?

  How often and for what purposes will you employ lead generation techniques for merchant acquisition, merchant up-sell and cross-sell, agent recruitment or other reasons?

- **Merchant retention programs:** How can you

enhance your company's image in the minds of your merchants? Should you offer special promotions, incentives or pricing schemes?

As a component of merchant service, do you regularly communicate with your merchants about such topics as company news, service metrics, new product and service offerings, card brand developments, Payment Card Industry Data Security Standard compliance and other pertinent industry and legislative news? Have you considered an electronic newsletter or e-mail blasts? Do you have a program to encourage continuing sales rep and agent interactions with merchants?

- **Product launches:** Based on your business plan, what new POS or back-office solutions will you roll out? What new value-added products and services, such as mobile payments, remote deposit capture, electronic bill pay, data-breach insurance and chargeback insurance, will you introduce? How and when do you plan to launch these?

- **Events:** Do you want to hold meetings and training classes for your sales force in person, via webinars, through online tutorials or other mechanisms? What topics are of critical importance to cover? Do you want to hold meetings and educational sessions for your merchants? If so, what delivery vehicles will you use and what topics will you cover?

- **Tradeshows:** Have you evaluated all the tradeshows in the payments industry and across all of your market verticals? Which ones make the most sense to participate in as an exhibitor or as an attendee? What are your objectives for the tradeshows you will exhibit at and attend? How many prospect and customer meetings can you set up?

  Is your exhibit booth worn out and in need of replacement? Does it properly reflect your brand identity so that tradeshow attendees can easily find and recognize your company?

- **Web site:** What does your Web site say about your company? Is it professional and informative, as well as easy to understand and navigate? Does it turn visitors into prospects and then customers who respond to your calls to action?

- **Advertising:** Which trade publications does it make sense to advertise in? Have you considered the pros and cons of print and online advertising? What is the purpose of your advertising – brand awareness, promoting one or more products and services, or something else?

- **Publicity:** What do you project will happen in your business in the coming year that is worthy of media coverage – a portfolio acquisition, a key executive joining the company, a new product or service, a new large customer, or a company award?

  Are your press release distribution process and vendor effective? Can your employees act as authorities or experts for speaking opportunities and provide quotes for news articles? Do you have relationships in place to make these industry and media placements happen?

  What about volunteering on industry association boards and committees and the possibility of corporate sponsorship? Have you considered social media marketing (Twitter, Facebook, LinkedIn) or implementing a blog?

- **Crisis communication:** Do you have an up-to-date crisis communication plan that can be readily executed in the event of a data breach, business downturn, legal incident, natural disaster or other unfavorable or catastrophic event?

- **Sales commission, incentives and residuals:** Do you have competitive commission and residual plans in place? What types and how many incentive programs or sales contests will you employ?

A valuable process

This is a brainstorming process; your company doesn't need to undertake all of these tactics to be successful. Use this as a checklist or guide to develop a plan that is aligned with your strategic goals.

The next step is to prioritize the tactics of your integrated marketing and communication plan with the goal of matching them to your personnel resources and annual budget. This process will determine the most effective means of distributing your message to support your identified goals.

Also, define reasonable metrics that measure return on investment for key tactics. Once your plan is finalized, a marketing calendar should be created; then the real work of tactical execution can begin.

This process is probably far more complicated and labor intensive than what you may have initially thought, but there's no better time than right now to get started. It's a critical step toward achieving your 2010 goals and taking your company to the next level.

Education (continued)

PIN entry devices:
Plan now for July 2010

By Joan S. Herbig
ControlScan

If you are an acquirer, ISO or merchant level salesperson, you are not alone if you do not fully understand the PIN entry device (PED) security initiative, now managed under the PCI Security Standards Council's (PCI SSC) PIN Transaction Security program. Typically, it's not that merchants and those serving them don't want to comply; it's that they don't know where to start. PED requirements are made all the more intimidating by the multitude of terms and acronyms used.

Important Visa Inc. compliance dates are quickly approaching. This article is intended to provide a basic understanding of PED security requirements.

Why focus on PED security?

While credit card data continues to be a primary target for cyber thieves, it is cardholder data coupled with the debit PIN that commands top dollar on the black market today. Why?

Criminals can certainly make a decent living counterfeiting credit cards and making fraudulent purchases, but PINs equip thieves with the information they need to deplete a consumer's banking account – and cash is king.

According to the *Verizon Business 2009 Data Breach Investigations Report*, "The higher value commanded by PIN data has spawned a cycle of innovation in attack methodologies."

Criminals have re-engineered their processes and developed new tools – such as memory-scraping malware – to steal this valuable commodity. This has led to the successful execution of complex attack strategies previously thought to be only theoretically possible."

Furthermore, according to the RetailPayments blog, a Verizon Business webinar reported on a Russian criminal gang that offers a fee-based data encryption standard (DES)-cracking service. Ship a POS PED to the gang overnight, and they will return the DES keys within 72 hours for $250,000, or you get your money back.

Years ago, it was unimaginable that encryption schemes could be decoded in such a short time. However, with rising demand and improved technology, encryption-cracking services are emerging at a disturbing rate.

What is PCI PED security all about?

Visa's PED security requirements apply to all hardware devices that accept PIN entry for transaction processing and are designed to ensure the security of those transactions. A PED typically consists of a keypad, a screen display for user interaction, firmware, a processor and storage for PIN processing.

PEDs are designed to keep data secure by such means as preventing the device from producing a clear-text PIN. A PED that fully meets security requirements also has a number of other security features, including those that minimize the likelihood of the device being stolen or embedded with a PIN-disclosing bug.

The PED security requirements also include guidelines for device management capabilities up to the point of initial "key loading" – the act of loading the acquirer's secret encryption keys.

The full scope of device management includes the logistics and control of the device during its manufacture, encryption, delivery and storage. In aggregate, these requirements are designed to prevent unauthorized modifications to the security features of the device at any point during its lifecycle.

How has the PED security standard evolved?

The PED standard evolved alongside the Payment Card Industry (PCI) Data Security Standard (DSS). Visa got the ball rolling in 2004 when it mandated that newly purchased POS PEDs had to be Visa-approved and to support Triple DES (TDES). Subsequently, MasterCard Worldwide and JCB International Co. Ltd. joined forces with Visa to jointly administer the PED security requirements and approval procedures.

In 2007, the PCI SSC assumed responsibility as the single source of information for PED requirements, including the PCI PED equipment approval list.

What kinds of PEDs exist?

Following are the types of PEDs in use today:

- Attended POS PIN devices: The descriptor "attended" distinguishes a device as being managed by a cashier or sales clerk. Examples of where attended POS PIN devices would be deployed are a dr y cleaner, deli, coffee shop or retail store.

- Unattended devices: Unattended devices are tailored for self-service situations, such as fuel dispensers (pay-at-the-pump stations), kiosks (ticketing and vending machines) and ATMs.

- Hardware security modules (HSMs): HSMs suppor t various debit functions and are noncustomer facing.

I will focus on the mandate related to attended POS PEDs. You can learn more about PED testing requirements for unattended POS PEDs and HSMs by visiting the PCI SSC's Web site at *www.pcisecuritystandards.org.*

How do merchants comply with attended POS PEDmandates?

Merchants who accept PIN debit transactions must ensure they are using approved PEDs. Any "never-approved" device must be decommissioned by July 1, 2010, if it has not been upgraded to meet current standards.

To determine if a device is approved, merchants should check the device against one of two lists. Visa still maintains a list of approved PEDs. The second list, "PCI Approved PIN Entry Devices," is maintained by the PCI SSC. The device must match the model name, hardware number, firmware number and corresponding number if applicable.

For the list of PCI-approved PIN entry devices, visit *www.pcisecuritystandards.org/security_standards/ped/pedapprovallist.html.* For the list of Visa-approved PIN entry devices, go to *https://partnernetwork.visa.com/vpn/global/category.do?categoryId=19&documentId=33&userRegion=1.*

What is the TDES as it relates to PED security?

Visa mandates that in addition to ensuring that attended POS PED devices are approved, all POS PEDs must be enabled with TDES by July 1, 2010. TDES is a more robust encryption standard intended to greatly strengthen PIN encryption and reduce the risk of suffering a compromise from a brute force attack.

To be clear, the TDES mandate falls under the PED security umbrella but is a separate Visa requirement for merchants accepting PIN-based transactions.

Visa indicated that acquirers may be assessed fines for sponsoring any non-TDES-compliant merchants or agents as of Aug. 1, 2012. Although 2012 seems like a long way off, acquirers shouldn't ignore the July 1, 2010, mandate.

If a breach occurs as a result of a PIN compromise, the acquirer may not be insulated by Visa's liability protection program. As a result, the acquirer may be liable for penalties in accordance with Visa International Operating Regulations.

Merchants should also keep in mind that although Visa may not be proactively fining acquirers for noncompliance until August 2012, acquirers typically reserve the right (via merchant agreements) to fine their merchants at any time.

How do merchants comply with V isa's mandate concerning TDES usage?

With assistance from the acquirer or merchant bank, a merchant accepting PIN-based debit transactions must determine if a given PED is "Triple DES-capable." Many integrated PEDs – especially those deployed within the last few years – are most likely TDES-capable.

Merchants who are already using TDES-capable PIN pads can make arrangements with their acquirers or encryption and support organizations to have TDES keys "injected."

Older devices may only support single DES. If the integrated PED is not TDES-capable, a merchant must upgrade the PED terminal and then have the TDES key injected before shipment of the new device. Another option is for merchants to purchase external PIN pads with the TDES keys implemented.

Start planning now

Remember, July 2010 is just over six months away. Acquirers should take a holistic approach and consider both Visa mandates (PED approval and TDES usage) when formulating a PED security implementation strategy. Consider the following steps as part of your planning efforts:

- Determine your affected population by confir ming which merchants are accepting PIN-based transactions.

- Segment the population into two categories: 1. Merchants using "never approved" PEDs and 2. Merchants who are using approved PEDs but have not implemented TDES.

- Determine merchant resolution options for the various scenarios (upgrade PED, ship PED for T riple DES injection, stop accepting PIN transactions and so for th).

- Assess what it will take to facilitate your compliance initiative, and confir m the approach. Consider in-house implementation versus outsourcing. You may want to address this project concurrently as par t of your PCI DSS compliance effor ts.

- Create educational material for inter nal and external use.

- Develop a communications plan targeted to impacted merchants. Help them understand how the PED mandate(s) apply to them, why they are impor tant, what merchants need to do, and the consequences for noncompliance. 🌀

Joan Herbig is Chief Executive Of ficer of ControlScan. She has more than 20 years' experience in the high-tech world and serves on the Electronic Transactions Association's Risk and Fraud committee. Contact her at jherbig@controlscan.com or 800-825-3301.

Education (continued)

Creating positive consequences: Three tips

By Jeff Fortney
Clearent LLC

A consequence is defined as something that follows an action or condition. In other words, it is well understood that everything we do – or don't do – has a consequence. We all learn this rule as children. If we touch a hot stove, we will get burned; if we hit our brother or sister, we will be reprimanded.

Many a parent has said, "You have to pay the consequences," when a child has done something he or she clearly knew was wrong. That statement usually precedes some form of punishment. As adults, we understand there are consequences for our actions, good or bad. However, a lack of facts or failure to understand a situation can result in "the rule of unintended consequences."

In the payments world, this rule can be defined in multiple ways. But at some point in our careers, most of us have experienced a situation that led to an unintended consequence.

One reason the Payment Card Industry Data Security Standard is the topic of the day is because of unintended consequences. For example, when an ISO downloads data onto a computer to analyze processing patterns, the result can be stolen consumer data and a company closure.

Also, every experienced merchant level salesperson (MLS) can tell a story of a sales effort that resulted in lost revenue, lost time or worse – lost reputation. However, MLSs can reduce or even eliminate unintended consequences by following three simple guidelines.

1. Weigh long-term costs before considering short-term benefits

Two common examples of long-term costs that only provide short-term benefits are bonus programs and the practice of offering questionable or incomplete information to merchants when boarding their accounts.

Many contracts involve upfront bonuses for signed merchants, free equipment and other initial monetary incentives. These offerings have a cost to the provider, and that cost usually comes from the MLS's long-term earnings. As such, they have a short-term benefit but have significant long-term impact to ongoing revenues.

When considering any partner, first consider your short- and long-term goals and needs. For example, do you absolutely need upfront bonuses? If so, how will your long-term goals be affected? On the other hand, can you afford to not receive a bonus knowing that the long-term revenue will be higher, making your portfolio more valuable?

This same guideline often comes into play when signing merchants. Thousands of sales training programs teach how to parse words so that a negative can be overcome – without actually disclosing the negative.

However, since the best merchant relationships are lasting ones, avoiding an issue could result in a short-term signing but have significant long-term consequences to your residual income and your reputation. Be honest and explain the challenges you see in meeting merchants' requests, but also explain what you can do to help.

2. Know what you don't know

The payments industry is aptly described as complex and ever changing. Even the most experienced people come across things they do not know. Most MLSs have success at the beginning of their careers when their knowledge about the industry is

rudimentary. They admit they don't know the answer to every question. However, as they learn and grow, they often try to use their knowledge to answer every question, even when it might not directly apply to a given situation, rather than admit they don't know the answer to a difficult question.

The consequence can be fewer sales and unhappy customers.

It's OK if you don't know the answer to every question your customers ask. Remember, it's how you respond that has the potential to create an unexpected consequence. Use this sentence whenever you doubt the answer to a merchant's question: I don't know, but I will find out and get back to you.

People will respect your honesty as well as your answer. Just be sure to respond quickly.

3. Choose information sources wisely

Everyone in the industry needs a mentor, someone who can answer questions when they arise and serve as a sounding board. Your mentor should be accessible, knowledgeable, forthcoming about what he or she doesn't know, and devoid of a personal agenda beyond helping you succeed.

In most cases, your mentor should be one of your processing partners. Your partners know their success is conditioned upon their willingness to help you succeed.

Before partnering with someone, ask specific questions about support. Who provides support? Who answers questions when you have them? If you have grown comfortable with the individual negotiating the contract, ask that person if he or she will stay involved with you after you sign.

If the responses to your questions seem vague, don't assume the individual can become the mentor you seek. Choose a different partner or find another person who can serve in this role.

Failure to thoroughly research the support functions of your processing partnership can result in your being unable to find the answers needed or the training required for you to grow professionally. The unintended consequence of this can be devastating financially.

Follow these three guidelines; the consequence may be higher revenues than you imagined. 🔄

Jeff Fortney is Director of Business Development with Clearent LLC. He has more than 12 years' experience in the payments industry. Contact him at jeff@clearent.com or 972-618-7340.

ResearchRundown

Heads or tails

A Nov. 30, 2009, report from Aite Group LLC, *ISOs and Merchant Acquirers: Two Sides of the Same Coin*, discusses the similarities between ISOs and merchant acquirers, as well as the differences that shape their distinctive approaches to the market. Based on interviews conducted in October 2009 with 17 top bank acquirers and 28 leading ISOs in the United States, the report explores each group's views on today's merchant acquiring environment.

Aite found that, beyond the strict definitions of the two entities promulgated by the card brands, ISOs and acquiring banks have as many differences as similarities, which fosters divergent viewpoints on where the market is headed in 2010. Aite recommends every ISO and acquirer implement individual strategies to compete for new merchant acquisitions, as well as design individual approaches for their 2010 investments.

A merchant acquiring preview

In *Merchant Acquiring in 2010: A Preview*, Aite examines the top priorities and challenges for merchant acquirers in 2010 and identifies markets seen as emerging opportunities. The report, based on an October 2009 survey of 45 ISOs and acquirers, discusses how acquirers are balancing their capabilities and merchants' needs. It also looks at likely industry-changing events on the 2010 horizon.

The payments industry is looking to emerging markets, such as mobile and wireless, to help it rebound from the previous year's "sluggish processing volumes," Aite said. Merchant satisfaction is also an important area of focus, according to the advisory. Aite advises payment organizations to strengthen their reputations by deepening relationships with merchants and cultivating referral business.

Revisiting pricing and valuation

Regulatory demand for increased transparency is driving payment organizations and financial institutions to revisit and enhance pricing and valuation processes. That finding, published by Aite in *Pricing and Valuation Services: The Search for Transparency*, is part of a discussion on the regulatory, accounting and operational factors that affect pricing and valuation, especially as it relates to portfolio growth, liquidity and counterparty risks.

Aite estimates the pricing and valuation services industry will increase from $2.1 billion in 2009 to $2.9 billion by year-end 2012. The consultancy also suggests that third-party solutions providers and other value-added resellers can "contribute meaningfully to the pricing and valuation processes of many firms."

For more information, visit *www.aitegroup.com*.

Fraud protection top priority

CyberSource Corp.'s survey of e-commerce, the *11th Annual Online Fraud Report – 2010 Edition*, found that merchants are seeing considerable evidence of success in thwarting fraud. U.S. and Canadian merchants expect to lose approximately $3.3 billion to e-commerce fraud in 2009, down from $4 billion in 2008. This is the first drop in estimated revenues lost since 2003.

CyberSource also reported that in 2009:

- Merchants estimated they would lose 1.2 percent of their online revenue to fraud, the lowest percentage in the 11-year-old survey's existence.
- Factors contributing to fraud prevention success included increased usage of sophisticated fraud-management products and services, better management of orders in the manual review process, and better measurement of outcomes.
- Mid-sized merchants, those with e-commerce revenues of $5 million to $25 million, were hardest hit, with 1.3 percent of accepted orders resulting in fraud losses.
- The top priority in 2010 for over 60 percent of merchants surveyed was improving the fraud detection and protection capabilities of their systems.

To obtain a copy of the survey results, visit *www.cybersource.com/fraudreport2010*.

Guarding against fraud

In November 2009, J.P. Morgan Treasury Services released *Payments Fraud: How It Happens And What You Can Do To Protect Your Organization*, in which the company shares best practices for battling check, automated clearing house and credit card fraud. It also offers tips on the most effective ways to stop cybercriminals.

Additionally, the report provides solutions for protecting treasury operations from advanced phishing techniques, identifies key areas of fraud vulnerability and proliferation, and reviews fraud protection products and services available today.

Also, according to the *2009 Association for Financial Professionals Payments and Fraud Survey* – sponsored by J.P. Morgan – more than 70 percent of survey respondents experienced attempted or actual payment fraud in 2008. A majority expect such illegal activities to grow.

For a free copy of the J.P. Morgan report, visit *www.jpmorgan.com/cm/ContentServer?c=TS_Content&pagename=jpmorgan%2Fts%2FTS_Content%2FGeneral&cid=1253321033508&source=DirectURL_fraudwhitepaper*. For the AFP report, visit *www.afponline.org/pub/pdf/2009_Payments_Fraud_Survey.pdf*. 🔲

NewProducts

Digitizing Cash

Product: CashLINK

Company: Garda

A product from security services firm Garda digitizes cash for retailers in a manner that mimics the back-end of a credit card transaction.

The product, called CashLINK, is a digitized safe for retailers that stores, counts and, by converting it into a digital transmission, transfers cash deposits. It is sold in conjunction with Garda's armored car service, making CashLINK a solution that addresses the entire back-end process of cash counting and transfer.

"CashLINK is an in-store cash control system for retailers that helps them manage their cash from the point of sale all the way to the bank," said Garda Senior Vice President Michael McSpadden. "It helps anybody that takes cash to more effectively, securely manage it inside their store and be able to get information to get credit sooner."

Digital accounting

The product simplifies the business of money management in a number of ways. First, it digitally counts all money that's placed inside the safe and includes a fraud detection mechanism that identifies counterfeit bills; then it securely stores the deposited money until the Garda armored car picks it up. In the meantime, access to the money requires a unique password be entered by both a Garda representative and the store's manager.

"It's got the dual access feature to prevent one party from having complete access to the system," McSpadden said.

Additionally, while the cash is generally physically transferred to the bank once or twice a week (depending on the specific arrangement), a retailer's bank account can be credited for funds received at the end of each business day by sending the digital deposit totals to the retailer's banking institution via Garda's online network – a process similar to the back-end transfer of money in a payment card transaction.

Garda, in turn, guarantees the money both while it rests in the safe (if, for example, the physical dollar count does not match the digital counter) and during its transfer by armored car.

McSpadden said CashLINK also accepts checks, but they aren't automatically read and the amounts have to be manually entered on a key pad. Once they are entered, however, they are digitally counted along with a store's cash deposits, all of which can be viewed by a store manager by connecting CashLINK to the store's POS system.

Features of **CashLINK** include:

- Relieves managers of cash-counting work
- Acts as counterfeit detector
- Prevents unauthorized access with dual access feature
- Transfers deposit information digitally
- Connects to a POS system for accounting purposes

No more bundles of cash

McSpadden added that most of Garda's clients are restaurants and convenience stores, but the product is also used by parking garages and taxi cab companies, among other businesses. In a vertical where money is constantly changing hands, the product can be particularly useful, he said. For example, waiters can deposit their money into CashLINK rather than carry it around.

"There can be a lot of finger pointing," McSpadden said. "The manager opens the safe in his world today and pulls out an envelope that Suzy put in there. She says she put $20 in. Well, he takes that, puts it in his pocket and says she didn't." With CashLINK, by contrast, a deposit is verified by the digital counter, assuring its presence once it's deposited, McSpadden said.

He added that the digital counter frees up time for store managers by relieving them of tedious accounting work; in doing so, it also removes the hazard of human error.

"[Managers] spend an enormous amount of time preparing, counting and taking money to the bank," McSpadden said. "There's a loss of productivity because managers are away from the store, and they aren't able to accomplish their top … objectives."

Garda

514-281-2811
www.gardaglobal.com

Name recognition for ISOs

Product: CarpéCharge terminal branding

Company: CarpéCharge

ISOs operate in relative obscurity. The average person outside the payments realm isn't even likely to know what an ISO is, and some merchants even have a hard time naming their merchant services providers.

A big part of that is due to a lack of visible branding. ISOs sell products, of course, but almost always they are someone else's products, branded exclusively with the manufacturer's logo and phone number.

A new service from CarpéCharge aims to change that. The company recently introduced a free branding service for ISOs that sell CarpéCharge's online terminals. The aim is to give the often obscure middleman a little name exposure.

CarpéCharge offers a server-based virtual terminal for merchants. "What we're doing is launching this private-label aspect of it where we can take the termi-

Features of **CarpéCharge** terminal branding include:

- Customizable designs and logos
- Almost 200 different skin designs
- Unaltered scope of PCI compliance
- Free of charge

nal as it appears on the screen and give it the custom private label branding for an ISO," said Dean Burke, Director of Marketing and New Business Development for CarpéCharge.

Reinforcing company names

Burke said the service would promote loyalty among merchants by reinforcing the names of their service providers and predisposing them to contact those companies when they have questions or needs. Branding can also help ISOs through merchant-to-merchant referrals; merchants who are aware of their providers are more likely to use the providers' names in conversation.

"What makes the ISO so unique is their service and how they support that merchant," Burke said. "This keeps the branding imagery top of mind, keeps that merchant thinking about who their ISO or merchant service provider is, gives them less opportunity to be distracted by third-party branding and … helps the ISO streamline their communications with their merchants, so they have a cleaner, more concise look that follows their services."

Burke said ISOs who use the service are consulted to determine exactly how the branding will look, but that the work of creating the logo or image is done by CarpéCharge. ISOs supply finished logos and any instruc-

tions on color templates and so forth. Then CarpéCharge takes it from there.

"First and foremost we want to make sure that when the product opens and runs, that their name is very [conspicuous] and their design very clear," Burke said. "Second to that, and supporting it, are the colors and fonts designed around it."

No effect on PCI compliance

CarpéCharge Director of Special Projects Dan Wade added that because the customization work is performed by the terminal supplier, the work has no bearing on Payment Card Industry (PCI) Data Security Standard (DSS) compliance mandates.

"One of the biggest problems when you're wanting to customize something: more often than not you have to do that from a custom software standpoint, meaning you're actually integrating something that's third party and have to go through your [Payment Application DSS] review," Wade said. "This doesn't require that."

CarpéCharge

253-857-6530
https://secure.CarpéCharge.com

10 years ago in The Green Sheet

E-commerce taking hold

Because of the great number of sales expected to originate online during the 1999 holiday season, Internet service professionals predicted the year would mark the business world's acceptance of electronic commerce. In doubt was whether virtual stores could offer the product selection of physical businesses.

SafeTpay's big idea

SafeTpay rolled out a service so e-commerce merchants could accept secure ATM card transactions via the Internet. Consumers initiated transactions using small, data-entry pads attached to personal computers. PIN numbers and financial data were encrypted in the process, and e-commerce merchants could enjoy card-present rates for transactions – if only consumers would sign up.

Checks sticking around

In his new book, *Checks at the End of the 20th Century and Beyond*, Paul H. Green contended that pundits predicting the swift demise of the check had overlooked consumers' strong interest in checks as a payment medium and the continuing reliance of U.S. commercial interests on checks. Checks then represented 45.2 percent of payments in the United States.

The Green Sheet was 32 pages.

Read archived issues back to 1995 at www.greensheet.com; click on publications.

Inspiration

Call it a clan, call it a network, call it a tribe, call it a family: Whatever you call it, whoever you are, you need one.
– Jane Howard

Work that family mojo

Of all the places labeled a "home away from home," the workplace usually tops the list. The office or job site is where most people in industrialized nations spend a considerable portion of time. Is it any wonder people seeking career advice are so often told to find something they enjoy doing?

Given that the workplace is a home away from home, it follows that colleagues at work are a family of sorts away from family. Co-workers develop acquaintances, friendships, even love interests. Therefore, workers' feelings about their co-workers influence their feelings about work in general.

Do you look forward to seeing your colleagues every day? Do you feel comfortable around them? Are they interesting? Do they make you laugh? Do they make you think? Are they trustworthy? Is their presence conducive to productivity? Or is it a distraction?

Workplace synergy

In a good work family, the workforce is greater than the sum of its parts. Colleagues depend on one another for support and companionship; help one another with tasks and problems; and make coming to work a more pleasant experience by bringing humor, cordiality and compassion to the job site, in addition to their professional assets.

This engenders high morale, which in turn contributes to workplace productivity. People who are content tend to think more clearly and produce better work. Not to mention, a strong work family whose members employ teamwork will operate much more effectively than a dysfunctional lot of ragtag hirelings.

Among merchant level salespeople, that might involve sharing sales techniques or keeping colleagues apprised of the latest and greatest in technologies and services in our industry. Perhaps a colleague has recently returned from a regional acquirers association's annual conference with a bevy of new information and insights to share. Consider this hypothetical anecdote:

Like a family debriefing at the dinner table, fellow

Inspiration

MLSs inquire into the recent exploits of their far-flung traveler, Smith. Smith replies with a rundown of cutting-edge POS equipment displayed at the show – remote deposit capture devices and near field communication-enabled terminals – eager to get comrades up to speed on what appear to be fabulous up-selling opportunities on the horizon.

Respect their space

To be sure, there are important differences in the way we should behave toward our work and domestic families. Co-workers are not (usually) our children or our spouses, and we should act accordingly. Being cordial is important, but a big part of respecting others in the office is being mindful of boundaries – and knowing what constitutes an invasion of someone's personal space, be it literal or figurative.

Generally speaking, such boundaries entail things like being friendly but not romantic, enjoying moments of levity but not messing around so much that your antics become a distraction, and offering constructive criticism to others where it is warranted but refraining from hurtful comments or excessive negativity.

Regarding those who have blurred the boundary between co-worker and romantic partner, it remains highly impor-tant to clearly distinguish between conduct in and outside the workplace. Your co-worker may be more than just a co-worker, but that extra dimension shouldn't manifest itself prominently while you're at the office.

Home suite home

Everyone likes having a nice, comfortable home to retreat to at the end of each day – yet, why wait until after a work day to live happily? You spend enough time at work to make it feel like your second home. Why not create an environment similar (in some respects) to the one that makes your domicile a desirable place to go?

Above all else, do your part to establish and maintain a contented workplace family by striving to make meaning-ful and lasting connections with your colleagues. Take a newcomer under your wing, as you would a child; appeal to a trusted company veteran for advice when a problem has you stumped, as you would a father or mother figure; and, of course, be kind to your brothers and sisters.

Good Selling!℠

Paul H. Green, President and CEO

DateBook

Visit *www.greensheet.com/gs_tradeshow_events.php* for more events
and a year-at-a-glance event chart.

Northeast Acquirers Association
2010 Winter Seminar

Highlights: The longest-running regional show in the payments industry, this event offers payment veterans the chance to gain new information and insights that will assist them in taking their businesses to the next level. It also provides those new to the industry resources to help them learn what it takes to succeed in this sphere.

Days will be filled with educational presentations by industry experts. Attendees will also have ample time to network with their peers in the exhibit hall, during opening and closing receptions, over meals and at other events planned. Vendors will be limited to 80 providers of products and services for acquirers, ISOs and merchant level salespeople. All vendors will have stationary displays; no roaming vendors will be allowed.

When: Jan. 26 – 28, 2010
Where: Grand Summit Resort Hotel, Mt. Snow, Vt.
Registration: *www.northeastacquirers.com/Register.htm*

Southeast Acquirers Association
2010 Annual Conference

Highlights: The focus of this event is education and providing information on current issues concerning the feet on the street in the electronic payments industry. The two-day seminar will include various networking opportunities with all vendors and attendees.

The exhibit hall will feature many of the leading credit card payment processors, equipment manufactures, leasing companies and other third-party vendors in the industry.

Breakout sessions will provide a collegial forum in which to learn and share information; panel discussions, which have been some of the most heavily attended sessions in years past, will be led by industry leaders.

When: March 22 – 23, 2010
Where: Sheraton Atlanta Hotel, Atlanta
Registration: *www.southeastacquirers.com/conference*

ResourceGuide

To add your company to our expanding listing, call 866-429-8080 today.

ACH - CHECK 21

Global eTelecom, Inc.
(877) 454-3835
www.CheckTraining.com

ACH -CHECK 21 BOC
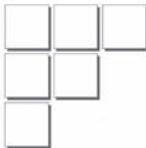
Netcom Check Services
(800) 875-6680
www.netcompaysystems.com

Convergence Processing Merchant Services
ACH Check21 BOC ARC Age & ID
Recurring ACH Check Verify
All Major Credit and Debit Processing
LifePay Residual No Exit Fees

Check Assist
(888) 436-5101
www.runningdollar.com

• Remote Deposit - BOC
• Point of Sale Check Conversion
• Electronic Check Conversion
• ACH Processing
• Check 21 Solutions

ACH - PROCESSING SERVICES

Creative Cash Flow Solutions, Inc
(866) 691-0666 x166
www.ilovechecks.com

Merchant Cash Advance for Checks...
Telephone/Internet/Recurring ACH
Full Suite of ACH/Check 21 Services
ISO Private Labeled Program
Lifetime Vested Residuals

SOLVERAS
PAYMENT SOLUTIONS™
(800) 613-0148
www.solveras.com

AGE / ID & OFAC VERIFICATION

ID Chex
(800) 875-6680
www .IDCheX.net

ALTERNATIVE PAYMENTS

2000Charge, Inc
(800) 466-1481
www .agent2k.net

ATM / SCRIP ISOs LOOKING FOR AGENTS

ATM ACCESS to MONEY
(888) 701-1004
www.accesstomoney.com

Looking for agents. 100% of surcharge
plus 100% of interchange on all monetary
and non monetary transactions Call
Ralph @ x4241
or Jim @ x4243

payment alliance international
ATM services group
(877) 271-2627 x157
www.atmexpress.com

Increase $$ w/Existing Customer Base
0 Quotas/Vested Residual/Best Prices
See why we are America's #1 ATM Co.
David Hooper @ (877)271-2627 ext. 157
T. Chapman @ (800)523-2104 ext. 2178

Talkin' about that lean, mean...

MEAN GREEN.

100%

the split as you know it is history.

866.845.6026

electronic merchant systems®

EMSAGENT.COM

VeriFone
(800)   VERIFONE

FINANCING FOR ISOS

Super G Funding
(800)   631-2423
www   .supergfunding.com

GIFT / LOYALTY CARD PROGRAMS

SPARKBASE
(216) 867-0877
www.sparkbase.com

Stop giving your gift card business to someone else. Take control, and make more money using the largest ISO managed / custom branded solution in the industry. Only with SparkBase.

Electronic Payments
(800) 966-5520 x221
www   .epigiftcards.com

FLEXGIFT/UMSI
(800)   260-3388

Global eTelecom, Inc.
(877) 454-3835
www.GiftCardTraining.com

HIGH RISK

DATACASHUSA
(877) 273-5455
www.datacashusa.com

HIGH RISK CC Processing
BANK DRAFT Processing
Offshore Banks, Moto Transactions
Call Center, Adult Entertainment
Pharmaceutical, Travel

ALTERNATIVE
Merchant Processing,Inc.
(888) 525-5059
www.ampworldwide.com

International Merchant Solutions
(800) 313-2265 x104
www   .officialims.com

National Transaction Corp.
(888)   996-2273
www   .nationaltransaction.com

HIGH RISK
LOOKING FOR AGENTS

A.V.P. Solutions
(800)   719-9198
www   .avpsolutions.com

ISO/POS DEALER
LOOKING FOR AGENTS

MSI, Merchant Services Inc.
(800)   522-3661
www   .1800bankcard.com

ISO RELATIONSHIPS AVAILABLE

COCARD
(800) 882-1352
www.cocard.net

• BEST RESIDUAL STREAM IN THE BIZ
• MULTIPLE PROCESSING PLATFORMS
• PRE-NEGOTIATED BUYING POWER
• NEXT DAY FUNDING AVAILABLE
• UNIQUE EXIT STRATEGY

Advanced
— merchant services
(888) 355-VISA (8472)
www.amspartner.com

Elavon
(678)   731-5000
www   .elavon.com

Electronic Payments
(800) 966-5520 x223
www   .epiprogram.com

EVO Merchant Services
(800) CARDSWIPE x7800
www   .goevo.com

First American Payment Sys.
(866) GO4 FAPS
www   .first-american.net

Global Payments Inc.
(800)   801-9552
www   .globalpaymentsinc.com

Group ISO, Inc.
(800)   960-0135
www   .groupiso.com.

Add Value with our complete line of
Check, ACH, and Gift & Loyalty Card Solutions

ACH DEBIT

CHECK 21+

CHECKS -BY- WEB

POINT OF SALE

Global eTelecom, Inc.

Paper Guarantee

CHECKS BY PHONE

VIRTUAL TERMINAL

Gift & Loyalty

Ask us about our API's for integrating payment Gateways and Virtual Terminals

Global eTelecom, Inc.

877-454-3835
www.CheckTraining.com
www.GiftCardTraining.com
Sales@GlobaleTelecom.com

ResourceGuide

iPayment®
(888) 519-9466
www.ipayment-agent-iso.com

Merchant Data Systems
(800) 249-6377 x204
www   .merchantdatasystems.com

Merchant Rewards Network (MRN)
(800) 366-1388 x210
www   .partner-america.com

MSI, Merchant Services Inc.
(800)   537-8741
www   .1800bankcard.com

North American Bancard
(800) BANCARD x1001

total merchant services
Total Merchant Services
(888) 84-TOTAL x9727
www.upfrontandresiduals.com

United Bank Card (UBC)
(800)   201-0461

ISOs / BANKS PURCHASING MERCHANT PORTFOLIOS

VelocityFunding llc
(888) 818-3552 x202
www.VelocityFunding.com

Superior Portfolio Valuation
Quick Turnaround Time
Will Not Switch Processor
No Portfolio Too Small
DeanCaso@VelocityFunding.com

Community Bankers
Merchant Services, Inc
(866) 333-9331 x201
www   .merchantprocessing.com

Elavon
(800) 819-6019 x6
www   .elavon.com

Global Electronic Technology, Inc (GET)
(877) GET 4ISO
www   .gettrx.com

Global Payments
(800)   801-9552
www   .globalpaymentsinc.com

Merchant Rewards Network (MRN)
(800) 366-1388 x210
www   .partner-america.com

North American Bancard
(800) BANCARD x1001

ISOs / PROCESSORS SEEKING SALES EMPLOYEES

total merchant services
Total Merchant Services
(888) 84-TOTAL x9727
www.upfrontandresiduals.com

ISOs LOOKING FOR AGENTS
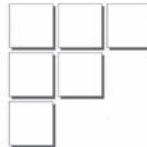
Netcom PaySystems
(800) 875-6680
www.netcompaysystems.com

An Agent of RBS WorldPay
LifePay at IC + Call For Buy Rate
Virtual Terminal - Recurring Billing
Online Reporting Quick Approvals
No Liability, Exit Fees or Gimmicks

RELIANT
PROCESSING SERVICES
(877) 650-1222 x101
www.reliantprocessingservices.com

We offer a **70/30 split** above
Interchange **or** an aggressive
upfront **Bonus Program** paying
you on every approved
merchant account.

MERCHANTService.com
SPECIALIZING IN MERCHANT PROFITABILITY
(888) 288-3816
www.merchantservice.com

Offering a full line of products
& services which pay lucrative
commissions upfront for sales
and on going residual income
for the life of the account.

Advanced
— merchant services
(888) 355-VISA (8472)
www.amspartner.com

Electronic Payments
(800) 996-5520 x223
www   .epiprogram.com

EVO Merchant Services
(800) CARDSWIPE x7800
www   .goevo.com

First American Payment Sys.
(866) GO4 FAPS
www   .first-american.net

Frontline Processing Corp.
(406)   585-7443
www   .frontlineprocessing.com

Global Electronic Technology, Inc (GET)
(877) GET 4ISO
www   .gettrx.com

Group ISO, Inc
(800)   960-0135
www   .groupiso.com

Impact Paysystems
(866) 884-5544 x1555

iPayment®
(888) 519-9466
www.ipayment-agent-iso.com

Merchant Rewards Network (MRN)
(800) 366-1388 x210
www   .partner-america.com

Merchants' Choice Payment Solutions
(800) 478-9367 x5
www.mcpscorp.com

Money Tree Merchant Services
(800) 582-2502 x2
www.moneytreerewards.com

MSI, Merchant Services Inc.
(800)   351-2591
www   .1800bankcard.com

North American Bancard
(888)   229-5229

Pipeline Data Inc.
(877) 754-0530 x16179
www   .pipelinedata.com

Total Merchant Services
(888) 84-TOTAL x9727
www.upfrontandresiduals.com

United Bank Card
(800) 201-0461 x136

United Merchant Services, Inc.
(800)   260-3388

VMS
(888) 902-6227
www.getvms.com

Xenex Merchant Services
(888) 918-4409 x511

LEASING

BARCLAY SQUARE LEASING
(866) 396-2754
www.barclayleasing.com

We fund & service all our leases
Same day funding – Fast scoring
Low factors – Written verifications
Online reporting – Faxable/PDF leases
48 month wireless – Split funding

1st AMERICAN LEASING
(888) 884-6111 x 3012
www.1stamleasing.com

ABC Leasing
(877) 222-9929

American P.O.S. Leasing Corp.
(800) 349-6516
www   .poslease.com

Azura Leasing
(888) 424-7142
www   .azuraleasing.com

First Data Global Leasing
(800)   897-7850

LADCO Leasing
(800)   678-8666
www   .ladco.com

LogicaLease
(888)   206-4935
www   .logicalease.com

Merimac Capital
(866)   464-3277

Northern Leasing Systems, Inc.
(800)   683-5433
www   .northernleasing.com

MULTI - CURRENCY PROCESSING

DCC MERCHANT SERVICES, USA
(888) 322-8632 x204
www.dcctoday.com

The Authority in Foreign Currency
Conversation at POS or online. Enable
merchants' customers to purchase in
their currency. ISO's & Agents earn up
to 60bp above discount rates and fees.

payvision PAYMENT AND SECURITY PROVIDER
(917) 237-0090
www.Payvision.com

OFFSHORE BANKS LOOKING FOR ISOs

M2 FINANCIAL Merchant Services
(866) 720-3729
M2-Financial.com

ResourceGuide

PAYMENT GATEWAY

PAYMENTS GATEWAY

One Connection
Endless Opportunities

(866) 247-0931
www.paymentsgateway.com

Your All-in-One Payments Solution
Instant Online Enrollment
PCI Certified
Customized Branding
Personalized Service

NMI
NETWORK MERCHANTS INC
nmi.com

"Building Payment Gateways
One Partner at a Time"

(800) 617-4850
www.nmi.com

• PCI Compliant Customer Vault™
• Encrypted Retail Swiped Solutions
• Multi-MID Transaction Routing
• ISO / MLS Transparent Branding
• Non-Compete Guarantee

APRIVA
(480)   421-1210
www   .apriva.com

eProcessing Network
™everywhereProcessingNetwork℠
(800) 296-4810
www.eProcessingNetwork.com

1ezic
th ANNIVERSARY
Ezic, Inc.

(866) 575-EZIC
www.ezic.com

Global Payments
(800)   801-9552
www   .globalpaymentsinc.com
ProCharge
(800) 966-5520 x221

USA ePay
(866)   490-0042
www   .usaepay.com

PAYMENT GATEWAY / SERVERS / ISPs

Network Merchants, Inc. (NMI)
(800)   617-4850
www   .nmi.com

PCI DSS COMPLIANCE

PCCompliance

(866) 949-9777
www.gotpci.com

Annual or Monthly Billing
As low as $15 / year or $1.75 / month
Scans Included in Pricing
URL Customized with Your Logo
Meets Card Brand Reporting Requirements

Trustwave®
Information Security & Compliance

(312) 873-7500
www.trustwave.com

POS CHECK CONVERSION

CrossCheck, Inc.
(800)   654-2365

EZCheck
(800)   797-5302
www   .ezchk.com

Secur-Chex
(866)   464-3277

POS CREDIT CARD EQUIPMENT REPAIR

NEW IMAGE P.O.S.

POS Equipment Repairs
and Sales

(877) 581-6201
Info@NewImagePOS.com

Over 20 Years Repairing / Refurbishing
POS Equipment, CheckReaders.
Personal Service, Quick Turn Around,
Deployment, One Year Warranty
EXPERIENCE, QUALITY, INTEGRITY

ATT Services
(714)   999-9566
www   .attpos.net

BITS Bartlett Info Tech
Services, LLC
(901) 384-6151
www.bits-pos.com

POS SUPPLIES

General Credit Forms, Inc.
(800)   325-1158
www   .gcfinc.com

ResourceGuide

PRIVATE PARTIES PURCHASING PORTFOLIOS

GBM Transactions
(817) 307-8291
www.gbmtransactions.com

PROCESSORS LOOKING FOR ISOs

Elavon
(678) 731-5000
www .elavon.com

First National Merchant Solutions®
(800) 354-3988
www.fnms.com

Humboldt Merchant Services
(877) 635-3570
www .hbms.com

NPC National Processing Company
(877) 300-7757
www.npc.net

TSYS Acquiring Solutions
(480) 333-7799
www .tsysacquiring.com

REMOTE DEPOSIT CAPTURE

Gulf Management Systems
(800) 947-3156
www .gulfmanagementsystems.com

RISK MANAGEMENT PROVIDER OR PRODUCTS

MICROBILT
PROFIT FROM OUR 30 YEARS OF HARD WORK.

(800) 257-2805
www.microbilt.com

- Use Our Expertise to Close More Deals and Increase Your Profits
- Deliver 1st Class Services to Unsaturated Industries
- Bonus + Lifetime Residuals

SITE SURVEYS

N·V·M·S National Vendor Management Services
(703) 361-6262 x129
www.nvms.com

Spectrum Field Services
(800) 700-1701 x286
www .spectrumfsi.com

TRAINING

Bankcard Boot Camp
(866) 276-6683
www .bankcardbootcamp.com

WEBSITE DESIGNS / SEO

STURGILL STUDIOS
(972) 956-9850
www.sturgillstudios.com

1. Website Design Services
2. Search Engine Optimization
3. Graphic Design Services
Get a new website and have it found in the search engines!

WIRELESS RETAIL / KEYED PROCESSING

USAePay
(866) 490-0042
www .usaepay.com

Happy Holidays

Tray Vera

Tischa Green

Laura McHale-Holland

Patti Murphy

Rita Francis

Kat Robat

Vicki Keith

Danielle Thorpe

Ann Wilkes

Mike

B Cummers

Advertiser Index

CHARGE CARD SYSTEMS
WILL HELP BUILD
YOUR NEST EGG

**We Are the Only ISO to Offer You
"The Winning Combination"**

70% Residual AND Bonus Money
+ 1.9¢ Transaction Fee
+ 12-Hour Funding

= MORE DEALS, MORE MONEY

PLUS

**PROCESSING FOR AMERICAN EXPRESS
WITH 12-HOUR FUNDING!**

CCS

CHARGE CARD SYSTEMS, INC.

For more information contact
Jeffrey Shavitz, EVP at 800.878.4100

See Reverse Side for Complete Program Benefits

There's not a door
you can't open
with 2¢ IP pricing

2¢ IP Pricing and
2.5¢ Dial-Up Pricing
Available for All Merchants!

North American Bancard gives you the freedom to offer your merchants exactly what they want! With no restrictions! 2¢ IP pricing for all IP merchants means just what it says. Big merchants pay only 2¢. Small merchants pay only 2¢. And there's no minimum amount of transactions required. Have dial-up merchants? Offer them NAB's low 2.5¢ dial-up pricing! With NAB, you get the best rate and the ability to offer it to any merchant. Want to open the doors to a better way of doing business? Call NAB today!

NAB Offers the Industry's Best Compensation Plan:

- Interchange Revenue Split up to 65%!
- Lifetime Residuals!
- Up to $750 Conversion Bonus!
- $200 Approval Bonus!
- $3,000 Signing Bonus!
- Don't Need Free Equipment? Get an Additional $100!

NorthAmerican™
BANCARD

Discover the difference NAB can make for you! • **1-877-201-4833** • **www.GONAB.com/gs**

North American Bancard is a registered ISO/MSP of HSBC Bank USA, National Association, Buffalo, NY and Wells Fargo Bank, N.A., Walnut Creek, CA. American Express and Discover require separate approval.

2¢ IP Pricing Available for All IP Merchants!

Plus, Our Always Low 2.5¢ Dial-Up Pricing!

NO RESTRICTIONS! ALL MERCHANTS QUALIFY!

NAB has done it once again! Our great rates put the biggest deals right at your fingertips. Along with our industry-best compensation plan, there's never been a better time to join the NAB team.

When you join NAB, you get:
An Interchange Revenue Split up to 65%, Lifetime Residuals complete with robust reporting systems and much more!

Up to $750 Conversion Bonus!
Get paid 1.5% of the actual monthly processing on every merchant. If the merchant processes $50,000, then you receive a $750 bonus.

$200 Approval Bonus!
For each retail merchant approval and card-not-present merchant approval.

Don't Need Free Equipment?
Get an additional $100 Bonus!

$3,000 Signing Bonus!
Sign up 30 merchants within your first 90 days and North American Bancard will pay you $3,000!

Health Benefits Plan
Medical/Dental/Life/Long-term Care. NAB pays 50% of your insurance premium, up to $300 per month.

DON'T FORGET: NAB will pay up to $295 of your merchant's early termination fee!

Discover the difference NAB can make for you!
1-877-201-4833
www.GONAB.com/gs

NAB PROVIDES DAILY PAYMENT OF ALL BONUSES! WHY WAIT WEEKS TO GET YOUR CASH? GET PAID DAILY OR WEEKLY – YOU CHOOSE WITH NORTH AMERICAN BANCARD!

NorthAmerican BANCARD™
A Better Opportunity. A Brighter Future.

With messages like these, no wonder we're so *SUCCESSFUL!*

Every day, we get calls and emails from our sales partners with the kind of feedback that keeps us driven to stay at the top of our game.

IT'S
BIG
AND IT'S
HERE!