



The Green Sheet

The Financial Services Industry Source for Education, Inspiration and Actionable Advice

June 23, 2003
Issue 03:06:02

Inside This Issue:

News

Industry Update	6
Retailers Could Get Settlement Money in Lump Sum; MasterCard's New Interchange Rates Detailed	38
Leasecomm Settles with FTC, Cancels \$24 Million in Customer Debt	40
NPC Acquires Bridgeview Payment Solutions.....	72

Views

Understanding Checks By Patti Murphy	14
GS Advisory Board: Gift Cards, Cold Calls and Quotas - Oh My!	18
Knowledge is Power By Bob Carr	30

Education

Street Smarts By Ed Freedman	52
Merchant Education Can Reduce Chargeback Risk By David H. Press	60
Legal Ease By Adam Atlas.....	66
Beyond Bankcard By Lin Fellerman.....	68

New Products

All-in-One Electronic Check Conversion and Card Processing Device	75
Process Fleet Cards and More on One Terminal.....	76

Inspiration

Say Yes to Less Stress - Live a Little!	79
--	----

Departments

Forum	5
Datebook.....	80
Resource Guide	82
Index to Advertisers	86



Food Marketing Institute Opens MLS Opportunities by the Shopping Bag Full

What's in your portfolio? Where do you go to sell the products and services you represent? Who are your customers? Do you understand the various ways all those different merchants do business? Do you know how those businesses run? No business in any industry operates solely on its own.

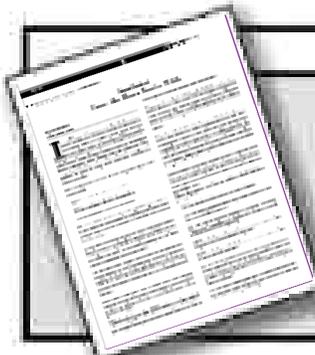
The concept of doing business depends on relationships of supply and demand, of providing products and solutions that fill needs. Customers depend on merchants and vendors to supply goods and services who in turn are customers themselves of other vendors, and so on.

See FMI on Page 47

Notable Quote:

If you feel inclined to maximize the value creation of your hard-earned portfolio (check and card), and who doesn't, then take the time to do business with those firms that don't take the easy way out by pulling the trigger to raise rates as if it is a foregone conclusion.

See "Beyond Bankcard," New Feature on Page 68



Payment is secure where you find the Thales Point

Wherever you find the Thales point, you find proven expertise in payment transaction solutions and services. From our reliable, easy-to-use Talento line to our high-performance Artema Mobile and Portable terminals, Thales is raising the bar to ensure secure payments for the World's merchants.

THALES



Self-Service Payment

Thales makes encrypted PIN pads and secure card readers used in ATMs and vending machines. Thales offers a whole range of payment handling solutions to manufacturers of self service equipment.

Mobile Payment

Thales mobile terminals guarantee fast, secure payment transactions anywhere. Primarily developed to enable delivery services, taxis street vendors, and limousines, the unit is also great for up scale retail points-of-sale.

Multilane

In some countries, Thales offers integrated solutions designed for multilane environments such as grocery stores. With their unique architecture, these solutions can be adapted to any company's existing point-of-sale data system.

Desktop Payment

Thales builds terminals using the latest and most reliable technology to make point-of-sale transactions easier, faster, and more secure. Talento is the terminal of choice for many, while Artema Desk is designed for the most demanding retail points-of-sale.

Portable Payment

Thales guarantees fast, secure payment transactions where short range mobility is helpful. Restaurants, for example, benefit from the service advantages, convenience, and economics of debit by handling payments right at the table with Thales Artema portable solutions.



- » Neal Anderson-NGA Enterprises
- » John Arato-Golden Eagle Leasing
- » Penny L. Baker-National Bankcard Systems
- » Clinton Baller-PayNet Merchant Services
- » John Beebe-Global eTelecom
- » Stacy Bell-Advanced Payment Tech
- » Audrey Blackmon-POS Portal
- » Robert Carr-Heartland Payment Systems
- » Steve Christianson-TransPay Processing
- » Rob Connelly-VeriFone
- » Wayne Damron-Lynk Systems
- » Steve Eazell-Secure Payment Systems
- » Mike English-Ingenco
- » W. Ross Federgreen-CSRSI
- » Ed Freedman-Total Merchant Services
- » Patrick Gaines-LML Payment Systems
- » Marc Gardner-North American Bancard
- » Alan Gitles-Landmark Merchant Solutions
- » Russ Goebel-Retriever
- » Tom Haleas-Bridgeview Payment Solutions
- » Larry Henry-L. Henry Enterprises
- » Ginger Hollowell-Electronic Money
- » Jared Isaacman-United Bank Card
- » Robert Joyce-Alliance Payment Systems
- » Allen Kopelman-Nationwide Payment Systems
- » Lee Ladd-LADCO Leasing
- » Vaden Landers-iPayment
- » Gary LaTulippe-Schmooze
- » Mitch Lau-Money Tree Services
- » Dan Lewis-ABANCO International
- » Douglas Mack-Card Payment Systems
- » James Marchese-IRN Payment Systems
- » Paul Martaus-Martaus & Assoc.
- » David McMackin-AmericaOne Payment Systems
- » Doug McNary-First Data Merchant Services
- » Patti Murphy-The Takoma Group
- » Steve Norell-US Merchant Services
- » Anthony Ogden-Bankcard Law.com
- » Christopher O'Hara-Profitscentric
- » Paul Oswald-NOVA Information Systems
- » Bill Pittman-RichSolutions
- » David Press-Integrity Bankcard Consultants
- » Brian Rogers-PurchasingPower
- » Stuart Rosenbaum-U.S. Merchant Systems
- » Charles Salyer-GlobalTech Leasing
- » Dave Siembieda-CrossCheck
- » Matthew Swinnerton-Merchant Services Direct
- » C. Lydell Taylor-Business Payment Systems
- » Scott Wagner-Hypercom
- » Dan D. Wolfe-Barons Financial Group



The Green Sheet

The Financial Services Industry, Consumer Education, Technology and Alternative Assets

INDEX TO ADVERTISERS HAS MOVED TO END OF RESOURCE GUIDE, PAGE 86 IN THIS ISSUE

Editor in Chief:

Paul H. Greenpaul@greensheet.com

General Manager:

Julie O’Ryan-Dempseyjulie@greensheet.com

Managing Editor:

Rick Vacekrick@greensheet.com

Assistant Managing Editor:

Kate Gillespiekate@greensheet.com

Contributing Editor:

Patti Murphypatti@greensheet.com

Staff Writers:

Juliette Campeaujuliec@greensheet.com

Karen Conversekaren@greensheet.com

Contributing Writers:

Adam Atlasatlas@adamatlas.com

Steve Eazellseazell@securepaymentsystems.com

Lin Fellermanlfellerman@securepaymentsystems.com

Ed Freedmaned@totalmerchantservices.com

Michelle Graff.....Michelle_graff@verifone.com

Jared Isaacmanjared@unitedbankcard.com

Eli Kimelselikimels@hotmail.com

David Pressdhp@integritybankcard.net

Eric Thomsonetporsfc@attbi.com

Layout/Graphics/Illustration:

Troy Vera.....troy@greensheet.com

Sales Supervisor:

Danielle Thorpedanielle@greensheet.com

Production:

Hudson Printing Company

Correspondence:

The Green Sheet, Inc.

800-757-4441 • Fax: 707-586-4747

6145 State Farm Drive, Rohnert Park, CA 94928

Send Press Releases to:press@greensheet.com

Send your Questions,

Comments and Feedback togreensheet@greensheet.com

The Green Sheet is FREE to MLS / ISO / MSP Sales Professionals.* If you are not an MLS/ISO/MSP as defined below, an annual subscription fee of \$125 includes 24 issues of The Green Sheet and 4 issues of GSQ. To subscribe, visit www.greensheet.com

* Any Sales Professional who sells financial services to the retail merchant marketplace.

Any questions regarding information contained in The Green Sheet should be directed to the Editor in Chief at paul@greensheet.com. The Green Sheet is a semi-monthly publication. Editorial opinions and recommendations are solely those of the Editor in Chief. In publishing The Green Sheet, neither the authors nor the publisher are engaged in rendering legal, accounting, or other professional services. If legal advice or other expert assistance is required, the services of a competent professional should be sought. The Resource Guide is paid classified advertising. The Green Sheet is not responsible for, and does not recommend or endorse any product or service. Advertisers and advertising agencies agree to indemnify and hold the publisher harmless from any claims, damage, or expense resulting from printing or publishing of any advertisement.

Copyright © The Green Sheet, Inc., 2003. All rights reserved.



YOU'RE IN OUR GAME PLAN,



PUT US IN YOURS...

Because all these people will also be readers.

Acquiring Marketplace • Check Guarantee/Verification
Special Report

Call Danielle Thorpe
707-586-4737

or toll free

800-757-4441

or e-mail her at

danielle@greensheet.com

*Advertising reservation GSQ v6n4,
December 2003 is now under way.*



FORUM ◀◀◀◀
PROUDLY SPONSORED BY
ingonico

Does this seem accurate? I still see these terminals for sale all over the industry. Thanks.

John Hajewski
Account Representative
Cardservice International

Smart Cards? Don't Be Fooled

I read the cover story in The Green Sheet on smart cards ("Smart Card Graduating from Exception to Acceptance," May 26, 2003, issue 03:05:02), and have to say that it will be a long time, if ever, before smart cards become an integral part of payments in this country.

After experiencing first hand the Visa Cash introduction in Atlanta and serving at Visa in the chip product office, I am more than a bit skeptical that the technology will ever take off in the U.S. bankcard industry.

The magnetic stripe infrastructure and low cost telecommunications will make widespread chip acceptance at the point-of-sale very difficult to achieve.

Since all cards will have to carry a mag stripe until universal chip issuance and acceptance is achieved, why make the investment? In this country, as far as payment systems are concerned, chip cards may be a solution looking for a problem.

Jack Dale
CEO
Entandem Inc.

These Terminals Aren't Finished ... Yet

We seem to be having new policies regarding the Hypercom T7P, the Trans 460, the Trans 420 and the Zon Jr. Apparently, we can no longer accept applications from merchants who are planning to use these terminals because of compliance regulations.

John:

Some of the equipment you mentioned faces compliance limitations. Visa and MasterCard often mandate new compliance regulations. Some equipment (Zon Jr.) is just old technology. Manufacturers are always coming out with new and approved terminals, and any processor would want to offer its merchants the best possible choices.

We have been told that Cardservice International continues to support Hypercom T7P and VeriFone's Trans 460, the Trans 420 and the Zon Jr.

Editor

Revved Up for Full Report

Where can I find a comprehensive review or comparisons of the different terminals – similar to the new car comparisons that you might read in Motor Trend Magazine? Simply viewing the different manufacturers' PDFs doesn't tell the whole story. Thanks.

Gary Spears
ISO/North American Bancard

Gary:

Our GSQ V5N4 is our annual equipment report. You should be able to find what you are looking for in there. This issue may be viewed online at www.greensheet.com/gsq/Secured-/gsq2002.html

Editor



INDUSTRY UPDATE

PROUDLY SPONSORED BY



NEWS

Vital's Network Flatlines for Three Hours

Part of **Vital Processing Services'** authorization system was shut down for 3 1/2 hours on June 3, 2003. According to a statement issued by Vital, the network supporting merchant dial terminals and Internet payments was disrupted, but authorizations from VisaNet Access Point and Vital SARATOGA connections were not impacted. The vast majority of Visa transactions were not interrupted and the VisaNet system was not directly affected, according to Vital.

Vital estimates that about 10% of its total authorization volume was affected, based on normal expectations for the first Tuesday of the month for dial and Internet authorizations. A source close to Vital said it was a previously undetected flaw in Vital Processing's core system that caused the failure across the main and all redundant systems and sites following a routine daily process. The software's design flaw did not become apparent until the June 3 failure occurred. It took several hours before the problem was identified, diagnosed and resolved, the source said.

In its statement, Vital said its acquiring clients were notified of the interruption in authorizations as soon as it occurred. The company continued to update its clients

through e-mails and phone calls. Vital's Merchant Help Desk notified merchants of the situation and advised them accordingly. This is the first disruption of Vital's dial authorization network in 10 years, according to the company. Vital said it is taking corrective measures to prevent a repeat of the event.

Concord Acquisition Review Extended

U.S. antitrust regulators will extend their investigation into **First Data Corp.'**s acquisition of rival **Concord EFS, Inc.** The U.S. Department of Justice and 10 state attorneys general, including New York's and California's, are closely reviewing the terms of the deal and have asked for more information from the companies. The combination of FDC and Concord, including FDC's NYCE ATM network and Concord's STAR, MAC and Cash Station networks, would give it control over about 70% of PIN-based debit card transactions. First Data has argued that the merger would allow it to better compete with Visa and MasterCard's signature-based debit card networks (First Data has only a quarter of signature-based debit market share). Analysts have speculated that FDC will have to purge its NYCE network in order for the deal to go through.

Computer Worm Targets Banks

The U.S. government issued a warning to banks regarding a **computer virus called BugBear.B** whose goal is to steal corporate passwords from the computers of



- **U.S. retailers** reported only modest gains in same-store sales in May 2003, citing poor weather in the Northeast and a weak job market overall (the unemployment rate rose to 6.1% in May). The Goldman Sachs composite index of same-store sales rose 1.5% in May, compared with a 2.4% gain in April.
- **Mexico's retail sales** rose 3.2% in March 2003, fueled largely by consumer spending, reported the government's statistics institute.
- **Best Buy Co. Inc.** plans to open 24 more stores spread throughout 17 states by March 2004, with stores in new cities Twin Falls, Idaho; Rapid City, S.D.; and Charlottesville, Va. Best Buy currently has 550 stores in 48 states.
- **Sears, Roebuck and Co.** is looking to sell its National Tire & Battery and Orchard Supply Hardware chains. Sears plans to use the money from the sale to build freestanding stores called Sears Grand, which will compete with faster-growing rivals Wal-Mart Stores, Kohl's Corp. and Target Corp.
- **Department stores** are thinking small to accommodate how time-pressed and cash-strapped adults shop, Reuters reported. For instance, in addition to Sears, Roebuck and Co.'s plans to open Sears Grand stores, May Department Stores Co. is opening some smaller stores in strip malls. Developers now build fewer malls and, by contrast, build more shopping centers of less than 100,000 square feet.

We Don't Just Care About Profits.

WE CARE ABOUT YOUR HEALTH.

ANNOUNCING ISO INSURANCE BENEFITS FROM NAB.

- ✓ **Medical Insurance**
- ✓ **Dental Insurance**
- ✓ **Vision Insurance**
- ✓ **Life Insurance**
- ✓ **Long Term Care Insurance**

At North American Bancard we listen to our ISO's and we work hard to provide every possible benefit to ensure their success.

That's why when you become part of the NAB family - we offer you the opportunity to receive comprehensive healthcare for you and your family.

It's time to get what you deserve. Comprehensive medical coverage from the processing company that cares, North American Bancard.

**GET A \$3000*
SIGNING BONUS!**

**It's Easy!
30 Deals in
90 Days = \$3000**

North American Bancard is looking for top notch ISO's to join our innovative commission rich program. Sign up today and receive a \$3000 signing bonus.

* Call for details Agent of HSBC Bank USA, Buffalo, NY

NorthAmerican[™]
BANCARD

Call today to find out more **1-800-BANCARD**
EXT.1015 2 2 6 2 2 7 3



employees who work at financial institutions. The worm targets all consumers' computers but is written to look for domain names of at least 1,200 banks around the world, including **J.P. Morgan Chase & Co., American Express Co., Wachovia Corp., Bank of America Corp.** and **Citibank N.A.** If one of these names is found on the computer, the worm steals passwords and other sensitive data and e-mails it out on the Internet. The FBI is investigating the attack, which had spread to tens of thousands of consumer computers the week of June 2, 2003 and to about 164 countries in its first 24 hours.

Visa Hits \$1 Trillion Milestone

Visa said U.S. consumers used Visa-branded payment cards for more than \$1 trillion in transactions during a 12-month period for the first time. One trillion is a hard number to comprehend, so Visa offered some different ways of thinking about it:

- \$1 trillion could buy 162,000 Harley-Davidson motorcycles every day for a year.
- \$1 trillion is greater than the combined volume of all other U.S. payment organizations, including MasterCard, American Express and Discover.
- \$1 trillion means an average of \$32,000 went through Visa's system every second of every day over the 12-

month period ending March 31, 2003.

- \$1 trillion means \$12 of every \$100 that consumers spend in the U.S. is spent using a Visa card.
- \$1 trillion is 10 percent of the 2002 GDP in the U.S.

ANNOUNCEMENTS

BioPay Hits 3 Milestones

BioPay, LLC announced it has surpassed three major milestones with its biometric technology. BioPay has verified more than \$1 billion in financial transactions, processed more than three million financial transactions and enrolled more than 500,000 consumers in its Paycheck Secure and bCheck biometric systems.

Blackstone Adds ERC

Blackstone now offers electronic receipt capture (ERC) hosting services for merchants. With ERC, Blackstone stores digital signatures and receipts captured at the point-of-sale; if there are any issues with the transaction, Blackstone will forward the data electronically to the processor for resolution. Merchants also can access copies of their receipts through Blackstone's Web site.

Ezic Fights Fraud with Visa

Ezic announced it has added Verified by Visa to its fraud protection solution. Verified by Visa is a cardholder authentication process for card-not-present transactions. Merchants who use this service are protected from liability for fraudulent uses of Visa cards.

Wallner Receives Technology Leader Award

Hypercom Corp. awarded founder **George Wallner** its 2003 Payment Industry Luminary award at its Global Partners conference in New Orleans. Wallner founded Hypercom 25 years ago in Australia and relocated the company headquarters to the U.S. in 1989. Many in the industry regard him as a visionary behind the development of many of today's electronic transaction technologies. Previous recipients of the award include Henry C. Duques (2002) and Hatim Tyabji (2001).

Ingenco Terminal Milestone

Ingenco announced it has shipped its 200,000th e^N-Touch 1000 touch screen and signature capture multi-lane terminal to retailers in the U.S. such as Wal-Mart, Home Depot, Toys "R" Us, 7-Eleven, Safeway, Eckerd Drug, SAM's, Orchard Supply, Kmart, Sports Authority, Office Depot, Cingular Wireless, NCR, Kyru and The Wiz. The e^N-Touch 1000 enables merchants to accept credit, debit and electronic benefits payments.

PayPal Wins Webby

eBay's online payment service **PayPal** won a Webby



*Where you,
the customer,
always comes first!*

Competitive Rates

POS terminals

Virtual terminals

Software

Fast approval turn-around



*With friendly service and
on-line applications*

Please visit our website:
A-1Leasing.com

Or call us toll-free:
888-222-0348

Introducing the AmericaOne® Merchant Acquisition Program™

Traditionally, ISOs earn money by collecting their commissions in the form of monthly residual payments. Now, AmericaOne is changing the way you get paid, for the better, with an upfront cash option. Instead of waiting years for what you've earned today, AmericaOne pays you years' worth of your residuals in advance. Receive hundreds and thousands of dollars for each of your merchant contracts – instantly. No cash limitations. No liability. Best of all, with AmericaOne the choice is yours: upfront cash payment or monthly residuals, on a merchant-by-merchant basis. Call 1(888) 502-6374 or email us at iso@americaoneps.com today to learn how you can earn instant cash, right now.

**WHY WAIT YEARS TO RECEIVE
ALL YOUR RESIDUAL PAYMENTS...**

**WHEN YOU CAN HAVE IT ALL TODAY-
PAID YEARS IN ADVANCE?**

AmericaOne
PAYMENT SYSTEMS

(888) 502-6374 • email: iso@americaoneps.com • www.americaoneps.com



award in the Finance category for its Web site. The nominees for the Finance category included ClearStation, E-LOAN, Quicken.com and Yahoo! Finance.

Oregon DMVs to get ATMs

Portland, Ore.-based **Peregrin Technologies** is installing ATMs at Driver and Motor Vehicle Services (DMV) offices across Oregon so residents can easily access cash to pay for their licenses, vehicle registration and other DMV fees. Peregrin will place NexTran's ComNet 2000 ATMs at 49 DMV offices by the end of June 2003 and also will furnish the ATMs with cash and supply an armored car service.

ISO Name Change

Franklin, Tenn.-based ISO Bancard Solutions changed its name to **Solveras Payment Systems**. The company said the new name better reflects its expanding payment services offerings, which include equipment, software and processing support for MasterCard, Visa, American Express and Discover Card transactions, debit card processing, Internet-based virtual terminal systems, electronic check services and electronic gift cards.

New Web site for Sales Reps

Total Merchant Services unveiled a new Web site, www.upfrontandresiduals.com, to support its "Upfront and Residuals" pay plan. The site provides information on Total Merchant Services' upfront bonus program, residual income pay plan options, free services, underwriting guidelines and documentation requirements, the leasing program and the equipment vendor programs. Sales partners also can register online or submit a request to have someone contact them.

WesPay Pubs on Sale

Selected **Western Payments Alliance (WesPay)** publications are on sale through June 30, 2003, with savings up to 75% off the member discounted price and discounts for nonmembers as well. Choose from more than 25 titles. Some of the titles on sale include:

- 2003 ACH Rules & Guidelines, member price \$33, on sale for \$25
- Uniform Commercial Code Article 4A and the ACH System, member price \$60, on sale for \$45
- Guide to Collecting Lost/Destroyed Checks Through the ACH, member price \$18, on sale for \$5

For more information, contact WesPay at 415-433-1230.

PARTNERSHIPS

Cynergy Data Selects Gateway

Cynergy Data selected **Plug 'n Pay Technologies, Inc.**'s

FraudTrak 2 and **RiskTrak** products to provide Internet gateway services and fraud protection to its customers. **Cynergy Data** offers customers payment services such as credit, debit and EBT card processing; check conversion and guarantee; electronic gift card processing; and equipment leasing and sales.

First Hawaiian Helps Merchants Fight Fraud

First Hawaiian Bank will offer Mentor, Ohio-based **CardinalCommerce Corp.**'s payment authentication software, **Cardinal Centinel**, to its online merchant customers. **First Hawaiian Bank** is a subsidiary of **BancWest Corp.** **Cardinal Centinel** helps reduce fraudulent online transactions and guarantees payment to online merchants.

The software is targeted for acquiring banks, merchant service providers and their merchant customers.

McDonald's Picks eMac's POS Software

McDonald's Corp. selected **eMac Digital** to develop its point-of-sale software system. **McDonald's** previously owned a partial stake in **eMac**, but with the recent purchase of **McDonald's** share of the company by **Accel-KKR**, a private equity firm and **eMac** co-founder, **eMac** is now an independent company.

Keycorp Terminals at Toys "R" Us

Toys "R" Us (Canada) Ltd. has selected **Keycorp Canada Inc.**'s **K23** payment terminals for all of its stores in Canada. **Keycorp** said this is the first use of its terminals in a multilane retail environment and also the first time the terminals will be integrated with existing POS systems at a major retailer. More than 650 of the terminals will be installed at the **Canada Toys "R" Us** locations.

MedCom Picks Global eTelecom

LML Payment Systems Inc. announced that its licensee **Global eTelecom, Inc.** will provide **MedCom USA, Inc.** with integrated check processing services for the health care industry. **MedCom's** health care unit, called **MedCard**, provides services to physicians, clinics and hospitals such as patient eligibility, paperless claims processing, electronic referrals, patient easy pay, credit/debit cards and check guarantee.

Moneris, Devon Bank Continue Alliance

In an extended multiyear renewal agreement, **Moneris Solutions** will continue to provide Chicago-based **Devon Bank's** business customers with credit card processing services. **Moneris** and **Devon Bank** (formerly **Harris Bank Merchant Services**) first partnered in 1982 when **Devon** had only about 30 merchant customers. The bank now has more than 225 merchants.

profit



Go ahead, keep more of it.

Uncertainty in the residual world is all too common. This is why at Cynergy Data you can be certain that your profit is coming to you – and more of it.

With revenue-driven pricing programs and residuals that are guaranteed, Cynergy Data gives profit a whole new meaning. We know it's your portfolio – which is why, through VIMAS, you can view your merchants' transactions, read your residual report at any time and create residual reports for your reps. You can also expand your bottom line with our in-house leasing program, up-front bonuses, aggressive pricing programs and many other added advantages:

- **Interchange Plus Pricing**
- **No Liability**
- **Up to \$1000 Bonus Per Merchant**
- **\$0 Statement Fee Cost**
- **Lifetime Residuals**
- **Online Access to Residual Reports**
- **Run Residual Reports for your Reps**
- **Low Lease Factor Rates**

Put the profit back into your pocket. Call Don Saunders today at 1-800-933-0064 ext. 5940 and learn just how profitable this business can be.

cynergy data
Your Last Acquirer

Credit • Debit • FRT & Gift Card Processing • Check Conversion • E-Commerce • In-House Leasing
www.cynergysdata.com

© 2004 Cynergy Data. All rights reserved. Cynergy Data, Inc. 10000 N. 10th St., Suite 100, Scottsdale, AZ 85258



Mac's Hires Paymentech, eFunds

Paymentech will provide payment-processing services for Columbus, Ind.-based **Mac's Convenience Store's** brands, which include 625 locations of Mac's, Big Foot, Dairy Mart, and Handy Andy locations. The transactions will be processed through VeriFone, Inc.'s Ruby system. Mac's also selected **eFunds Corp.** to be its primary ATM provider. Mac's bought 379 frame-relay ATMs from eFunds to place in its convenience stores so customers can make faster transactions.

Visa Pushes Contactless Payments

Visa International and Netherlands-based **Royal Philips Electronics** have joined forces to develop and promote the use of contactless chip technology for payment transactions around the world. The two organizations plan to explore partnerships with handset and electronic device manufacturers and service providers in areas such as gaming, ticketing, music, mass transit and home shopping.

Two More Sites Use Yaga

InfoSpace's **Authorize.Net** has partnered with **Yaga, Inc.** to combine its credit card processing services with Yaga's digital content services to offer Authorize.Net's

reseller and merchant customers a variety of ways to create new revenue streams from selling digital content. Ziff Davis Media's **PCMag.com** also is using Yaga's Digital Content Payment Solution in its Digital Library. Yaga's software enables PCMag.com users to purchase, access and download content from the site's Digital Library.

ACQUISITIONS

Cardtronics ATM Network at 11,000

Houston, Texas-based **Cardtronics** acquired 1,100 ATM locations and the related merchant contracts from **National Bank Equipment Corp. (NBEC)**, an ISO based in Buffalo, N.Y. Cardtronics said the acquisition expands its ATM network to more than 11,000 locations.

Diebold Acquires QSI Security

In order to expand its security products offering, **Diebold, Inc.** announced plans to acquire Londonderry, N.H.-based **QSI Security, Inc.** QSI specializes in the installation and integration of security equipment such as closed circuit television cameras, digital video and access control systems for financial institutions.

APPOINTMENTS

BAI Appoints PR Manager

Barcode Automation, Inc. (BAI) appointed **Wendy Anderson** Public Relations Manager. Anderson served as Public Relations and Creative Services Coordinator at Planet Hollywood International for the last seven years and has been involved with events benefiting organizations such as The Orlando Ballet, The Fairygodmother Foundation, Make-A-Wish Foundation, Give Kids the World and The Coalition for the Homeless.

PRE Hires Senior VP of Sales

Les Cowie is now Senior Vice President of Sales at **PRE Solutions, Inc.** Cowie has an extensive background selling POS solutions and terminals to large retailers and experience in building "feet-on-the-street" sales forces in acquirer/Independent Sales Organization (ISO) environments. At PRE Solutions, he will further develop and expand the company's sales channels.

Elasri Joins Cynergy Data

Cynergy Data hired **Ruth Elasri** as Vice President of Operations. Elasri has more than 15 years of experience in the bankcard industry. She previously served as Director of Merchant Services for Concord Payment Systems (formerly Card Payment Systems). 

Distributors Wanted



FTI Distributors
make up to

32¢
per transaction

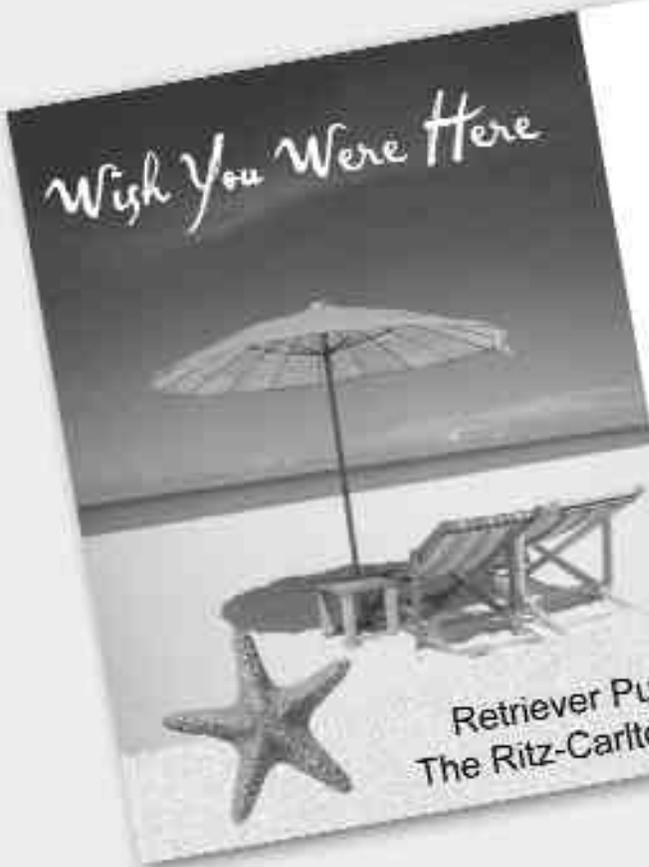
FTI offers the best distributor prices
and the most attractive residual
program available.

- Get the Triton 9100 for only **\$2845** all day everyday.*
- Get same day turnaround on new terminal numbers
- Offer money-making products & services like — check cashing, merchant processing and prepaid cellular/long distance.



866.450.9815 ext 10

* You must become an FTI Distributor to be eligible for this price.



The Ritz-Carlton, Cancun
Retorno del Rey #36
Zona Hotelera
Cancun, Quintana Roo 77500



Retriever Putting On The Ritz
The Ritz-Carlton • Cancun, Mexico

Approaching 2 million in on-time residuals a month
Being backed by over 100 years of combined sales leadership
Trip to The Ritz Carlton • Cancun for being in the top sales groups



For more info call
800-376-3399
or visit
www.retrieveronline.com



Insider's Report on Payments Understanding Checks

By Patti Murphy

The Federal Reserve is preparing a new study into the scope of check writing in the United States. The study, a follow-up to the landmark research the Fed undertook in 2001, will take the pulse of the payments system next spring. Rich Oliver, retail payments wonk for the Federal Reserve Bank System, says the 2004 study together with the 2001 study will establish "data points" from which the Fed can better track ongoing trends in payments.

It seems like a good idea. The Fed's 2001 undertaking was the first such research in 22 years, and, not surprisingly, it suggested check writing was on the wane. Some folks (no doubt with the help of a few good PR professionals) have been spinning the data to suggest checks are out of vogue. It's been enough to scare some check writers, especially chronic check writers like my friend Cinda.

Cinda is an aging baby boomer who has a bit of difficulty acclimating to new technologies. Cinda says she's much more comfortable paying with checks than with debit cards. But she got nervous when she saw a recent news report that suggested that checks are a dying payment method. "I thought to myself, 'Damn, am I the only person left writing checks?'" Cinda recounted.

Of course she isn't!

Next to cash, checks are the most popular method of payment in America. According to the Fed's data, consumers wrote an estimated 12 billion checks at the point-of-sale last year. Even if check usage declines by 3-4% a year (which most experts agree is the case), there will be billions and billions of checks written each year at the point-of-sale and elsewhere into the foreseeable future.

So what do you – the acquirer, the processor, ISOs and Merchant Level Salespersons – need to know about checks? Read on.

Question: Just how popular are checks?

Answer: Checks represent 60% of non-cash payments in America. In raw numbers, there were roughly 43 billion checks written in 2001 representing \$39.3 trillion in payments. Consumers write the most checks (51%) by sheer numbers, but businesses write (62%) and receive (56%) the most checks by value, according to the Federal Reserve. A little more than one-third of all checks (33.9%) are written by consumers to businesses.

Between 20% and 30% of all checks are written at the point-of-sale.

Q: Which financial institutions offer checking accounts?

A: Federally insured banks are the only institutions that actually offer "checking accounts." Other financial services firms (such as credit unions and mutual funds) offer deposit accounts that support financial instruments that look and act like checks. Also, some credit card issuers offer "courtesy checks," which cardholders can use to draw funds against pre-determined lines of credit. These alternatives look and function just like checks, although some may take longer to clear and some may be more difficult to authorize.

Q: What is the MICR line?

A: MICR stands for magnetic ink character recognition. The MICR line is printed at the bottom of a check using special machine-readable ink. It details information about the bank and the account on which a check is drawn and helps automate the collection of checks between banks.

Q: What are the laws and regulations governing check payments?

A: The primary laws governing checks are contained in the Federal Reserve Act of 1913, which created a national check collection infrastructure and related rules; the Uniform Commercial Code, which establishes a uniform set of state laws governing commercial transactions; and the Expedited Funds Availability Act of 1987, which, among other things, set limits on the length of time banks can withhold access to funds represented by check deposits. Legislation currently pending in Congress – the Check 21 Act – could add another law that effectively sets a legal framework for truncated checks.

Q: What is check truncation?

A: Truncation stops the flow of the paper through the check collection system, replacing paper processes with technologies that support electronic exchanges of check information. A check can be truncated at the bank where it is initially deposited or elsewhere throughout the collection cycle.

Q: What is electronic check conversion and how does it differ from check truncation?

A: Electronic check conversion is a variation on truncation in which payment data captured from a check (at

Money Tree Rewards Program

As the long-time leader in merchant services, we know the secret to success is giving credit where credit is deserved. That's why we always offer excellent award programs for our Partners. And now, our rewards are better than ever.

Production Money Reward

Get a \$100 production reward for every retail account you open. This is not a "signing bonus." There are no limits to your production money rewards.

Plus:

- Reprogram Reward Program – Earn up to \$250 per account
- New Revenue Sharing Program – Share in all revenue
- Two Buy Rate Programs

With Money Tree Merchant Services you'll be able to offer your prospects:

Free:

- FREE** - conversion assistance and/or merchant training.
- FREE** - pin pad encryption and swap out.
- FREE** - deployment of terminal equipment.
- FREE** - Authorize.net or plug-n-pay software.
- FREE** - online service so your merchants can view their processing activity and statements online.
- FREE** - online status & online commission reporting system.

And the added benefits of:

- A Guaranteed Fax Leasing Program
- Fax Merchant Applications accepted
- American Express activation fee and residuals

Visit us at www.moneytreerewards.com to view our entire program.

You can also call Partner Services at

800-582-2502 ext. 2

HSBC Bank USA



www.moneytreerewards.com





the point-of-sale or a remittance processing center, for example) is converted to an automated clearinghouse (ACH) transaction. The original (paper) check is either destroyed (in the case of remittances) or returned to the check writer (in POS check conversion).

The payment becomes an electronic transaction governed by ACH rules and Federal Reserve Regulation E, and the paper check is no longer negotiable. (A signed receipt, obtained along with the returned check, serves as the customer's authorization to convert the check in the POS scenario.) The advantages to merchants of electronic check conversion include reduced handling costs, better availability and improved collections.

Q: How does check imaging work?

A: Check imaging supports paperless check exchange. Checks can be converted to digitized images at various points along the collection stream, eliminating the need for paper hand-offs in support of clearing and settlement. Imaging was introduced in banking nearly 20 years ago and slowly has gained momentum as a work-process improvement tool.

Technology improvements over the last several years, however, have made it possible for retailers to image

checks using small POS peripherals in support of POS check conversion, debt collection and marketing.

Q: What is the relative cost of checks versus other forms of payment?

A: The average cost of collecting a check – to banks, payees and processors, combined – ranges from \$2.78 to \$3.09, according to the Federal Reserve. This compares to a cost of between \$1.15 and \$1.47 to collect a check converted to an electronic ACH transaction. Global Concepts, Inc., a payments consulting firm, estimates that it costs a merchant (on average) \$0.22 to accept a cash payment versus \$0.45 for a check, \$1.07 for a credit card payment and \$0.29-\$0.80 for a debit card payment.

Q: How serious a problem is check fraud?

A: Commercial banks alone lost nearly \$700 billion to check fraud in 2001, according to the American Bankers Association. The National Retail Federation estimates that retailers amass nearly \$6 billion a year in bad check losses. Throughout the U.S. economy, check fraud is believed to be a \$10 billion a year problem.

Q: What is check verification?

A: Check verification is a merchant's number one defense against rubber checks. It has been estimated that nearly a half-million merchants today use verification services to support check acceptance. Check verification services allow merchants to access negative or positive databases to determine if a consumer has a history of bad check writing or has outstanding bad checks (in the case of negative databases) and/or is writing a check against an active checking account in good standing (in the case of positive databases). Some check verification companies provide value-added services, scoring the relative risk of a merchant's acceptance of individual check payments in accordance with pre-established parameters in support of an authorization decision. Many large retail chains perform check scoring and authorization in house.

Q: What is check guarantee?

A: Check guarantee takes check fraud defenses a step further than verification. Check guarantee is especially useful for high-ticket transactions or when a transaction triggers some other high-risk warning. Merchants pay an upfront fee (typically, less than 1% of the face amount of the check), and the service provider agrees to reimburse the retailer for any check it authorizes for guarantee that is returned by the paying bank for insufficient funds or other reasons. 

Patti Murphy is Contributing Editor of The Green Sheet and President of Takoma Group. She can be reached at patti@greensheet.com

**BARCLAY SQUARE
LEASING, INC.**

Dedicated to Outstanding Customer Service

We make leasing easy!

Providing:

- Incentives for New Vendors
- Personalized Service
- Competitive Rates
- Fast Turnaround

MICRO TICKET FINANCING FOR
VENDORS OF ALL SIZES

Barclay Square is your leasing solution!

Call Us Toll Free:

1 · 8 6 6 · 3 9 6 · 2 7 5 4



Isn't it time you felt good about your POS supplier?

Over the past year, The Phoenix Group has accomplished something quite rare in today's POS industry: we've made our customers feel good about their decision to partner with us. We have consistently kept a **large inventory** of the products and supplies they want, and we have reliably **deployed and shipped** their orders **on-time**, every time. But incredibly, thanks to our **lower overhead**, we've done it all while offering **better pricing** across the board. So if you're looking for a POS supplier **dedicated to superior service** and the growth of your business, call The Phoenix Group today. And feel better tomorrow.



79 Hubble Drive, Suite 102 • St. Charles, MO 63304
Call Scott Rutledge today at 866-559-7627 • Fax 636-329-1710
Or e-mail us for more information: scott@phoenixgrouppos.com or chris@phoenixgrouppos.com



Gift Cards, Cold Calls and Quotas – Oh My!

At the recent ETA meeting and through the MLS Forum, we have had the opportunity to talk with numerous sales professionals in the last several months. Almost everyone we spoke with had a question or two for us to pose to the GS Advisory Board. This is a sample of those questions and the responses we received from the Advisory Board members.

Questions:

- 1. Are you selling gift cards and/or loyalty cards? What type of presentation or information works for you to position these products?**
- 2. How do you recommend the MLS generate leads for cold calls?**
- 3. How many cold calls per day/week do you expect of your sales team in order to be successful?**
- 4. Do you set quotas for the independent MLS channel? Are these goals set per individual or region?**



If you have something on your mind, please let us know by e-mailing paul@greensheet.com with your question.

Respondents

- Neal Anderson, NGA Enterprises
- Steve Christianson, TransPay Processing
- Wayne Damron, Lynk Systems, Inc.
- Ross Federgreen, CSRSI
- Jared Isaacman, United Bank Card
- Douglas Mack, Card Payment Systems
- Allen Kopelman, Nationwide Payment Systems
- Steve Norell, US Merchant Services
- Dave Siembieda, CrossCheck
- Scott Wagner, Hypercom

Gift and Loyalty Cards

Many of our readers have asked if they should consider the new card-based loyalty programs, what benefit there is and how to position the products. Our Advisory Board responded that this is a growing market that recently has caught on with the merchants in a big way.

Consumers have embraced the stored-value gift card product as an excellent substitute for mailing checks or cash. Employers have found gift cards to be a no-hassle, low-cost form of incentive. Merchants have embraced the computerized gift certificate accounting system, which simplifies the extensive tax liability inherent with prepaid certificates.

Gift cards and loyalty programs are obviously most easily sold as value-added to existing clients. These programs give the MLS a terrific reason to make return calls and strengthen existing relationships. Here's what our AB members said:

Neal Anderson

NGA Enterprises

"I am very excited about gift cards/loyalty cards. The best area I have seen using this approach is for employee incentives. These cards are a great way to 'spiff' some-

one for a job well done. The stored-value type of cards is the best.

These can be used over and over again by simply recharging the card with an amount. This is also a great payroll product, especially for the many workers in the U.S. who refuse to use traditional bank accounts."

Steve Christianson

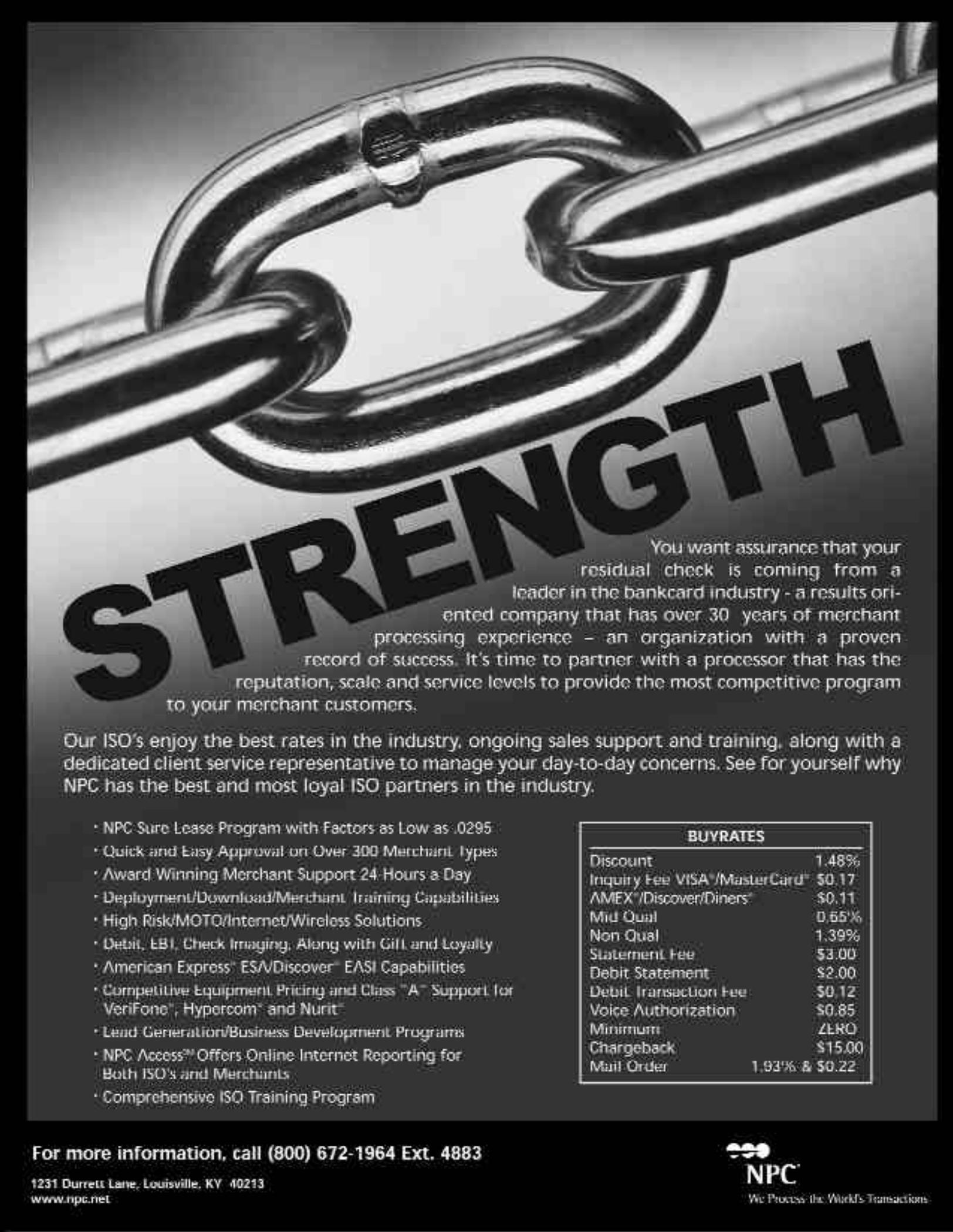
TransPay Processing

"While we do let the merchants know we have these services available, most of our signings are the result of [the] competition coming in and pitching the merchant on gift cards. Then the merchant calls us and we put our product in."

Wayne Damron

Lynk Systems, Inc.

"We aggressively sell gift/loyalty products. Our solutions in this area are fully integrated into our terminal platforms, and most include swipe activation. We have developed these stored-value products internally and our reporting is in-depth, online and exportable into Excel. Our loyalty application supports two programs running concurrently. Our target markets are spas, salons, restaurants and specialty retail.



STRENGTH

You want assurance that your residual check is coming from a leader in the bankcard industry - a results oriented company that has over 30 years of merchant processing experience - an organization with a proven record of success. It's time to partner with a processor that has the reputation, scale and service levels to provide the most competitive program to your merchant customers.

Our ISO's enjoy the best rates in the industry, ongoing sales support and training, along with a dedicated client service representative to manage your day-to-day concerns. See for yourself why NPC has the best and most loyal ISO partners in the industry.

- NPC Sure Lease Program with Factors as Low as .0295
- Quick and Easy Approval on Over 300 Merchant Types
- Award Winning Merchant Support 24 Hours a Day
- Deployment/Download/Merchant Training Capabilities
- High Risk/MOTO/Internet/Wireless Solutions
- Detail, EBI, Check Imaging, Along with Gift and Loyalty
- American Express® ES/Discover® EASI Capabilities
- Competitive Equipment Pricing and Class "A" Support for VeriFone®, Hypercom® and Nurit®
- Lead Generation/Business Development Programs
- NPC AccessSM Offers Online Internet Reporting for Both ISO's and Merchants
- Comprehensive ISO Training Program

BUYRATES

Discount	1.48%
Inquiry Fee VISA®/MasterCard®	\$0.17
AMEX®/Discover®/Diners®	\$0.11
Mid Qual	0.65%
Non Qual	1.39%
Statement Fee	\$3.00
Debit Statement	\$2.00
Debit Transaction Fee	\$0.12
Voice Authorization	\$0.85
Minimum	ZERO
Chargeback	\$15.00
Mail Order	1.93% & \$0.22

For more information, call (800) 672-1964 Ext. 4883

1231 Durrett Lane, Louisville, KY 40213
www.npc.net



We Process the World's Transactions



- "We position this in many ways:
- (1) most profitable sale for merchant in that cash goes into the register but no merchandise goes out the door,
 - (2) full value is rarely used,
 - (3) can be used for returns in lieu of giving back cash,
 - (4) excellent advertising for store,
 - (5) gives appearance of having same options mass retailers have,
 - (6) can be used as giveaways or donations to charitable events and therefore brings additional consumers into the merchant's location,
 - (7) much less susceptible to employee fraud and theft versus paper certificates, and
 - (8) much easier to account for versus paper."

Ross Federgreen

CSRSI

"Loyalty cards/stored-value programs are becoming more common and more competitive."

Jared Isaacman

United Bank Card

"Around three years ago the idea of a gift and loyalty

card program really sparked the interest of our ISO and agent sales channels. This prompted us to take on the program in partnership with Valutec. Although we had the products and began the offering, the program really didn't take off until the beginning of 2003.

"At this point the spark of interest has turned into a sales momentum. We have seen more gift card packages sold this year [2003] so far than we have in total the last three years running. I think the credit for this is partially the result of gift card providers developing standard card programs priced more economically for the smaller retailers and restaurants.

"Gift cards have a wealth of advantages for both merchants and the ISOs who support them. The biggest and by far most noticeable advantage is the lower attrition rate. Once merchants are happy with a merchant account, gift cards and checks, the less likely they are to be converted to a competing provider."

Allen Kopelman

Nationwide Payment Systems

"We are selling Valutec. I think they have a great product, and it has marketing materials for the merchant. It is not for everyone; they just came out with the launch-box product, and I think that it will have more success. We offer the gift cards in a package with a terminal with a cash price and lease pricing."

Douglas Mack

Card Payment Systems

"Yes, we do sell gift and loyalty products and services. We all know it is less expensive to retain existing customers rather than try to acquire new ones. Therefore, we feel the key to successfully selling the program is to establish a value to their [existing] customers and demonstrating how rewarding their [the merchant's] client for loyalty is advantageous. It is also important to be creative and show where and how they [the merchant] could use gift/loyalty as a marketing tool."

Steve Norell

US Merchant Services

"Yes, we are selling gift cards. We attempt to sell this to two types of merchants: the one looking for something different even though the volume would not be that great, and the recurring/high-volume-customer type merchant such as a coffee shop or fast food [establishment]."

Dave Siembieda

CrossCheck

"We don't compete with our ISOs; our business focus is checks. We have found that many of the successful offices we partner with are selling gift cards as part of their merchant offerings and have positioned them as an additional source of revenue for their clients.

We'll strike a line in the sand!
 We haven't changed our Gift Card program
 We give your company consistency
"100% Over Buy Rate" Program

- ◆ Low card minimums - Custom cards .39
- ◆ Low transaction fees - 100% over for reps
- ◆ Statement & database income
- ◆ Our national accounts such as: LCrow, Brooker Brothers and Ruths Chris Steak House give you credibility

We Offer The Best ISO Giftcard Program

NEW HYPERCOM T7P PLUS!

- 400 CUSTOM 4/1 CARDS
- 400 CARD CARRIERS (3 styles, customized)
- CUSTOM POSTERS, TABLE TENTS & BUTTONS TO ENSURE SUCCESS

\$495
 Buys an ISO
 4-Color Encoded
 Numt 2085

400 (1,0030mil) Customized Gift/Loyalty Cards
 4-Color & Encoded

Works on all
 Nurit 2085, Hypercom T7 Series,
 Verifone & Micros Retail Systems

Contact Mark Block at 718.548.4630 ext. 12
 or visit our web site www.pospayment.com

POS PAYMENT SYSTEMS
 Join our Team!



Jumping Back into the Game?

Make CrossCheck Part of Your Line-up.

Whether you're a seasoned payments professional coming back into the field or a new rookie with hopes of scoring big...we can be an important part of your future success.

Sell our check guarantee programs along with your card services and the advantages are many. Lifetime residuals, flexible pricing, easy account sign-ups, private label programs with equity sharing, and partnership possibilities are just a few of the opportunities CrossCheck ISOs experience.

Check guarantee, Internet checks, check conversion, and phone/fax checks are all part of our line-up. Call us today to make these profitable services part of yours.



800-654-2365
partners@cross-check.com
www.cross-check.com

PAYING LIFETIME RESIDUALS FOR OVER 19 YEARS



"It's important to keep your eyes open and find leads in places your competitor might miss. Check the local business journals and see who's being promoted or what business is moving into your area.

"Don't overlook organizations you belong to that are outside your business realm because being active in the community can translate into strong relationships that can turn into referrals.

"Partnerships with others you do business with can generate leads as your business grows, as well. Having an alliance between you and a complementary provider will mean opportunities to bring leads to each other."

Scott Wagner

Hypercom

"My [Hypercom] terminals support a wide variety of gift cards and gift card applications. I have seen this space become increasingly popular, and the MLS is asking for terminals with this functionality more and more."

Cold Calls and Quotas

According to GS Advisory Board members, "cold calling" between appointments remains the most successful lead-generating approach. Wearing out a pair of shoes regularly is the determining factor for the independent salesperson. Sales quotas, however, are another story. The verdict is mixed on whether these work and/or are an appropriate incentive for the MLS. Everyone did agree that sales goals and a plan of attack are required for a successful sales career. Here are some ideas on building a successful merchant base from many who have proven success:

Neal Anderson

NGA Enterprises

"Cold-call leads are always the most challenging. My approach is to target a specific industry or market and focus the activities on similar companies. That way, when you have a success, you can leverage that success with the next call.

[For] example: 'Ms. ABC at XYZ Company recently invited me to make a presentation. I thought that perhaps you would have a similar need and interests.' Use voicemail to your advantage. Leave a message that will raise the curiosity of your prospect, especially if his competitor down the street is meeting with you.

PAID ADVERTISEMENT

■ Want your customers to feel confident about e-commerce? Give them a sign.



VeriSign is known as a leading name for trust and security on the Internet. Bring the quality and experience of VeriSign's leading Online Payment Gateway and Security Services to your business by becoming a VeriSign® Referral Partner. As a VeriSign partner, you can expand your product portfolio, build customer loyalty, and enhance your bottom line—without taking on the additional cost of supporting your merchants. Learn more today about this rewarding program by sending an e-mail to channel-partners@verisign.com or calling us at 850-426-5106.

■ WEB PRESENCE SERVICES ■ TELECOMMUNICATION SERVICES ■ SECURITY SERVICES ■ PAYMENT SERVICES ■



© 2004 VeriSign, Inc. All rights reserved. VeriSign, VeriSign logo, VeriSign Secure Site, and VeriSign All e-commerce are trademarks of VeriSign, Inc. All other trademarks are the property of their respective owners.



**HOW
MUCH
WILL
YOU
RACK
UP
THIS
YEAR?**

Sign On. Cash In. Make More.

- 8.5 cents transaction fee
- One hour merchant numbers
- Faxed applications
(No pictures or originals required)
- Online applications
- Multiple residual streams
- Online residual reports
- Aggressive lease program - No first or last



Merchant Services, Inc.

Become an MSI PowerAgent Today!

Call 1-800-CARDSWIPE x7936 or visit www.gotomsi.com



"I expect 100 [telemarketing cold calls] a day. With this volume, we hope to find two leads per day. On the street, we use cold calls as fillers between appointments. The team hopes to not have to cold call when traveling. This is because we want them fully tasked during the time in the field.

"We do not set quotas for sales agents."

Steve Christianson

TransPay Processing

"'Feet on the street' means just that: cold calling! Some will use new business licenses and dba listings in local papers [to find leads]. Other than that, most of our new business comes from referrals.

"The individual rep should cold call before and after appointments in the area he/she is in at that time. Straight cold calling should generate enough followup opportunities to keep them [the MLS] busy. Twenty to 50 cold calls per week will set the base for the successful rep to make a real healthy income within two years. Cold-call phone solicitation also works, but it does not

develop the personal side of the merchant relationship.

"No [quotas]. Our reps are true independent contractors. We only suggest and guide them in what they need to do to make a good living. Some do, some don't, so what, next! We like the truly independent type of person who knows sales and what it takes. We spend our time in sales management training reps in the products and services we sell."

Wayne Damron

Lynk Systems

"Generating leads for cold calls is almost an oxymoron in that true 'cold calls' are walking in cold, with no lead. [Cold calls are] most effective when done in a canvassing approach where you hit every merchant in a given area. There are many resource guides such as the yellow pages that many salespeople use to do niche calling.

"For instance, for the next two weeks I am only going to call on spas and salons and I am going to refine my presentation to specific needs of that segment. In other words, I am going to learn their business inside and out and know what to lead with and how to leverage satisfied merchants I have previously sold within this niche.

"In the beginning we expect 40 cold calls per day. As the salesperson gains product knowledge, confidence and, most important, a customer base, referrals can replace a percentage of cold calls. Our top people never quit cold calling altogether and consider it an instrumental part in keeping their pipeline full. If you refuse to cold call, then you need to be in another profession. We all should start out as hunters, and hunting should always be a part of our sales strategy.

"We set quotas for all salespeople as well as all sales management. Our expectation is that this is their primary vocation and if minimum performance levels are not maintained we actually will [automatically terminate the salesperson]. Now, we are different than most in that our salespeople are all W-2 employees and are eligible for all corporate benefits, including insurance and 401(k)."

Jared Isaacman

United Bank Card

"There are plenty of success stories I have seen for MLS/ISOs to generate leads. I think a combination of telemarketing, mailers and walking the street will generate a certain amount of deals by just the rule of averages alone. Once MSL/ISOs start generating their first couple of deals and getting down and dirty in the business, they will naturally start to refine their marketing and sales techniques to achieve a higher closing rate and an overall greater amount of success.

"We don't have any quotas for our ISO and agent sales channels. They each set their own standards and mini-

MIST Innovation

FASTER THAN CASH™
Transactions in 2 to 4 seconds.

RUGGED AND DURABLE™
Wireless Transactions Anywhere.

VALUE FOR YOUR MONEY™
Credit, Debit, Smart Card, Intran, Economical Package.

TERMINALS: FREEDOM III, FREEDOM II, FREEDOMLITE

TECHNOLOGIES: TCP/IP, GSM, Smart Card, Intran

At MIST, we don't just build state-of-the-art ATMS terminals, we integrate telecommunications with the latest in communication and cost-saving technology for your merchants.

WWW.MISTWIRELESS.COM EMAIL: INFO@MISTWIRELESS.COM
CALL US TOLL FREE: 1-866-955-MIST(6478)

**MERCHANT OWNERSHIP
AVAILABLE!**

WE DO OUR OWN:

- Risk
- Underwriting
- Technical Support
- Customer Service
- Programming
- MID / TID #'s

**WE WANT
YOU!**

- ★ **RESIDUALS PAID ON:**
 - 100% Over 1.43% Retail
 - 100% Over 2.29% Moto
 - Statement Fee Income
 - Minimum Fee Income
 - Bundled Rates
 - Debit Income
 - Transaction Fee Income
 - Equipment Warranty Income
 - Check Guarantee Plans
 - Check Conversion Income

- ★ **CUSTOM PROGRAMS:**
 - We can customize your income streams to suit your needs!

- Tell us what you are looking for and we can make it happen!

- No one in the industry offers this!

- ★ **NO APPLICATION FEES**
- ★ **3 HOUR APPROVALS**
- ★ **FAXED APPLICATIONS OKAY**
- ★ **E-COMMERCE SOLUTIONS**
- ★ **WIRELESS SOLUTIONS**
- ★ **"NO" TURNDOWN LEASING**
- ★ **GREAT LEASING RATES**
- ★ **PAID IMMEDIATELY**

eps

ELECTRONIC PAYMENT SYSTEMS

800-863-5995

www.eps-na.com



mums for their own success.

"This is not something we would ever do. I always saw quotas and minimums as a requirement for in-house sales teams. ISOs and MLS by their very name are independent and thus run their own show. I think the fact that the ISOs and agents working with us have the ability to make their own rules and

expectations is a big factor in their individual and collective success."

Allen Kopelman

Nationwide Payment Systems

"[I suggest that the MLS] make good flyers and pass out a lot of them. When I first started in the business I would pass out about 300 to 500 per week, and I averaged one call per 100, so that would generate three to five good leads = buyers per week. Also, join a networking group and you will get business. It will not happen overnight, but it works.

"We [Nationwide Payment Systems] tell reps that you need to do a combination of things to be successful, and this is one of them [cold calls]. We suggest that they do

about 50 per day. That means walk into a location, introduce yourself, get their business card, find out who the owner is, do not make a presentation unless asked to, set an appointment for another day or later that day, and leave. Then you know if the person is interested. ... They have a flyer, business card or brochure, and when they are ready they will call. I have left merchants and gotten calls up to a year later.

"We have goals, but we do them with the salespeople based on how much time they want to invest and how much money THEY want to make. Then we assist them in making a business plan. We have a three-year plan – we show them that if they take that plan and work it, it has worked and continues to work. If you have a plan, work the plan and the plan will work. All you have to do is work the plan. This business is not hard; it is easy. All you have to do is work.

"I came from the hospitality industry – hotels and restaurants where managers and owners put in 80 hours per week. In merchant services if you work 40 hours in sales you can make money in this business. This business is a numbers game – the more people that you call on or who know what you do, the numbers are in your favor.

"As an MLS I do not cold call that much anymore. I have

It's not black magic!



How Does .02699 Sound?
(Unbelievable? It's the real deal.)

Split Funding
(We guarantee payment to suppliers.)

Fastest Turn-around

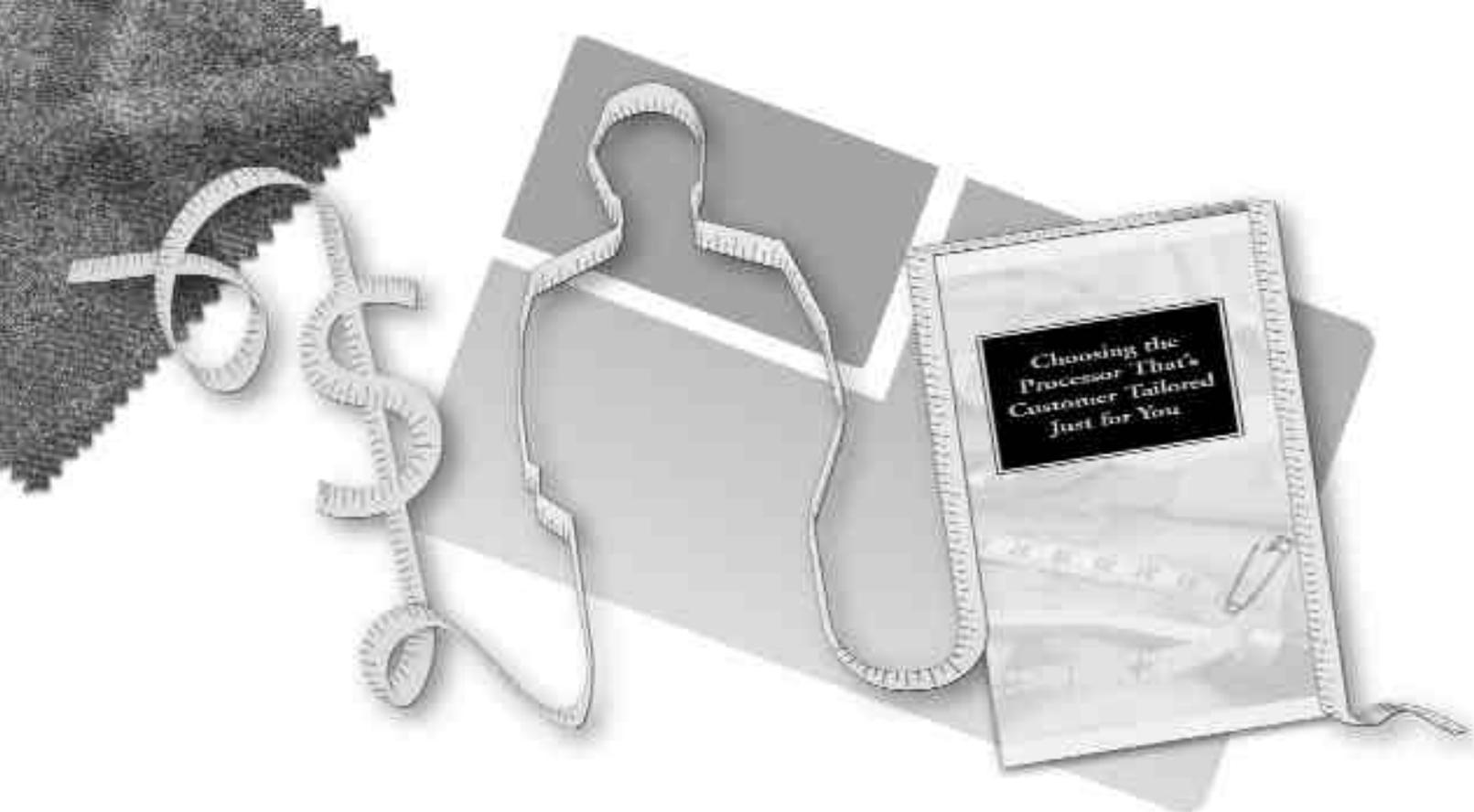
Great Personal Service

Most Flexible Lease Programs



Call Integrated Leasing for details.

800-398-9701



Customer Tailored Just For You. Pricing. Support. Programs.

PartnerAmerica delivers the industry's most comprehensive pricing, support and programs.

Our unique infrastructure includes state-of-the-art customer and technical support, cutting-edge products, as well as marketing and management solutions, which provide credibility, recognition and increased profitability.

PartnerAmerica eliminates the risk, restrictions and minimums...and we guarantee 100% lifetime residuals.

Call today for pricing, support and programs that are customer tailored just for you.

- *Income From ALL Transactions*
- *Faxed Applications Accepted*
- *Same Day Approvals*
- *24/7 Customer & Technical Support*
- *No Risk, No Restrictions, No Minimums*
- *Internet Gateways & Wireless Solutions*
- *State-of-the-Art Point-of-Sale Technology*
- *Online Detailed Status Reports*
- *Debit, EBT & Check Debit Processing*
- *Trade Show Co-Op Services*
- *Gift & Loyalty Cards*
- *Direct Leasing Agent*
- *No Upfront Fees*



PARTNERAMERICA™ An ISO First

1-800-366-1388 Ext. 0 • www.Partner-America.com

IT PAYS TO PARTNER WITH PARTNERAMERICA.



taken getting referrals to the level [where] all I have time for is to just work referrals and my sources. I do some cold calling when I sign some one and install them. I ask them to introduce me to a couple of their neighbors."

Douglas Mack

Card Payment Systems

"It depends on the client each sales-

person/organization is trying to acquire. The three most successful campaigns to capture new businesses are:

- (1) face-to-face cold calls
- (2) telemarketing
- (3) direct mail

"The most successful ways to acquire accounts are

- (1) referrals,
- (2) face-to-face cold calls,
- (3) direct mail. These are at least our methods based on experience.

"A simple goal is 10-15 face-to-face cold calls per day. That doesn't mean hit a strip mall and call it a day. It means 10-15 calls on new or select businesses (i.e., a business that you would like to have as a client). Even if

you have 3-4 appointments in a day, you should still be able to call on an additional 10.

"In between each appointment and cold call is where the cell phone comes into play ... following up on cold calls from the week before scheduling for the next. A good CRM like GoldMine (on a laptop) or at the very least a PDA / Pocket PC will help keep you in check on the followup calls. The key is to set your plan, directions, calls, etc. the night before and review [it] first thing the next day.

"We really don't feel quotas are necessary. If the person isn't writing enough deals, they won't survive. We do encourage additional deals by month-end bonuses, though. We found it helps push for that one extra account needed to hit bonus."

Steve Norell

US Merchant Services

"We use survey [personnel] as well as telemarketers. The only cold calls that we believe are worth anything are the ones that are made after completing pre-appointed sales calls. There are usually 10 businesses around or near the one you just sold or made a presentation to."

Dave Siembieda

CrossCheck

"We [CrossCheck] look for 50 cold calls a day, including followup or callbacks. A successful rep also will spend approximately two hours per week telemarketing, setting appointments by phone, building relationships and/or gathering information. It is a consistent, day-in and day-out effort that will really pay off in the end.

"We don't require quotas for our independent agents. We do provide leads and sales support to help them with calls, but we've found that fewer restrictions work better than setting requirements that we have no control over."

I want to thank our Advisory Board members for taking the time to respond to your questions and sharing their knowledge with our readership. Each is supporting our industry by giving time to GS; time spent writing can't be spent selling.

My goal is to support your sales success with each word we publish. ☐



Setting the Standard for Quality and Integrity

BUDGET TERMINALS & Repair

SIMPLY THE BEST

The \$195 Extravaganzas

T7P F 256K	\$195
Tranz 460	\$195
Talento T-1	\$195
T330 /P350 Combo	\$195

Pin Pad 1000 - \$54 - S8 Pin Pad - \$65

In Stock

NURIT 2085/2090/3010

OMNI 3200 - TALENTO 2UD - HYP T77

Completely Refurbished

ONE YEAR WARRANTY

985-649-2910

Free Ground Shipping w/orders over \$195.00

We accept Cashiers Check, Visa and MasterCard

www.budgetterminals.com

User name: save / Password: Money

Vital Merchant ServicesSM

An inventory of successful solutions.

CAPABILITIES INCLUDE:

- POS Equipment & Supplies
- Deployment
- Merchant Training
- Repair & Replacement
- Web-based Order Entry via VitalSync
- Just-in-Time Inventory Management

QUALITY EQUIPMENT FROM:

- VeriFone
- Hypercom
- Lipman
- Thales
- Ingenico
- RDM
- MagTek

From POS equipment supplies and deployment to on-line order management, Vital has what it takes to keep business moving. Our responsive support team can get your merchants what they need, when they need it. To find out more about Vital Merchant Services, call 800-348-1700.

VITAL your commerce connection

Tectonic Events To Rearrange Payment Landscape – Part II

The settlement documents in the Wal-Mart suit were released on June 6, 2003 and contain many of the important details that help explain what we can expect. Among the details, many of which will impact acquirers, are the following. (All quotations are from the Visa settlement agreement. The MasterCard settlement agreement is virtually identical to Visa's except as indicated in number 8 below. All *italicized* words were added by the author.)

1. The Debit Rate Decreases Are Mandated From August 1 through December 31, 2003 but not beyond 2003.

MasterCard is required to establish a signature debit rate 33.3% below its current Merit III rate (46.7 basis points lower) and Visa is required to lower the Visa Check Card rate by 48 basis points except for supermarkets, for which it is required to lower interchange by 14 cents. Visa and MasterCard are "... free to set interchange rates without restriction after that date (12/31/03) as otherwise permitted by law" (paragraph 8a).

2. The "Honor All Cards" Rule Will Continue, but for Debit and for Credit Separately – With Monthly Notices Required Beginning in August.

The agreement gives each merchant the right to accept only Visa debit products. If this option is selected, however, the merchant is required to accept all Visa debit products. The same is true for credit. Furthermore, the agreement requires that acquirers provide notice to their merchants on a monthly basis from August through December with "... clear and conspicuous notice to merchants that as of January 1, 2004 they will have the right ..." to accept debit only, credit only or both (paragraph 4d).

3. All Merchant Contracts Beginning January 1, 2004 Are Required to Give Merchants the Option to Select Credit Only, Debit Only or All Products.

The settlement requires Visa to develop rules that "... shall also require that any contract used by an acquirer with any merchant shall provide the clear option (including a statement of applicable merchant discount rates by product) for the merchant to elect to accept Visa POS Debit Devices (*meaning all signature debit cards*), Other



Visa Products (*meaning all credit and other non-signature debit products*) or both" (paragraph 4c).

We will have to wait for these rules, but it appears that we are going to be required to ask 5 million businesses to express their desires as to whether to accept credit or debit or both and to fully disclose our rates for each card type. This is going to be interesting, especially for those ISOs who don't have particularly good relationships with existing merchants.

Will this rule give the merchant cancellation rights if the new provisions are not offered by 1/1/04? Or will these new documentation provisions be required at the end of existing contract periods? This will be important to watch.

4. Merchants Will Be Refunded Their Portion of the \$3 Billion Settlement in a Lump Sum.

Visa and MasterCard are allowed to make the bulk of their settlement payments over 10 years in installments of \$200 million and \$100 million, respectively, beginning December 22, 2003 (except that the first year's payment is \$15 million higher for each and both must pay an additional up-front payment of \$10 million before July 4, 2003).

Despite these annual payments, the settlement provides for securitization of these payments, meaning the cash to pay merchants will be available in a lump sum after taking out imputed interest and other fees.

We all will be watching to see how the parties work out the mechanics of allocating these monies to merchants and what role, if any, the ISO and acquirer will have in assisting their merchants in identifying the amounts of cash they can claim.

5. All Signature-Based Debit Cards Appear To Be Eligible For The Lower Debit Interchange Rates.

This is huge for the hospitality, travel, MO/TO, Internet and other card-not-present merchants. The settlement clearly states that the lower interchange rates will apply to all "... types and categories of Visa POS Debit Device transactions ..." (paragraph 8a).

In Part I of this series, I raised the issue of currently non-

If it's only transportation...



why build a Cadillac® ?

It's about value. An identity and pride that comes from being associated with the best.

That's the feeling you'll receive through your association with First American Payment Systems. The confidence that comes from being part of an organization driven to provide more than just an ordinary experience for our merchants, ISO's and sales agents.

Since 1990, First American has risen above our competitors by delivering on our promise of providing quality solutions and predictable results to those who count on us. We live up to our commitments, and provide service that is exemplary and unique.

Isn't it time you joined a team of professionals dedicated to providing more than a low price? Give us a call today and start building your own value story.



Quality Solutions. Predictable Results

Call Steve Robins, Sr. VP of Sales & Marketing

1-866-GO4-FAPS

(1-866-464-3277)

e-mail: SteveR@first-american.net



qualified check card transactions because of card-not-present and other disqualifying criteria. In an early June release to acquirers, MasterCard clearly indicated that the new interchange rate for signature debit will apply to all qualification levels.

MasterCard created a new category of interchange called "Consumer Debit Card Interchange." The rate is 0.97% plus 10 cents per ticket for all categories except supermarket, warehouse club and convenience. With this announcement, MasterCard also announced a three-basis-point increase in Merit III to 1.43% and 10 cents and a 10-basis-point increase in Key-Entered credit transactions to 1.90% plus 10 cents as well as other rate changes.

These increases are in lieu of the otherwise anticipated October rate increases from MasterCard and become effective August 1, 2003 along with the new Consumer Debit category.

As of this writing, Visa has not published its new rate tables, but the language in paragraph 8a of the settlement document appears to mandate the direction that

MasterCard has announced and ameliorates the concerns on this topic that I expressed in Part I.

6. No Mandate To Pass Lower Rates To Merchants.

There appears to be no language in the document that requires acquirers to pass the rate-decrease savings on to their merchants. Obviously, if a merchant has a cost-plus or pass-through contract (as most large merchants and all Heartland merchants do), they will get the benefit of the decrease. Merchants without such contracts have no contractual rights from the settlement to these decreases (see part I of this series for further discussion of this issue).

7. New Signage Required.

Acquirers are required (paragraph 6) to provide new signage to merchants who request signage if they implement a new policy of accepting only debit or only credit. It appears that merchants can be charged fees for this signage.

8. Visa Competition for Network Processing Contracts.

The discussion about the announced tentative settlement of this litigation on April 30, 2003 centered on Visa being prohibited from competing with Concord when the PIN-debit processing contracts of the large banks expire at the end of 2004.

The discussion was that the settlement mandated that Visa would be prohibited from paying the banks up-front cash payments to induce the banks to switch processing from the Concord platform to the Interlink platform owned by Visa.

The Wall Street analysts and industry experts were discussing that \$500 million of up-front payments in aggregate would be required to renew this business on the Concord platform or to induce the banks to switch to a new platform.

This was the hot topic at the payments investor conferences and various meetings of the trade as the price of Concord's stock dropped from \$32.69 in June 2002 to \$7.80 in March 2003.

It was the subject of one analyst report after another as this new "renewal bonus" factor became the subject of "paying twice" for the network business of the big banks (in reference to Concord's blockbuster purchases of the MAC and STAR and HONOR networks in recent years).

Of course, all of this combined with other bad news from Concord caused the precipitous drop in Concord's market cap. And this drop in value triggered Concord's

Our Buy Rates Make You Money

1.49% & .17¢ 100% Over

Signature

- 1 Hour Approvals on Grade A-B Swipe Accounts
- 24 Hour MOTO/ Internet Approvals
- Faxed Applications- No Originals
- Lease Factor Rates of .0285 - .0409
- Merchant Apps Available Online
- No Liability & No Exclusives
- Check Conversion Program
- Generous Rollover/Reprogram Bonuses

Call Us Today (888) 334-2284

More than just a merchant account www.sigcard.com

Lipman is...

Rolling Out the Red Carpet

**We treat you like royalty...
by rewarding your loyalty!**

**Get the VIP Treatment with
Lipman's Value Incentive Program.**

- Go to *MyNURIT.com*
- Complete the simple registration form.
- Immediately earn reward points for every authorized purchase.
- Redeem points for free equipment or big prizes!



The NURIT™ Value Incentive Program:

While you're there, take advantage of more great features:

- Efficient sales team management systems • Effective product training tools for online use • Convenient internal promotions capabilities



**Don't wait another minute! Visit *MyNURIT.com* now, and become a NURIT VIP.
Being rewarded is one way to "do business better" with Lipman.**

Enhanced by
NURIT APPS™

Lipman
Transaction Solutions™



approaching of FDC for a bail-out merger of the two non-bank industry giants. (The market cap of these two companies is \$40.7 billion compared to an aggregate market cap of the two other public non-bank acquirers of \$1.6 billion.)

The only language in the settlement document about the subject of Visa's competing for the network processing business is in the short paragraph 10, which says Visa "... will not enter into a contract with a member financial institution that prohibits the financial institution from issuing an ATM and/or POS debit card of any competing ATM and/or POS network, other than one operating under a trademark owned by MasterCard. MasterCard's settlement contains no such language and does not address this issue of "Competing Debit Marks."

Clearly, more needs to be learned, but the inference is that Visa negotiated this "no incentive" provision away in the drafting of the settlement agreement. If that is what happened, this outcome will allow Visa to compete for PIN-debit processing, although on a non-exclusive basis, and FDC will have a much more difficult job of meeting its Strategic Objective, which is "to process every electronic payment transaction worldwide from the point of occur-

rence to the point of settlement" (see www.firstdata.com/news_factsheet.jsp). More to follow in Part III.

Additional Issues and Ramifications

The 40-page Visa settlement agreement discusses other details that impact card issuers, networks, BIN assignments and other matters pertinent to the industry. Of course, it is clear that Visa has a lot of work to do very quickly. Rules must be created for the acquiring banks, and lots of software must be written and modified by IT staffs across the nation.

Some merchants already have stopped accepting Visa credit cards despite the settlement not giving them this right until January 1, 2004. I doubt that anyone is going to try to stop them from doing this.

Also, Visa and many acquirers are working to identify whole new categories of merchants who now might be willing to accept debit-only because of its lower costs. Utility companies, apartment complexes and other recurring-payment acceptors might be considering this newly available approach to card acceptance.

Also, a high number of users of electronic bill payment processing (EBPP) desire to use their debit cards for their payments instead of checks, and the lower cost might

Merchant-Friendly P250s

With refurbished P250s from CDE, it's never been easier for your merchants to set up their equipment.

Print test instructions help ensure function.



Indicator light descriptions let your merchants know exactly what's going on.

Everyday maintenance is easy with paper roll and ribbon instructions.



Color coded ports and cables make installation a snap.

Available only from:



Par Excellence.

Join Bridgeview Payment Solutions and score big profits with a proven winner in the merchant processing industry. We are a wholly-owned credit card subsidiary of Bridgeview Bank and Trust, a 32-year old financial institution with a sterling reputation for honesty and integrity. As a principal member of Visa U.S.A.[®] and MasterCard International[®], we provide some of the most profitable ISO programs available. Our Net Income Split Program can't be beat, any way you slice it.

Be a player with Bridgeview.





encourage more use of signature debit for this burgeoning service by EBPP providers.

The lower interchange also will provide a lower-cost alternative to ACH processing for many payment acceptors. Will this new interchange level actually increase the ISO and acquirer opportunities to grow processing volumes and customers and revenue? Some industry observers, including this one, think so.

In fact, Dove Consulting has suggested that revenue from these new merchant segments might provide revenue to issuing banks that could offset the losses from the lower signature-based debit rates. In a recent press release, Dove stated, "In the end, the unbundling of credit and debit will actually increase card issuer and bank revenues just as it did in other industries, including computer software and telecommunications." (For more information, contact Dove at dlegrow@consultdove.com.)

First Data-Concord Merger

Finally, I had indicated that Part II would discuss the declining market share of First Data's merchant acquiring

business and how that relates to the FDC-Concord merger. Because of the recent release of the Visa settlement, I have deferred this discussion to Part III except to state a few facts (derived from an analysis of Nilson and GSQ rankings reports) about some of what has happened to the acquiring landscape over the five years from 1997 to 2002 without much comment by industry observers.

Following are some items that will be further explained in Part III:

1. First Data's share of the market has decreased from 39.5% to 31.4% if Paymentech (owned 42.5% by FDC) is not added into FDC's figures (which it shouldn't be), a drop of 20.5% of its market share despite acquisitions including BP Petroleum's huge petroleum processing platform.
2. The number of "alliance" banks of First Data has decreased from 12 banks in 1997 to six banks in 2002. The six include a couple of very small participants.
3. The market share of the Top 5 acquirers (including FDC as number 1) has dropped from 78.7% in 1997 to 68.8% in 2002 if all "alliances" are included in acquirer figures (as they should be).
4. The market share of the Second 5 (number 6 through 10) has increased from 13.3% to 15.3%.
5. The market share of the number 11 through 25 acquirers has increased from 5.1% to 11.9%.
6. The market share of the rest of the acquirers has increased from 2.9% to 4.1%.

The obvious conclusions from these facts are that, despite massive acquisitions by the big guys to maintain market share, the smaller guys continue to take market share from the big guys on the margins. The argument that this is a consolidating industry is oversimplified and ignores important facts. If this sounds exactly like the opposite of what you have been hearing for years, it is. More to follow. 

Bob Carr is the Founder, CEO and Chairman of Heartland Payment Systems, the nation's largest privately owned merchant acquirer and ninth largest overall, with annual revenues exceeding \$300,000,000. Heartland was recognized by INC Magazine as the 57th fastest-growing private company in America and is one of the 10 largest INC 500 companies. Bob was a Founder and Vice President from 1988 to '90 of the Bankcard Services Association, which has since become the ETA.

To learn more about Heartland, e-mail Bob.Carr@e-hps.com, visit www.hpsteamates.com or www.heartlandpaymentsystems.com.

**We Get it Right.
The first time.
Every time.**

CREDIT CARD EQUIPMENT SALES AND SERVICE

At Teertronics, we're your single source for sales & service. Our sales products include: Verifone, Lipman, Thales, Hypercom, Ingenico and Magtek processing equipment. No one has the expertise we do. We'll do the job right the first time...with quick response service that always puts *your* client first.

800-856-2030

Join our email list for unpublished specials!
www.teertronics.com





www.teertronics.com

Orders accepted and shipped on in stock equipment until 5pm CST M-F

AMERICANS SPENT OVER \$35 BILLION
ON GIFT CARDS LAST YEAR...

Gift Cards

WHAT ARE YOU WAITING FOR?

According to the Feb 2003 Green Sheet Gift Cards and Electronic Check Conversion
are the two hottest products in the merchant services arena...

*"Gift cards are Hot"
"What's hot is Check Conversion"*

SECURE PAYMENT SYSTEMS is a leading national provider
of Electronic Check Services and Gift Card processing.

Take a look at some of the benefits we offer to you and your merchants:

- Lifetime Residuals
- Terminal programs integrating both electronic check conversion and gift card processing
- Wide selection of terminals now also including Verifone's Omni Verix 3300/3750
- Quick turnaround - 24 Hours in for both Gift and Check
- Private Label Program Available
- Complete turnkey solutions available
- Generic or customized gift cards
- RDM & Ingenico imaging and archiving solutions and soon to finish certifying the Verifone CR1000 and Magtek Imager
- Soon to certify VISA POS check service with proprietary enhancements

Take advantage of the country's leading value added services:

- Gift Cards
- Electronic Check Conversion with Guarantee or Verification
- Paper-based Check Guarantee or Verification
- SCAN / STARCHECK / SAFE CHECK

Sales contests, signing bonuses, and customized lifetime residual programs available!

Protect your merchant base by partnering with a firm having attrition rates far lower
than any of the major service providers!

To learn more, call Steve Eazell
toll free at 866-300-3376 or visit our website
at www.SecurePaymentSystems.com

SECURE
payment systems

The Low-cost, Risk-Managed Experts!



Retailers Could Get Settlement Money in Lump Sum; MasterCard's New Interchange Rates Detailed

Both Visa and MasterCard International approved and finalized the terms of their settlements with retailers over debit cards on June 4, 2003. The original settlement in April called for Visa to pay \$2.025 billion over 10 years and MasterCard to pay \$1.025 billion; however, retailers could receive the money sooner than expected.

Visa and MasterCard agreed to let retailers seek out a financial institution to provide them with the money upfront in exchange for the rights to the association's payments over the next decade, the New York Times reported. The payout would then be less than \$3 billion because it would be all at once rather than over 10 years.

Retailers will receive their portion of the settlement based on how many debit card transactions they processed between October 25, 1992 and the April 2003 settlement. The credit card companies agreed to provide access to their databases of debit card transactions so the payout for each retailer can be determined.

As part of the settlement terms, Visa and MasterCard also agreed to lower fees charged to merchants on offline signature debit card transactions. MasterCard's interchange rate modifications are listed below. Visa has not yet released information on changes to its interchange rates.

U.S. District Judge John Gleeson is expected to give his final approval on the settlement in September.

Another Lawsuit

Even with the class-action settlement nearly behind them, not all is over for Visa and MasterCard. Best Buy Co. Inc. filed an antitrust lawsuit against the credit card companies in U.S. District Court in Minneapolis challenging not only their "honor all cards" policy but also fees on check cards, prepaid cards, travel and entertainment cards and regional ATM networks.

Best Buy and other retailers, such as Home Depot, Toys R Us and CVS drug store chains, chose to opt out of the class-action lawsuit filed by Wal-Mart and 4 million other retailers in order to pursue independent claims.

MasterCard Interchange Adjustments

MasterCard made the following changes to its interchange rate fee programs, effective August 1, 2003:

To comply with the settlement of the merchant class-action lawsuit, MasterCard will lower its U.S. consumer debit interchange rate by one-third. MasterCard also will add the following debit card interchange fee programs:

- Convenience (includes Petroleum, Fast Food, Convenience Stores and Movie Theaters)
- Supermarket and Warehouse Club
- All Other

The new debit interchange fee programs apply to all MasterCard-branded debit cards, prepaid cards, stored-value cards, electronic benefits transfer (EBT) cards and payroll cards.

MasterCard's new consumer debit card interchange rates:

- Convenience (23) 1.35% + \$0.00
- Supermarket (71, 81) 0.00% + \$0.29
- Warehouse Club (91) 0.00% + \$0.29
- Consumer Standard (75, 85, 95) 0.97% + \$0.10
- Merit I (78, 88, 98) 0.97% + \$0.10
- Key-Entered (92) 0.97% + \$0.10
- Passenger Transport (93) 0.97% + \$0.10
- Merit III (70, 80) 0.97% + \$0.10
- Travel Industries Premier Service (97) 0.97% + \$0.10
- Public Sector (22) 0.97% + \$0.10
- Service Industries (90) 0.97% + \$0.10
- Payment Transaction (20) 0.19% + \$0.53

MasterCard's consumer credit card interchange rate changes:

- Supermarket (71, 81) will increase 5 basis points from 1.20% + \$0.00 to 1.25% + \$0.00
- Warehouse Club (91) will increase 15 bps from 1.10% + \$0.00 to 1.25% + \$0.00
- Key-Entered (92) will increase 10 bps from 1.80% + \$0.10 to 1.90% + \$0.10
- Merit III (70, 80) will increase 3 bps from 1.40% + \$0.10 to 1.43% + \$0.10

All other consumer credit interchange rates will remain unchanged.

MasterCard's corporate card interchange rate changes:

- Corporate Face-to-Face (60) will increase 3 bps from 1.40% + \$0.10 to 1.43% + \$0.10
- Corporate Large Ticket (62) will increase 30 bps from 0.85% + \$40.00 to 1.15% + \$40.00

All other corporate card interchange rates will remain unchanged.

MasterCard last made changes to its interchange rates in January 2003 ("MasterCard, Visa Raise Interchange Rates," The Green Sheet, February 10, 2003, issue 03:02:01). ■

WE UNDERSTAND YOUR NEEDS TO A TEE



Online Data has broken the mold of the ISO Industry and is setting a New Standard for Agent and ISO Support.

Build and protect your investment by partnering with Online Data today.

We care about your success...

- Same Day Approvals
- Commission on All Interchange Levels
- Personalized Concierge Service
- Online App®
- Faxed Applications
- Daily Status Reports
- 100% Vested Lifetime Residuals

and Much More!

Our commitment is realtime service and support to our ISO Partners. At Online Data, accounts are enrolled, and approved quickly and accurately. That's how you make money - and lots of it.

Try us - Risk Free for 90 days and see why Online Data is fast becoming the industry leader.

Get On Course With Online Data

Call Today!



Online Data Corp
888-665-1858 ext.120



Leasecomm Settles with FTC, Cancels \$24 Million in Customer Debt

MicroFinancial, Inc. subsidiary Leasecomm Corp. has agreed to renounce \$24 million in court judgments against its customers and amend its leasing contracts and debt-collection practices as part of a settlement with the Federal Trade Commission (FTC) and eight states.

keting programs, medical billing software and coupon-clipping programs that are typically featured on infomercials and at conferences. Leasecomm allegedly pursued this business through the use of "shady agents, deceptive contracts and false claims."

In its charges, the FTC complained that Leasecomm either knew or should have known that its vendors used deceptive practices to sell their business ventures and that Leasecomm's contracts (called "leases") for these types of businesses not only had devious provisions to ensure that customers paid but also to absolve Leasecomm from any legal responsibility for fraudulent schemes.

If consumers didn't pay, then Leasecomm pursued aggressive collection policies and/or sued them in

microfinancial



Through Leasecomm, Micro-Financial specializes in microticket financing - leasing commercial products and services priced between \$500 and \$10,000 where the monthly payment range is between \$10 and \$200.

According to the FTC, Leasecomm was financing "get-rich-quick schemes" of vendors that target consumers for entrepreneurial-style business opportunities such as Internet Web malls, multilevel mar-

THE PCCHARGE ALLIANCE!

VERSATILE! POWERFUL! SECURE!

Form a partnership with GO Software and forge a new value proposition for your merchants. GO Software has software solutions that will process credit, debit, check, loyalty, and gift card transactions for both Card Present and Card Absent environments. Our products will help you deliver speed and efficiency, and will also help to keep your merchants ahead of the ever-rising technology curve. Our software won't become obsolete like credit card terminals! Call GO Software to become a Reseller Partner today 1-800-725-9264.

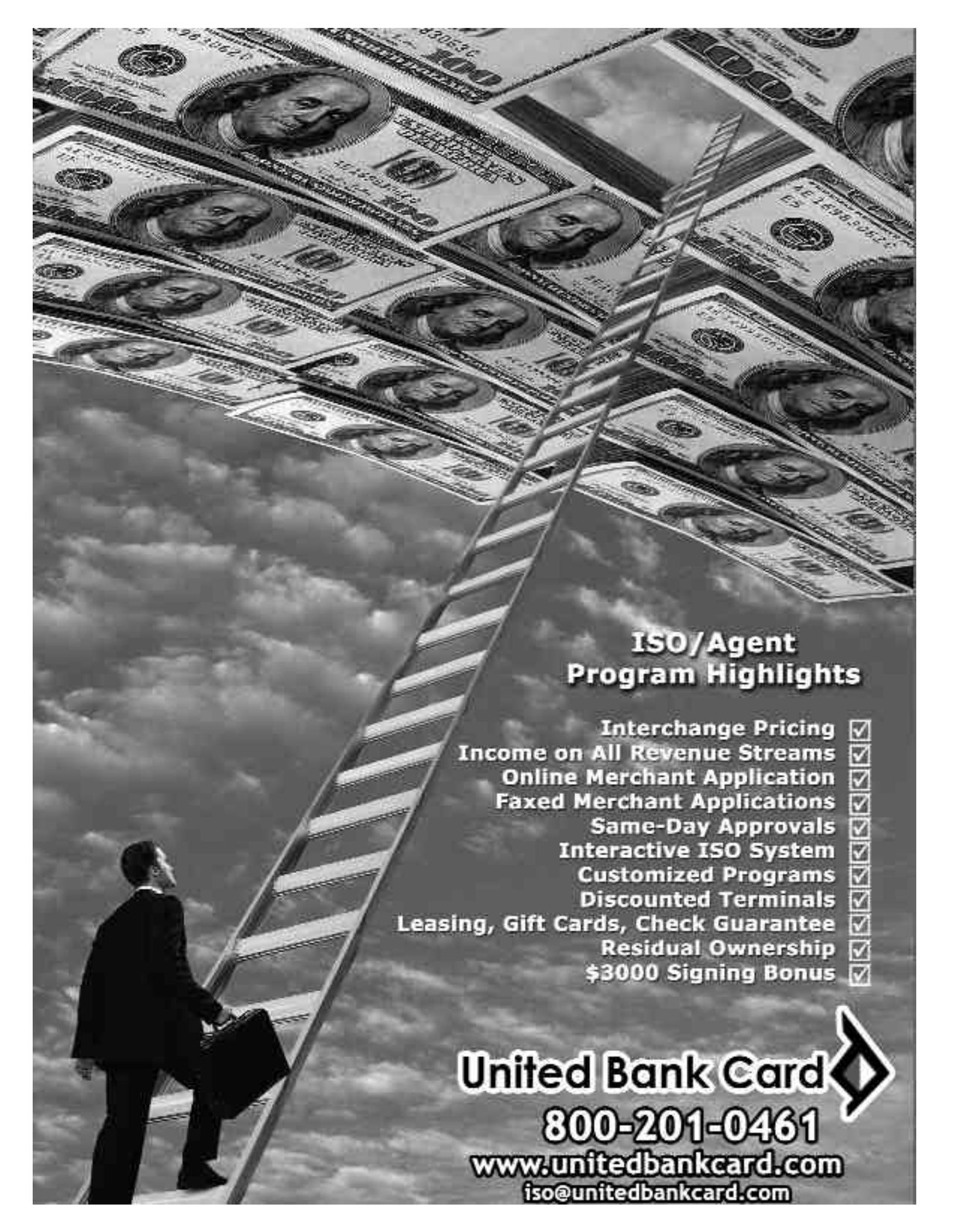
GO software
an **RTI** company

Made in the USA!

PCCharge Express

PCCharge Pro

PCCharge Quick



ISO/Agent Program Highlights

- Interchange Pricing
- Income on All Revenue Streams
- Online Merchant Application
- Faxed Merchant Applications
- Same-Day Approvals
- Interactive ISO System
- Customized Programs
- Discounted Terminals
- Leasing, Gift Cards, Check Guarantee
- Residual Ownership
- \$3000 Signing Bonus

United Bank Card

800-201-0461

www.unitedbankcard.com

iso@unitedbankcard.com





The FTC also alleges that Leasecomm has sued more than 27,000 consumers in the last three years in Massachusetts courts and as of January 2003 had 2,200 suits pending.

Massachusetts courts rather than in the state where the consumer was located. Most people could not afford the legal fees and traveling expenses required to defend themselves. The FTC's complaint alleges that Leasecomm pursued its customers "even when the customers have been defrauded and received nothing of value."

The FTC also alleges that Leasecomm has sued more than 27,000 consumers in the last three years in Massachusetts courts and as of January 2003 had 2,200 suits pending.

"Companies that try to hide behind the fine print in contracts and lie to consumers about what they're signing, whether directly or through

agents, simply do not pass muster," Howard Beales, Director the FTC's Bureau of Consumer Protection, said in a statement.

In addition to the FTC, the attorneys general of Massachusetts, Florida, Illinois, Texas, North Dakota, North Carolina and Kansas and the District Attorney of Ventura County, California participated in the settlement negotiations.

As part of the settlement, Leasecomm agreed to pay a \$1 million fine to cover the costs of the investigation and to revise its leasing policies and contracts and address all provisions that contain misrepresentations about the terms of the contract.

Leasecomm also must bar from its contracts any illegal items such as waivers of defense and the requirement for an electronic funds transfer.

If Leasecomm sues someone, it must do so "where the customer resides or signed the contract." Leasecomm also is required to give consumers who are currently being sued by the company the option of having the suit conducted locally.

Leasecomm denies any unlawful activity and agreed to a settlement "because it was the only cost-effective solution that enables the company to move forward and focus on business," MicroFinancial President and CEO Richard Latour said in a statement. ■

You can't afford to turn business away any more than your merchants can.

Turn to Nationwide Check Services and turn up your profit potential.

Empower your merchants to do business under more **accept**-able terms. Like accepting checks. Accepting credit. Accepting debit, EBT and more. With the ValuePak,[™] Nationwide's all-in-one payment processing solution, merchants build revenue – and you build profits! – without any hassles or exceptions. With up to 9 reliable check processing services, including **conversion/guarantee**, Nationwide gives merchants the confidence to say "YES!" to the consumer's preferred choice of payment.

Call to equip your merchants with the VALUEPAK today!



CONVERTING OPPORTUNITY INTO REVENUE[™]

www.nationwidechecksolutions.com • 1.800.910.2265 x4136 • Fax 410.701.2001

A TRUE PARTNERSHIP



With more than thirty years of retailing experience, Concord is the proven single-source solution for a broad array of payment options from credit, debit and EBT to petroleum, payroll and gift cards.

Give your organization a powerful competitive edge.
Concord and You - a True Partnership.

Sales: 1.800.778.4804

CONCORD PAYMENT SYSTEMS

500 7TH AVENUE, 18TH FLOOR, NEW YORK, NY 10018
REGISTERED MSP WITH CONCORD EFS NATIONAL BANK, MEMPHIS, TN

GET READY.



YOUR UPFRONT BONUS AND RESIDUAL INCOME ARE ABOUT TO TAKE OFF.

Total Merchant Services has launched the most lucrative pay plan in the industry.

UPFRONT BONUS

We've set aside more than \$1 million to pay you upfront money for simply writing an account on our program. Our production bonus program has no limits. It's NOT a signing bonus. You earn \$100 per deal, every single month. Writing only 10 deals a month makes you \$1,000 more each month. And the sky's the limit!

You can make even more with our conversion bonuses. For each merchant currently processing over \$10,000/month, we pay you \$150 to \$250. We'll also pay you an extra \$1,000 bonus on your first 10 leases. [Leasing program funded by Lease Finance Group (LFG), a division of CIT.]

RESIDUAL INCOME

Take advantage of our "choice" program to maximize your earnings. You get to choose, on a merchant-by-merchant basis, either our lucrative revenue-sharing program, or our aggressive buy-rate program. On average, our sales partners earn \$30 to \$40 per month on each account!

FREE SERVICES

Count down our list of free services. Marketing materials; color brochures; business cards; customizable website; conversion assistance and merchant training; pin pad swap-out and encryption; dedicated sales partner terminal support team; wireless activation fees; Internet payment gateway software from Authorize.net and Plug 'N Pay a web-based transaction information management tool for your merchants; sales training events including payment for your airfare, hotel and meals; and many other FREE services you can find out about by calling or visiting our website.

**WANT YOUR UPFRONT AND RESIDUAL INCOME TO TAKE OFF?
CONTACT TOTAL MERCHANT SERVICES TODAY.**

1-888-84TOTAL, ext. 411

WWW.UPFRONTANDRESIDUALS.COM

255 Gold Rivers Road | Third Floor | Basalt, Colorado 81621



total merchant services

payment solutions for your business

INTRODUCING 1-800-BANKCARD POWERED BY MSI.

Instant Approvals

No Original Application or Pictures Needed

1-800 BankCard

Online & Faxed Applications

Faxed Leases
No Originals Needed

Multiple Guaranteed Leasing Programs Available

Same Day Merchant Approvals

Direct 24 Hour Lease Funding via ACH

Call 1-800-BankCard
(1-800-226-5227) today and ask
for Rich Lopez at ext. 912
or George Mayo at ext. 923

Plus these other great features

- 1.48% retail & profit share program
- Real-time online status reporting
- No liability or risk
- Check truncation on all terminal types
- FREE in-house equipment deployment
- FREE equipment shipping

NO OTHER ISO PROGRAM GIVES YOU MORE.

Merchant Services Inc.

1-800-226-5227 • 2204 Morris Ave. • Union, NJ • 07083 • www.1800bankcard.com

1-800-BankCard offers  products and services. Direct leasing services provided by Lease Finance Group, Provident Bank of Cincinnati, Ohio.

FMI from Page 1

This is especially true for the financial services industry, which makes it possible for all other merchants to do what they're in business for: accept payments from customers. No matter where those transactions are conducted – whether it's a retail customer buying something at a store, a business paying monthly invoices, or a bill-payment service taking cards and checks online – providers of financial services enabled the transactions to be completed.

It's easy to get wrapped up in the intricacies of how our own industry works – it's certainly complicated enough. Which makes it all too easy to lose sight of the basic rule of business: Know your customer.

Are you as aware of what's going on outside the world of payment processing as you should be?

There are organizations outside the realm of financial services that influence the way your customers do business and, as a result, affect the products and services payment professionals offer them. Trade organizations exist to promote the industries in which their memberships work. They also educate, lobby and analyze issues that affect their members.

The Food Marketing Institute (FMI) is one such organization. Representing the retail and wholesale food industry, FMI focuses on independent and chain grocery stores, which comprise one of the largest groups of merchants. FMI has 2,300 retail and wholesale members representing 26,000 stores (some of its members are chains with multiple locations) and a combined \$350 billion in annual sales.

From the Merchant Level Salesperson's perspective, that's a considerable amount of transaction processing. It's not hard to figure out that there's gold in those shopping bags, paper *or* plastic.

Ted Mason, FMI's Director of Electronic Payment Services, Network Services and Emerging Technologies, said it is the organization's role to study, rather than recommend, technologies used in grocery stores. Committees are formed to oversee specific areas, such as legal, government relations or food safety. Committee members examine these issues and listen to comments from FMI membership to learn about trends they may need to be aware of for further study.

"Our basic goals are education and being proactive for our members," Mason said. "The business of doing busi-

ness has become increasingly complex as we've gone from a system of barter to a cash matrix. We look at how we can help the food industry serve their customers. We accomplish that through research, reporting on the results as well as on trends and then facilitate solutions. We see wherever there is that need to get people talking and then serve as the middleman.

"We don't make recommendations on issues. Through our committee structure, we pick up on trends and look at issues and then key off the direction the committee members follow to dedicate priorities and resources toward educating our membership."



Mason is a member of FMI's Electronic Payment Systems (EPS) committee, which oversees relevant topics affecting the exchange of money for grocery items. The methods people have available to them to use when paying for groceries are increasing all the time, and it's important that FMI's members have a good grasp of what they are.

"The EPS committee is very active in the education process and in managing those people learning," he said. "We seek input for things high on the radar screen and engage in the dialogue process."

By surveying members and by conducting studies of issues the members bring to the forefront, the committee is able to pass on information. It also is able to synchronize data between suppliers and retailers. For example, Mason was involved in producing a recent white paper on possible directions for future POS solutions. Mason said associate membership opportunities in FMI, for businesses not directly involved in the grocery industry, give access to the organization's publications and conferences.



Mason knows both electronic payments and the grocery industry well; he grew up working in his father's stores and spent 17 years stocking shelves, bagging groceries and ringing up purchases. He also spent seven years in retail technology services with a large wholesale distributor.

He's been able to apply an important aspect of his experience to his role at FMI and involvement in electronic payments – an affinity for the Merchant Level Salesperson because of the respect his father showed the sales reps who called on him. "One thing I learned from my father was that he always listened to salesmen and their pitches," Mason said.

The business of selling food and the business of paying for food have long gone together to create a symbiosis of purpose, influence and innovation for each industry. People always need to eat. Devising new ways for them to quickly and securely pay for food at the cash register, while keeping transaction costs down, has meant POS equipment manufacturers and service providers have had plenty to do over the years.

The grocery industry not only has a huge transaction volume but also has the lowest net profit margin of all retail businesses, Mason said. Simple economics has required payment services providers to offer services at lower costs to process purchases paid for with credit, debit, checks, and more recently, through EBT programs.

Necessity is often a catalyst for innovation. Because of the number of transactions that take place at grocery stores and supermarkets, payment processors have responded to what the industry needs. More customers going through checkout lines than in any other type of retail environment have created a need for POS systems that can handle the volume accurately, quickly and inexpensively. While always staying neutral and never really recommending one solution over another, FMI has been involved in those developments and the interaction between the payment and food-distribution industries.

A good example of FMI's approach is a study it conducted and reported on concerning retail transactions. In order to provide its members with tools to analyze what's going on at the point-of-purchase, FMI conducted the activity-based cost survey of payments transactions in grocery stores and published the results in 2000. It looked at transactions by payment type and dollar volume to identify frequency and costs associated with processing the various payment forms.

The study was undertaken because as retailers are eager

to improve customer service and convenience for their shoppers and, as more and more of them are accepting various electronic forms of payment, concern over how much those payments cost them is rising. FMI set out to accurately assess the operating costs so its members gain an understanding of how much they're spending for all payment types.

The results indicated use of electronic forms of payment is growing but cash is still the most commonly used form of payment, comprising 39% of all transactions. Checks are second at 33% followed by electronic transactions at 25% and online debit and credit and offline debit cards, both at roughly 12%. Electronic benefits transfer (EBT), food stamps and WIC (Women, Infants and Children) transactions combine to make up about 4%.

When payment types are broken down by dollar amounts, though, checks come out on top, comprising more than half of the total dollar volume. Cash is only 17% of the dollar volume, which seems to indicate there are a lot of consumers making a lot of small purchases and using paper and coins. Paper food stamp dollar volume is less than 1%. The combined electronic payment dollar volume for EBT, credit and debit is 31%.

The retail payment study benefits both the grocery and payments industries, Mason said: "I wanted to get an industry message out there. This collaborative effort brings together two interests with common needs and engages them in a dialogue."

Along with fostering dialogues among retailers and other industries, FMI produces a number of trade shows each year covering various issues within the industry, provides a wide range of information and assists members with education through the Web site (www.fmi.org) and several print publications.

FMI has about 125 people on staff in Washington, D.C., as well as regional directors located throughout the United States. (Two hundred to three hundred members from Canada, Asia and Europe also participate in the organization.) Mason said another role the organization fills is to establish relationships at both state and federal levels, providing assistance and acting as intermediary between members and government agencies.

FMI's Marketech trade event is another way the organization fosters communication among industries. This annual show focuses on retail technology issues, many of which, logically, involve payment processing.

Mason said the most recent Marketech, in February 2003, attracted 5,000 people. "The show covers all technical systems that support the food distribution industry, from refrigeration to cash registers, including payments,"



Only **ABANCO** gives ISOs a "single source" platform of five fully loaded services plus progressive customer support. This one piece, one solution cuts merchant attrition by 75% while increasing residual income by 125%.

ABANCO's robust package delivers a real powerhouse of services:

- Interchange plus 4bps, 100% above
- 12 cent transaction fee
- Check Conversion/Guarantee at 1% Buy Rate
- Faxed Applications
- Same day full deployment
- Full merchant training and on-going support
- Net lease funding, no out-of-pocket
- One Terminal-5 services, Fully Loaded Residuals
- VISA/MASTERCARD Credit Card processing
- Non-Bank card processing (Amex, Discover, Diners, etc)
- Debit Card processing
- Electronic Check Conversion/Guarantee
- Gift and Loyalty programs, 100 card minimum
- ELECTRONIC SIGNATURE CAPTURE

Lease rates starting at just .0299. Whether you need individual services or the entire package, ABANCO offers competitive rates, superior service and a knowledgeable team to help make it work for you.

PLEASE CONTACT: BOB COCHRAN 866.231.2030 ext 2334 / DAN LEWIS 866.231.2030 ext 2347 / TONY ASHE 866.231.2030 ext 2345

ABANCO LLC
INTERNATIONAL *Tomorrow's Payment Solutions Today*

O'Hare International Center / 10255 West Higgins Road / Rosemont, IL 60018 / Toll free: 866.231.2030 / Tel: 847.227.2301
Fax: 847.296.5547 / www.abanco.com

EFS National Bank Memphis, TN. Fleet National Bank Providence, RI

Be in Full Compliance with Visa/Mastercard Requirements and Regulations thru ABANCO's Agent/ISO program.



he said. Next year's show will feature expanded participation from payment vendors and expanded space for exhibits, including biometrics and radio frequency identification, smart and other card technologies, and electronic payment systems.

Mason said that conferences and trade shows such as Markettechnics and the FMI Show and Fancy Food Show, which take place in May and are held in conjunction as "one grand show for the food industry," also offer excellent speaking opportunities for people in the payment industry. Again, the focus is to generate cross-awareness and open the door for communication.

Mason was a contributor to a white paper published by FMI's EPS Committee in September 2002. The document details the committee's findings on future concepts for the next generation of electronic payment systems and the possibilities for moving from mag stripe cards to biometrics, smart cards and ACH. While several technologies and methods are examined in the paper, the EPS Committee stops short of recommending one over another. It supports the notion of a coopera-

tive design initiative between retailers and payment vendors to create affordable, easy-to-use solutions that are profitable for manufacturers.

According to the committee's findings, the most essential element in developing new payment concepts is to make sure terminal manufacturers listen to what this large constituency of retailers – their customer base – really wants.

The white paper says, "Care must be taken in clearly defining retailer wants and needs without overreaching and creating a vacuum where products may be produced, yet no one buys. The core design of next generation terminals should include the ability to add modules incorporating new technologies as they gain acceptance."

Because cost is a major concern for grocers – the potential buyers of the new equipment – the EPS Committee recommended the development of solutions that fill present needs and are easily expanded and adaptable for what's coming in the future. The white paper concludes by suggesting that next generation terminals might feature "plug-and-play" technology, making it simple for non-technicians to add functionality.

On the flip side, FMI is likewise involved with financial services organizations because the collaboration between retailers and vendors is essential for dialogue and the innovations that result. For example, Mason said, FMI has been part of NACHA's "vibrant supermarket constituency" for five years. He has been involved in setting standards for ANSI 8583 rules and activities concerning mag stripes in the EBT arena; he also chaired an EBT workshop that drew up standards documents and looked at national messaging standards.

Getting to know the customers in your portfolio means knowing the industry they operate in as well as the trade organizations that serve them. Getting involved in those organizations will only benefit your sales potential.

As Mason said, "There's been a tremendous explosion in ways we have as consumers to pay for goods and services. Our job is to assist in managing that matrix for the lowest net-profit industry and to help develop reliable and cost-effective solutions. Most important, our job is in letting people know what's out there." ■

Food Marketing Institute

655 15th Street NW
 Washington, D.C. 20005
 Phone: 202-452-8444
 Fax: 202-429-4519
www.fmi.org



Resource Finance Company
the working capital solution

***Need a business loan?
 Don't want to sell your portfolio?
 You can borrow against your residuals!***

Resource Finance makes loans available to qualified Independent Sales Organizations. This debt financing is based on, secured by and repaid electronically from your monthly residuals.

- Get cash to grow your business
- Up to 36 months to pay
- Loan typically closes within 30 days
- Avoid selling your most valuable asset – your portfolio
- Capitalize on and leverage the value of your portfolio
- You keep 100% of your ownership FOR YOU

Qualified with most major Processors
 Visit our website at: www.resourcefinance.com or
 call David Putnam, President, at 866-211-0114

Experience the difference in payment processing.



Heartland Payment Systems is one of America's largest credit card processing companies—and proud of it.

Our secret? Heartland is employee owned. This ensures you, the customer, an unmatched level of service, with local representatives that are right there in your neighborhood.



Our online Merchant Center gives you protected access to your data 24-hours a day.

We provide flexible, full-disclosure pricing. Constant fraud monitoring. And much more, including:

- ▶ **Complete credit and debit card processing**
- ▶ **All-electronic payroll processing**
- ▶ **Equipment purchasing and rental**
- ▶ **24/7 customer service**
- ▶ **Education on Interchange and technology**
- ▶ **Specialized applications unique to your business**
- ▶ **Specializing in the Hospitality Industry and endorsed by many of the State Associations**



Discover the difference.
Call your Heartland representative today.

**888-963-3600,
option 6**

www.HeartlandPaymentSystems.com

**Heartland
Payment Systems** 
Member Service Provider for First National Bank, Providence, RI and Key Bank, National Association, Cleveland, OH
Your Hometown Payments Provider

Heartland
Payment Systems

INC
500

Ranked #57
America's
Fastest-Growing
Private Companies



Show Me the Money

My last column discussed the importance of building your portfolio on a solid foundation by making sure you have an agreement that protects your residual income. Now that we're all building our merchant portfolios on a solid foundation, let's talk about THE MONEY.

While paging through The Green Sheet and checking out articles and advertisements, I noticed what a great job The Green Sheet does of showcasing the many different compensation program options in our industry. As we all know, there's not one best compensation program for everyone. It really depends on what your needs are, what you like and your personal situation, such as the types of merchants you write and your financial status.

The good news regarding the latest trend in compensation to the MLS is that the businesses paying Merchant Level Salespersons are paying more money. Whether it's ISOs, banks or processors, they all have recognized the value and importance of a long-term relationship with you – the honest, hard-working Merchant Level Salespeople. As a result, the red carpet is being rolled out for you. Sales reps are getting treated better, getting paid better and getting more free services.

Companies are getting very creative with their compensation programs. Your decision on which pay plan you choose will greatly impact your financial success in this business. Two different sales reps setting up the same types of deals and the same number of deals could end up in very different places – from a financial standpoint. Let's look at some of the current options we're seeing in the marketplace, and I'll give you my rating and opinion on some of these offerings.

Upfront Money Instead of Residuals Payments

One new and somewhat controversial idea is to offer a Merchant Level Salesperson the ability to sell his or her residual stream upfront. Instead of receiving a residual commission, you wait a few months and then receive a payment for the account. How is this option going over? Here are a few reactions to upfront payments posted in

the MLS Forum:

-- "I received the package and dissected it months ago. Seem like good guys and all, but that's what they do. You sign an account and have to wait 90 days of their processing with 'XYZ ISO.' Then the average is calculated and they pay you 16 times."

-- "16x doesn't seem fair to me."

-- "The idea is that agents can make money without hustling equipment, but there are ISOs out there that will pay you \$100+ for each account and you still retain your residuals, have plenty of money to pay the bills and still build a portfolio."

Ed's Rating: ★

I am sure that one or more of these compensation programs are the right one for any particular ISO/MLS, depending on your particular circumstance. While the ratings and opinions below are my opinion, they are rooted in a particular view that if you are working in this business, you plan to stay in it for some time.

This said, as it relates to any of the compensation approaches that involve giving up your residual, I must say I don't get it. Even if you need the money, you're better off building up some residual income, earning the money each month and then selling the account for something like 16x (or more, since it's seasoned). In this way, you will get 12 to 24 months of residual income while you hold the account and then another 16x when you sell it.

Signing Bonus

These days, everyone seems to have a signing bonus. The company that started this concept is owned by a good friend of mine. He's one of the smartest guys in the busi-

Education Index	
David H. Press	60
	■ ■ ■ ■
Legal Ease	
By Adam Atlas	66
	■ ■ ■ ■
Beyond Bankcard	
By Lin Fellerman	68

CAREERS AREN'T BUILT BY CHANCE...

SNAP YOUR DREAMS INTO REALITY.



Comerica Merchant Services offers you a whole series of new bonus opportunities to help you earn extra money up front. You can earn up to \$6,600 in bonus dollars per year and up to \$5,000 for every major merchant you bring in.

In addition, Comerica Merchant Services also offers you many other benefits you just won't find anywhere else. For example:

- Overnight approval process
- Web-based application submission, processing, and tracking
- Guaranteed Lease Program with a 48-month factor as low as .0285
- Interchange as your Buy Rate
- 100% vested residuals from day one
- American Express® sign-up commission
- Full debit processing with 12 debit networks
- EBT processing
- Web-based merchant reporting
- An affiliation with one of the nation's leading business banks
- A dedicated relationship manager providing unparalleled agent support to help you make more money
- A 33-year history of continuous residual payments to all our sales partners! Comerica provides a safe and stable sales environment for you.

If you are looking for an exceptional, long term relationship with a rock solid Merchant Processor, call Comerica Merchant Services today and find out how you can become part of the Comerica family of sales agents.

Call Ken Stewart at 1-800-790-2670 and get started right now!



ness, so I'm not surprised that many other companies decided to compete with this type of offer and provide their own version of a signing bonus. The biggest issue with this offer is that it's limited to the first X number of deals you establish with a company. In some cases, you have to activate a certain amount of deals within a certain amount of time to qualify. As such, only 20-30% of Merchant Level Salespeople may actually benefit.

Ed's Rating: ★★

It's a good concept, and it's better than nothing. The problem is that it's a short-term fix. It is not a long-term solution.

Production and Conversion Bonuses

Some innovative companies have taken the positive idea of a signing bonus and eliminated the negative issues noted above. A production bonus is an upfront bonus paid upon the signing of an account. These bonus payments get paid every single month. As such, it's money that the MLS can count on each month.

Additionally, many companies have been paying "conversion" bonus payments for years. A conversion bonus is a bonus paid upfront – upon signing an account – to convert a currently processing account. Both production and

conversion bonus payments are becoming more lucrative and do not require giving up any type of residual compensation.

Ed's Rating: ★★★★★

It's about time that ISOs, banks and processors start subsidizing the cost of acquiring a merchant. It's nice to see that you do not have to give up your residual income to get these upfront payments. With diminishing margins on selling terminal equipment, this is clearly a needed boost to the income of a hard-working MLS.

Rewards Programs

Some companies are offering their own version of a "rewards" program – sort of like my United Airlines credit card, which I use to accumulate miles. After setting up each account, you receive "points." These points can be redeemed for some type of merchandise. In this way, you can save up points to get a toaster oven or a nice trip to Disney World.

Ed's Rating: ★

It's not cash and it's certainly not improving your quality of life. However, I will give it one thing – it is better than nothing. One exception is the recent offering of shared health care premiums by some companies.

YOUR SOLUTION FOR SUCCESS



- ★ LEARN TO BE AN INDUSTRY PROFESSIONAL
CLOSE LARGER DEALS
- ★ AFFILIATE PARTNER PROGRAM
AGENT MARKS - LOCAL AND NATIONAL ASSOCIATION - VAR
- ★ INDEPENDENT MANAGEMENT OPPORTUNITIES
AGENT LEADS PROVIDED
- ★ A RELATIONSHIP YOU CAN GROW WITH
INTERCHANGE @ 7.5 CENTS - RESIDUAL VESTMENT - PORTFOLIO EQUITY

JOIN FORCES. WWW.GOTONPS.COM
OR CONTACT BRIAN STEVENS, MATT GIVEN OR JAMIE NONNI AT 877-290-1975

Free Services

In the past, not only were there no free services, but you as an MLS had to pay an application fee when submitting each new deal. Now, another way your income is getting a boost is from the increasing trend in the number of free services being offered. Everything seems to be provided these days. Little things that used to cost you money are no longer expenses. Companies are paying for your business cards, letterhead, Web site and marketing materials where once they used to bill you.

Companies also are paying for downloading programs onto terminals, PIN pad encryption, free PIN pad swaps, even ground shipping costs. They're also sending out free welcome kits as well as providing merchant training and conversion assistance at no extra charge. This is clearly saving many salespeople \$50-100 per deal as well as saving a lot of valuable time that can be better spent selling more accounts.

Ed's Rating: ★★★★★

This stuff adds up. Operating costs need to be a part of your financial evaluation of the program. Kudos to the ISOs that are stepping up to the plate and providing all of this FREE stuff for you.

Leasing Programs

Every lease program gives you the ability to earn money upfront from the sale or lease of point-of-sale terminal equipment. As such, a good leasing program with competitive factor rates is very important. The innovations we've seen with leasing are faxed leases, online reporting, quick credit grading, guaranteed approvals and upfront bonus payments in addition to the normal funding on your first batch of deals.

Ed's Rating: ★★★★★

You need to evaluate more than just the factor rates. These additional features add up to a more profitable program for you in the long term. A good leasing partner is invaluable.

Additional Revenue Streams

Additional income can also be earned by getting set up with good pricing for terminal equipment, point-of-sale processing software and Internet gateway processing providers. You also can make money by setting up new American Express, Discover and Diners/Carte Blanche accounts. Some companies give you the ability to make money by establishing check conversion and check guarantee services, gift card and loyalty programs, prepaid

Are you missing out on easy profit?

posbuy
COM

Here's how the program works:

- Sign up to become a Reseller at www.posbuy.com.
- Set the prices your merchants pay.
- Distribute POSBuy terminal stickers to every merchant you meet.
- Review orders and residuals in real-time.
- Collect monthly residual checks from POS Portal.

POWERED BY
POS
PORTAL

Toll Free: 866-276-7289
www.posbuy.com

DEAL OF THE MONTH!

VeriFone
Tranz 460
Refurbished: \$175
(for 5 or more)



We have a large supply of Refurbished Talentos and T7Ps available to ship today!

Prices based upon availability

applications and/or wireless processing services and programs with your customers.

Ed's Rating: ★ ★ ★

While it's nice to be able to offer these types of services, these additional revenue streams should only be important to you if you are actually going to sell a lot of these services.

Underwriting Guidelines, Documentation Requirements and Merchant Enrollment

Many people consider this a non-financial issue. I actually think it's a real financial issue. Companies are making it easier for you to sign merchants with liberal underwriting guidelines, relaxed documentation requirements, online applications, faxed applications, online status and approval reporting with download information. This makes your job easier and gives you the ability to set up a larger number of customers in a shorter period of time. As such, it's something to consider.

Ed's Rating: ★ ★ ★ ★ ★

Ask yourself how easy is it to enroll merchants on the program you've chosen. Your time is valuable, so make sure you consider this important issue.

Your Equipment Solution!

Discount Credit Card Machine (800)816-4968

<p>Nurit 3010 CPDP</p>  <p>\$549</p> <p>IC Verify</p>  <p>\$259</p> <p>OMNI 396</p>  <p>\$79</p>	<p>Apriva M500</p>  <p>\$449</p> <p>PC Charge Express</p>  <p>\$129.95</p>
---	--

• Late Office Hours 9am-8pm Est.
 • Saturday 10-4pm Est.
 • Friendly Sales Operators

Order Online At..

www.discountcreditcardmachine.com

Now, let's address the real "meat and potatoes" part of the compensation plan debate. While the above features are important, we really need to look at the highly debated issue of BUY RATE versus REVENUE SHARING.

I speak with countless sales reps every month. One of the things I've learned is that many have relationships with several different companies. I'm confused by this concept. When I ask why, they explain they try to maximize their earnings on each merchant by placing certain merchants on a good buy rate program and placing other merchants on a good revenue sharing program. The problem is that some programs require you to choose upfront whether you want to get paid on a buy rate or revenue sharing program. A good solution for this problem is to choose a program that gives the MLS the ability to choose the best plan for them on a merchant-by-merchant basis. This is important since it enables you to send all of your business to this type of provider.

I noticed a great post in the MLS Forum in response to a question regarding what is a good rate and what is a good split:

"There are companies advertising 70/80% on split and 1.25 on buy rate. The numbers are real easy to manipulate and you will find a snake in the grass somewhere. The most important aspect to look for is honesty in dealing with you by their actions and reputation with other reps."

Here are more insightful posts on the great debate of buy rate vs. revenue sharing:

"I've worked under both plans and would recommend the 50/50 split. The most important aspect is finding a company that will pay you what they advertise. You may be told you're receiving 50/50, but the company may be padding their fees before they do the split. Remember, they could offer you 100%, but you have nothing if they stop paying you. Do some research here in the Forum and listen to what the reps tell you more than advertising claims made by different companies."

"... So long as the split is a TRUE profit split on all network and interchange costs, then that is the way to go. Most of us don't take into account items like batch fees (usually no cost at all), MIDs and NONs at the interchange level of the particular card, AVS, return fees, monthly minimums, annual fees, non-bankcard items (Amex-Discover), voice auth, chargeback fees, debit access (again, usually no cost at all), etc."

"I was on buy rate programs at the onset of working, and it was because I did not understand true costs and it seemed simple to me at the time. I assume that this is the same reason why most agents are on buy rate plans."

"The math is hard to see on an individual merchant

How do I increase credit card sales with check conversion?



I use EZCheck.® EZCheck is an industry leader with the knowledge and experience to deliver the most dependable Check Conversion and Check Guarantee products available today. Check Conversion is the most successful and powerful selling tool to hit the market in years. I take advantage of this dynamic service as an entrée to open the door to new customers and drive business into my portfolio. Put EZCheck in your sales offering and you'll enjoy some of the best advantages the industry has to offer.

- **Lifetime residual income**
- **Extremely competitive rates**
- **Faxed applications accepted**
- **Merchant approvals and downloads within 24 hours**
- **Flexible equipment and platform requirements**
- **No hidden fees**
- **No surprises (no kidding)**

They've even made getting started easy.

Just call **1-800-797-5302 ext. 313.**

Or email **ezsales@ezchk.com.**





level, but when you look at the entire portfolio it becomes very evident. This business, for better or worse, has become fee infested. This was guaranteed to happen as the margins grew smaller. ISOs are out on the street selling at 1.49 when interchange is 2 basis points from that. What successful company works off a 2/100's of a percent margin? Impossible."

"If more fees are being charged and you're not sharing in that revenue, you are missing out on the bulk of the profitability."

"I would always go with a 50/50 over a buy-rate program."

"One reason a Buy Rate is better for me is I'm working with larger volume merchants and get special pricing often. This eliminates revenue streams traditionally made on 50/50 split programs and smaller volume merchants. I am very pleased with a buy rate program."

Ed's Rating for Revenue Sharing: ★ ★ ★ ★ ★

Since I always tell people my opinion, let me say that I believe in the revenue-sharing program. I think it's the most honest and fair way to partner with an MLS. Even if you agree with me and believe in revenue-sharing programs, you cannot stop your evaluation after you hear the split amount. You need to delve a little deeper. Most of

these programs are interchange-based. However, there could be a mark-up. You need to closely evaluate your costs, whether its transaction fees, monthly service fees, chargeback fees, retrieval fees, batch or deposit fees. You need to ask if the programs charge an annual fee of which you receive nothing. Do you share in termination fees? These programs all have different cost structures, and everyone's definition of true "revenue sharing" on every income stream seems to be a little different. You need to ask all the right questions to get all the answers. Additionally, make sure the program has no liability for merchant losses.

Ed's Rating for Buy Rate Program: ★ ★ ★

For the buy rate advocates out there, I think you're all a bunch of dinosaurs that need to come over to my way of thinking. Just kidding! In some cases, you can make more money on a buy rate program. To do so, you'll need a merchant that's priced properly. You do not want to choose a buy rate program and then sell the merchant right at or near your cost. In those cases, you'll always do better on a revenue sharing program. To earn more money on a buy rate program, you will need a retail merchant with at least 20 basis points of qualified revenue income and, more important, you need a merchant with lots of transactions (more than 500 per month) and income on those transactions (at least 10 cents per item).



Mobility

The PP-50MS Portable Thermal Printer

Use the PP-50MS to turn your PDA into a complete portable POS terminal solution offering the following features:

- Magnetic Card Reader (MCR)
- Internal rechargeable battery
- Compatible with popular PDA's
- Easy paper loading
- Uses standard width paper (58mm)
- Intergration software support available

The PP-50MS is an economical & flexible alternative to traditional POS terminals.

* PDAnot included



INFINITE PERIPHERALS
FOUNDED BY CUSTOM SERVICE ORIENTED COLLEGIANS

888.624.9574 www.ipcprint.com sales@ipcprint.com
ATLANTA • CHICAGO • DALLAS • LOS ANGELES • NEW YORK

Bottom line: I believe in the latest trend in compensation programs, that trend being the aggressive courting of the MLS with many lucrative new incentives, lots of free services and terrific revenue sharing programs. Let's face it, a buy rate program is still a form of revenue sharing.

Notwithstanding all that's been discussed, it's important that you consider what's most important to you. Get set up with a provider that truly meets your needs. Examine the types of merchants you're selling and make sure they match with what your provider services.

Most sales reps want to be in a position where all they need to worry about is residual income rather than making a lot of money on selling or leasing terminal equipment. The problem is that many are not there yet. As such, a good mix of upfront income and residual income is necessary.

My advice is to make sure you never sacrifice your residual income for upfront money. Take everything we've discussed into consideration before deciding that someone's 60% program sounds better than another provider's 50%/50% program. Making the right choice takes work and due diligence. Do it. It will prove invaluable. As always, I'd love to hear from you. (I particularly wish to hear from you if you don't agree with my views or rat-

ings.) Please send feedback on this issue (and any others) to "Streetsmarts@totalmerchantservices.com." My next column will discuss the importance of vendor selection. Obviously, this is a hot topic, and I'd really like to include your opinions in that discussion.

**"Lack of money is no obstacle.
Lack of an idea is an obstacle."**

— Ken Hakuta

I'll see you next time where the rubber meets the road. 📧

Ed Freedman is founder and President/CEO of Total Merchant Services, one of the fastest-growing credit card merchant account acquirers in the nation. Ed is the driving force behind all business development activity as well as the execution of Total Merchant Services' marketing plan, including recruiting and training independent sales offices and establishing strategic alliance partnerships with leading vendors so that Total Merchant Services can provide its customers with the highest quality and most reliable services available. To learn more about Total Merchant Services, visit www.totalmerchantservices.com. To learn more about partnering with Total Merchant Services, visit www.upfrontandresiduals.com or contact Ed directly at ed@totalmerchantservices.com



Join the leader!

Attract the highest quality merchants when you represent your sales organization along with NOVA Information Systems - powered by the NOVA Network, rated #1 by MasterCard as the most reliable payment processing network in the industry! NOVA's state-of-the-art resources and generous revenue opportunities make it easy for you to build an unlimited income stream. Take a look at the benefits that we can offer you.

- > Aggressive Buy Rates
- > Transaction Fee Income
- > No Monthly Minimum
- > Guaranteed Leasing Program Available - highly competitive lease factors offered by Ladco Leasing
- > Mid/Non-Qualified Surcharge Income
- > Statement Fee Income
- > No Liability/Risk
- > Unlimited Income Potential
- > Comprehensive Real-time Online Reporting - merchant status, pending reports, activation, etc.
- > Gift Card Program - buy rates on set-up fee, card production fee, monthly fee, and transaction fee
- > Equipment Programs - Direct-ship & Bulk-ship...and much more!

NOVA
INFORMATION SYSTEMS™

NOVAMSPW109

Power your sales organization with the NOVA Network. Call 800-226-9332, ext. 1153 or 1158.



►► EDUCATION [CONTINUED]

Merchant Education Can Reduce Chargeback Risk

By David H. Press

Integrity Bankcard Consultants, Inc.

In my previous article, I wrote of the importance of adding the Verified by Visa tool to enable your online merchants to prevent chargebacks for fraudulent transactions. Like any tool provided to merchants, including Address Verification Service (AVS), CVV2/CVC2, fraud detection systems, etc., it is important to make sure that the merchants know how to properly use the tools and integrate them into their operation.

In today's market of low margins and improved customer service focused on customer retention, don't forget to take the time to ensure that the tools provided to merchants are properly set up and used in their operations. The old-day thinking of an installer hooking up a terminal and rushing to the next install and the salesperson ducking merchant calls in fear of a cancellation should be gone.

For non-retail merchants, it is especially important that the merchants know how to properly use the tools and systems that are provided. Often, when visiting a merchant location for a risk review or an internal process review, IBC has found that the merchant does not even know how to properly input information into the system.

We have observed employees (of merchants concerned about chargeback volume and having added AVS) not even entering the address into the system because they didn't know any better and they didn't "need it" to get an approval. We have visited merchants who had no system in place to process promised customer refunds.

Other merchant problems often encountered that lead to chargebacks include: not sending out merchandise, sending the wrong merchandise, taking orders for backlogged items and not being able to fulfill those orders, missing promised delivery dates and double billing.

The merchants should integrate their operational processes based on the system(s) provided and their particular type of business; their goals should be to reduce chargebacks and to be able to respond to retrieval requests and provide documentation to represent the chargebacks that do occur.

Merchants who send out products should be able to track the delivery and provide proof of delivery. Merchants' invoices or delivery advices should be in the proper format and should include refund policies and other disclosures.

A refund-tracking process should be initiated to ensure that refunds are promptly issued after being promised to the cardholder with special emphasis on the product return, if applicable. Card association rules allow merchants to require that the product be returned before issuing a credit, but disclosure in the proper format is required.

Return policies should be clearly indicated to the cardholder, including who is responsible for the cost of returning the product and how and to where it should be shipped.

The vast majority of a typical merchant's chargebacks are for only two or three different reason codes. The automated documentation provided by many processors is often incomplete, hard to understand, and does not give

Are you worried about equipment problems?
Make it our problem!

<p>Standard Warranty</p> <ul style="list-style-type: none"> • One year parts & labor on all products • No additional charge • Return broken equipment to us • We repair and return • We pay the return ground shipping charges 	<p>Lifetime Warranty</p> <ul style="list-style-type: none"> • \$9.50 each unit at time of purchase • Return broken equipment to us: • We repair and return • We pay return ground shipping charges • Wireless units are excluded 	<p>3 Year - Overnight Replacement Warranty</p> <ul style="list-style-type: none"> • \$30 each unit. Must be at time of purchase • Call us • We will download the replacement • We will overnight the replacement • Merchant returns defective unit using call tag in the box • Wireless units are excluded • Must have a net 30 account 	<p>Defective Equipment Replacement Program</p> <ul style="list-style-type: none"> • \$100 for printer terminal combos (T7P, 3200, etc) • \$75 for terminal or printer or checkreader • Call us • We download unit • We over night replacement to merchant • Call tag pickup of damaged equipment • Wireless units are excluded • Must have a net 30 account
--	--	---	--

JRS
P.O.S. DEPOT **Call For Details!**

877-999-7374
 Visit Our Website
www.jrposdepot.com
 For Current Specials & Savings



Bankcard Agents Wanted

What's in it for you?

YOU Need ...

The ability to quickly and properly set up your merchants.

Frontline Processing offers a complete online Sales Office that allows you to track your merchants from the application process to their batches once they are on the system.

YOU Demand...

High quality service for your merchants.

Frontline Processing has in-house Customer Service, Underwriting, Risk Management, Chargeback, and IT Departments to provide full service for both you and your merchants.

YOU Require...

Multiple recurring sources of revenue:

Frontline offers residual incomes from:

Discount and downgrades	Statements
Monthly Minimums	Transaction Fees
Check Services	Leases
ACH Programs	Gift and Loyalty Programs

YOU Desire...

A quality relationship for your long term processing goals.

When you call Frontline you will talk to a live person that can help you directly. We want to establish long term relationships that are successful and profitable for all.



**FRONTLINE
PROCESSING**

@the center of it all...

...to learn more about

What's In It For You

contact us at:

866-651-3068 Ext 133 or email
clk@frontlineprocessing.com
676 Ferguson Avenue, Bozeman, MT 59718
www.frontlineprocessing.com

Whether you're an established sales office or just beginning, Frontline has the solution that will work for you...



merchants a full understanding of their representment rights.

Working with merchants to have them understand how their chargebacks are occurring and showing them the proper steps to prevent and defend chargebacks can have a dramatic effect on the total number of chargebacks. Reducing a merchant's chargebacks reduces acquirer risk and potential acquirer fines from the card associations.

Both Visa and MasterCard have produced materials designed for merchant education that are available for free or for a nominal fee. These materials should be sent to merchants that have chargeback problems or to merchants based on their MCC, or their use of AVS or CVV2/CVC2, etc.

Chargeback reason code "cheat sheets" can be developed and distributed to merchants to show them what to provide for representments and what to do to protect them from each chargeback reason code they are encountering.

Determine what is causing each merchant's chargebacks. This can be done by the chargeback reason codes and from cardholder dispute letters submitted to the acquirer from the issuing banks for certain reason codes. Determine if there is a process change or if an additional

tool such as AVS, CVV2/CVC2, Verified by Visa/MasterCard SecureCode, a fraud-detection service, etc. that could help the merchant lower his chargebacks.

Sometimes it can be the simple things. IBC had a retail merchant client who only used signage to indicate a "No Return Policy" in his stores but did not have proper disclosure on the sales draft. The merchant had a chargeback problem with the double "whammy" of not getting his goods back.

When the cardholders decided to return the merchandise for credit, the merchant refused to accept the merchandise and would point to a sign on the wall that cited the no-return policy, and the cardholders left the store with the merchandise. The cardholders then disputed the transactions, and the merchant got chargebacks for "Credit Not Processed" (Reason Code 85).

After the acquirer reprogrammed his terminals with "NO REFUND" printed on the sales draft, the number of chargebacks decreased and he was able to represent those chargebacks. We have observed the same problem for merchants who ship products to cardholders and the merchants' return policy was not properly disclosed.

Mail Order/Telephone Order and online merchants can

It's all in the numbers

ISOs and agents,
call this number:

888.290.2827 x.7701



TRANSACTION PAYMENT SYSTEMS
51 East Bethpage Road, Plainview, NY 11803

TPS gift cards work.

The numbers don't lie:

- 83% of Americans use gift cards.
- Magnetic cards outsell paper gift certificates 4 to 1.
- 54% of gift card users make more than one trip to the retailer to use up the card's value.
- 33% is the average value on a gift card that doesn't get used. For a retailer, it's "found" money.

A most important number:

0 – as in Zero. That's the cost of TPS gift cards that ISOs and agents can give to merchants.

There's no limit to the number you can have. However, the offer is limited, so act now.

TPS has your numbers:

- a) 1.58 buy rate
- b) 1.53 buy rate
- c) 1.51 buy rate.
- .0295 or flat rate leasing.
- \$4.95 statement fee.
- .10 transaction fee.

GOOD THINGS COME IN THREES.

TRIADSM

**INTRODUCING TRIAD.SM
THE NEW 3-TIERED PROCESS THAT
CAN HANDLE ANY SIZE ACCOUNT.**

Pyramids have always been a symbol of power and wealth. That continues today with Triad, the new three-tiered approval process from MCCS.SM

With Triad, MCCS can handle any size of account with ease—whether you call on small, medium or even large, big-ticket accounts. Which means you now have one, convenient source for all your sales. So you can take on more business than ever before.

The Triad process uses customized, customer-specific data to provide a highly effective new system for merchant approvals. Combine that with guaranteed residual income and the unsurpassed service that MCCS is known for, and you have a powerful combination for growing a strong portfolio of profitable customers.

For years, MCCS has been a recognized industry leader, with over \$2.4 billion in annual transactions. And now, with our new Triad system, we can offer you even more ways to grow your business.

To discover the power and wealth of the pyramid, you don't have to go to Egypt. Just call 1-866-826-MCCS (1-866-826-6227) or email info@mccs-corp.com and ask about the new Triad.

Then watch good things begin to happen.

Wholly-Owned Subsidiary of Woodforest Bancshares, Inc. © 2002 Merchants' Choice Card Services, Inc. All Rights Reserved.

MCCSSM
MERCHANTS' CHOICE CARD SERVICES



provide high volumes and high margins to acquirers but increase risk exposure. It is important to make sure that a merchant's Web site is properly set up before you begin to process for the merchant. Remember, Visa rules require that a merchant's Web site contain all of the following information:

- Complete description of the goods or services offered
- Returned merchandise and refund policy
- Customer service contact, including e-mail address and/or telephone number
- Transaction currency
(e.g., U.S. dollars, Canadian dollars)
- Export or legal restrictions (if known)
- Delivery policy
- Consumer data privacy policy
- Security method for the transmission of payment data

As we look at the various Web sites, it is apparent that many online merchant sites do not include all of these Visa requirements. Consideration should be given to setting up an online merchant with Verified by Visa/MasterCard SecureCode, AVS, CVV2/CVC2 and/or fraud-detection systems dependent on the product/service provided.

Then make sure that the merchant is given materials and training to properly process transactions, that a return policy is in place and that the merchant is able to generate the necessary documentation to represent chargebacks.

Taking the time to work with MO/TO and online merchants to get them properly set up and to educate them on how to protect themselves from chargebacks can go a long way toward customer satisfaction. Many merchants don't believe that their processor is providing them the support they need in dealing with chargebacks.

By being proactive and supporting the merchant through education and during the chargeback process, the acquirer also is reducing its own risk exposure.

It only makes sense to put the time in for a merchant who could either make you a lot of money or could cost you a lot of money because of chargeback losses and fines. ☑

For more information, please contact David H. Press, Principal and President, Integrity Bankcard Consultants, Inc. by phoning 630-637-4010, or visiting www.integritybankcard.net or e-mailing dhp@integritybankcard.net



TAKING GIFT CARD TO NEW LEVELS

HYPERCOM CERTIFIED
GIFT CARD PROGRAM
PROVIDER

Our program has been customized to accommodate the merchant's needs and maximize ISO profit. Unlike any other product on the market, our loyalty program was designed to serve as an efficient marketing tool to help you build strong merchant relationships using the latest technology. Our program features a gift card program as well as a points/reward program with the following benefits:

- Low Buy Rates
- Increase Your Residuals – Make Money With Every Transaction
- Secure Your Portfolio
- Merchants Will Have the Ability to Keep Track of their Transactions And Customer Information On-Line - Use it as a Marketing Tool!
- Customized Card Designs
- Low Start Up Cost – Min. Order 100 Cards

We Are Actively Seeking Sales Partners
Contact Us at 800 – 260 – 3388



A whole new way
to organize and
submit
applications



Easy 4 Step System

1. **Fill it** - Enter merchant information online
2. **Save it** - System holds your applications
3. **Send it** - 1 click to fax or email app to merchant
4. **Submit it!**

VAST
Virtual Application & Status Tracking

Features:

- Contains all documents necessary to process merchant applications
- Available 24x7 from any PC with Internet Access
- E-mail or fax filled-out applications directly to merchants for signature
- No more incomplete applications – save it – add info – submit it
- No more handwritten apps means fewer pended apps
- On-line Document Retrieval, Reporting and Status Tracking
- “Smart” programming asks for only relevant application information

NEW! From NET1

NETWORK1
Financial

www.eftnet.com

Organize your Applications Today - Call (800) 903-8819



▶▶ EDUCATION [CONTINUED]

Legal Ease

The IC Sales Agreement

By Adam Atlas

Attorney at Law

Editor's Note: In our continuing quest to better serve our target audience, the Merchant Level Salesperson (MLS) for the payment processing industry, we have expanded our "Education" section of The Green Sheet.

With the assistance of several contributing writers, we will bring you the most current information available to assist you in creating wealth for yourself and the companies you represent. We encourage your comments and suggestions as well as questions and topics to be addressed in future issues. Please send your comments to julie@greensheet.com.

Adam Atlas joins The Green Sheet as a contributing writer from Montreal. A practicing attorney, he is a member of both the New York and Quebec bar associations. His legal work is primarily focused on U.S. agreements, and a majority of his clients are U.S. businesses in the payment processing field. Adam recently has begun specializing in electronic transaction law.

Question. Can an agreement between an independent contractor (e.g., sales rep or Merchant Level Salesperson) and a vendor/service provider (e.g., ISO) contain a production quota?

Answer. Yes. The opportunity to be an independent contractor (IC) is offered by the ISO and can be offered on limited terms. The agreement should not be such that the production quota is so hard to achieve as to make the agreement unreasonable from a business perspective for the IC.

The production quota should be negotiated in light of other terms of the agreement, such as pricing and exclusivity.

Q. If a production quota were in place, would this alter the agreement so that the IC would be legally defined as an employee?

A. The short answer is no. Employment law is a matter of state legislation and jurisprudence, so a definitive answer to this question will vary from state to state. However, the key distinction between an employee and an independent contractor is control.

Depending on the other terms of the contract, the fact of

stipulating a quota, alone, will not necessarily transform an IC contract into a contract of employment.

The contract must be taken as a whole in order to determine whether the ISO has the control over the day-to-day activities of the IC.

Note that calling a contract an "independent contractor agreement" is not enough to avoid it being an employment agreement. Regardless of which side you are on (IC or ISO), it is important to know whether an IC is hired as an employee or as an independent contractor.

Q. Within current case law, can a sales agreement between an IC and an ISO legally contain a clause linking residual payments to a production quota?

A. As a matter of general principles of law, the answer is yes. However, the definitive answer to this question requires some research into the latest law in the state in question. The relationship between IC and ISO is a contractual relationship.

The validity of the contract will turn, among other things, on whether it is reasonable. One of the contributing factors to whether an agreement is reasonable is the current industry custom.

My experience of the industry, as a lawyer specializing in electronic transaction law, is that residuals are often related to production quotas. Even the validity of the agreement is occasionally related to production quotas.

This can become especially difficult if the IC is prevented by the ISO from selling for other ISOs. This a large question that I would be pleased to examine in greater detail for any interested party.

Topic: The Internet, E-mail and Bulletin Boards

Q. At what point is a person's right to "freedom of speech" constrained by another person's or company's right to protection from defamation, slander or libel?

A. The short answer to this question is "the truth." The long answer would take a couple of gigs. One of the defenses, available under certain circumstances against

claims in defamation, slander or libel, is that the statement made is the truth. However, we all have different understandings of the truth and different ways of expressing the truth.

Everyone posting information on the Internet must be careful and consider the possible economic consequences of postings about third parties. Publishers of slanderous postings have been liable for damages even though the subject of the slander did not suffer any actual damages.

This is one of the biggest questions out there right now for bulletin board administrators.

The following are four cases on this subject that have made the news recently:

- **Proof of Internet defamation:** The Minnesota Supreme Court recently dismissed a claim for Internet-based defamation. The basis of the ruling was that postings on a newsgroup by one member ridiculing the credentials of another were not proved to be expressly aimed at harming the latter.

The U.S. Supreme Court declined to hear an appeal by the plaintiff, leaving the Minnesota as a guiding case in

this area of law.

- **FTC Spam Forum debates merits of blacklists:** An FTC Spam Forum on April 30 to May 2 heard differing views on whether spam blacklists were beneficial to the public good or harmful for blocking innocent e-mail.

- **eBay not liable for libel posted by seller:** A California court held that eBay was not liable for libelous comments made on its site by a seller about a bidder.

- **Ontario court equates Internet postings with newspaper publishing:** A court in the Province of Ontario has held that an individual who posts defamatory information on the Internet can be held liable in the same manner as if the individual had published it in a newspaper or broadcast it over the airwaves. ■

In publishing The Green Sheet, neither the author nor the publisher is engaged in rendering legal, accounting or other professional services. If legal advice or other expert assistance is required, the services of a competent professional should be sought.

For further information on this article, please contact Adam Atlas, Attorney at Law; e-mail: atlas@adamatlas.com; phone: 514-842-0886.

Wells Fargo Merchant Services

WELLS
FARGO

Pioneers in Card Processing

As an ISO, you have many options in payment processors. So, why not choose a trendsetter in the industry with years of experience. Wells Fargo Merchant Services is a leader in payment processing and part of one of the most respected financial networks in the world.

We offer innovative payment solutions through the use of state-of-the-art technology and exceptional service. Call **1-888-999-9615** and find out what a sophisticated, full service ISO program can do for your profitability.





▶▶ EDUCATION [CONTINUED]

Beyond Bankcard

Love the Ones You're With

By Lin Fellerman

Secure Payment Systems

In my 28 years of experience in the check services world, it never has ceased to amaze me that check companies seem to spend more time signing accounts than trying to keep them. Unfortunately, trying to keep them generally means that the check company should have at least a bare scintilla of knowledge about managing risk. Therein lies the dilemma: The majority of check firms do not have the risk-management systems in place to keep those hard-won accounts as happy campers.

More likely is the scenario that, to simplistically counter rising losses,

- (1) the merchant's rate is increased or
- (2) the merchant's limit is decreased or
- (3) you guessed it, both of the above.

Moreover, if the deal is not priced right to begin with, as a loss leader in the interest of capturing the credit card volume, then, yes, you guessed it – the deal will go south for the winter.

If you treat the process as simply that of a numbers game, then I suppose you shouldn't care if some deals go away as long as some stay. That's hardly the stuff of champions but, what the heck, if the batting average is OK, who wants to maximize income anyway?

On the other hand, if you feel inclined to maximize the value creation of your hard-earned portfolio (check and card), and who doesn't, then take the time to do business with those firms that don't take the easy way out by pulling the trigger to raise rates as if it is a foregone conclusion.

How often have you lost a credit card deal simply because the check company took a knife to your account, as if it was taking a shot from point-blank range with a gleam in its eye?

With a book of more than 5,500 locations, we have raised rates on only 28 merchants in our six-year history. Can you imagine what your income stream would be like if

half of your customer attrition was eliminated?

It appears to me that not letting the bathtub empty out as fast as it fills is a far easier sales-management approach than grinding out lowball rates with inferior risk-management tools. Where would the card industry be without tools to reduce exposure to merchant and consumer fraud?

If you have the tools to stem losses on the front end, as we and a few others do with sophisticated back-end risk-management systems, then analyzing risk patterns and surgically exorcising transactions emulating fraud is the only way to keep customer prices competitive and give the check service provider the capacity or even the luxury of paying claims that it might otherwise not consider doing for a New York second.

Unfortunately, customer satisfaction and customer attrition are not entirely a function of price, so those issues remain for another day. But, for the moment, you tell me what's less costly – capturing a new customer or keeping an existing one.

Name the reasons you lose an existing check deal from your portfolio:

- (1) The check provider rejects too many claims.
- (2) The check provider rejects only a few claims but for the most trivial of reasons.
- (3) The check provider generally provides customer "disservice" regardless of whether it is during normal business hours or all day long.
- (4) The check provider creates an excessive percentage of "please call" authorization requests.
- (5) The check provider declines an excessive percentage of authorization requests.
- (6) The check provider takes far too long with far too many meetings with far too many players to reach far too few decisions (good or bad), either on pressing competitive repricing situations or in resolution of rejected claims disputes.
- (7) The check service gives you a lowball rate that cannot possibly stand the test of time, resulting in rejected

Align your future with the leader in payment processing



LEADERSHIP



PROFITABILITY



CHOICE



PARTNERSHIP



SATISFACTION



Merchant Services

First Data provides ISOs with state-of-the-art tools to help attract and retain profitable merchant accounts. We have the world-class products and services, competitive pricing and superior customer support that you need to help maximize your profitability and satisfy your customers.

- ▶ State-of-the-art technologies that let you offer unique and branded payment products
- ▶ Turn-key account set-up, underwriting, risk management and customer service that let you streamline back-office operations
- ▶ Wide range of choice for your customers, including an extensive selection of terminals, front-end solutions and payment methods
- ▶ Expert support and service that lets you build your business hassle-free
- ▶ Comprehensive merchant services that exceed your customers' expectations

For more information about the First Data ISO Program, contact us today at 866-FDMS-ISO or visit us on the web at www.fdms.com/ISO/program.

Building business, every hour, every day.



If check service providers had the operating philosophy that profitability in the long run could be considered quite acceptable if all that is earned is \$1 per month on a book of a million accounts, then ALL parties (merchant, salesperson and service provider) could find an equilibrium satisfaction level.

claims to maintain profitability.

(8) Neither you nor your customer nor your customer's customer can reach a "live" customer service representative; the service provider uses an audio response system as a cost-saving measure ... and the beat goes on ...

Actually, I think I've hit you up with a "sky is falling" worst-case scenario. Take heart!

While some check companies behave that way in varying degrees, there are indeed winners out there, some specializing with their marketing prowess, some showing their expertise in supporting the spectrum of terminal platforms, some demonstrating risk-management expertise, while others may offer a broad range of ancillary products and services.

The final result: In no way are all check companies created equal!

If check service providers had the operating philosophy that profitability in the long run could be considered quite acceptable if all that is earned is \$1 per month on a book of a million accounts, then ALL parties (merchant, salesperson and service provider) could find an equilibrium satisfaction level.

But, understanding that signing a million accounts is likely a pipedream, you therefore need to find those types of service providers who believe that it is more important to:

- (1) provide superior customer service at a competitive price
- (2) pay the vast majority of claims submitted at the "NORMAL" book rate without adding fee surcharges

VEQUITY[®] Financial Group

www.VequityOnline.com



Why Partner With Vequity Financial Group?

1.516% & \$0.095 (100% Above)

.0295 Leasing Factor

No Liability - No Risk

Lifetime Vested Residuals From Day 1

Faxed Application Program

Call Today!

1-800-442-8380

WE MAXIMIZE YOUR PROFITABILITY.

to the base discount rate

(3) despise merchant attrition with a passion

(4) NOT attempt to be all things to all people all the time because that is a flawed strategy resulting in failing at many things with many customers much of the time

(5) not be worried about the margin percentage as much as the real dollars involved so as to disassociate themselves from GREED.

All check companies are not alike. How active is management in the day-to-day operations of the business? What experience do they have in successfully growing and managing a risk-management enterprise?

Do they have a pulse on how their team is treating you and your customers? Do they have 24-hour customer service and voice-authorization support? How fast is their decision-making process when you need it most?

Also, remember that the single biggest amount of horsepower that can positively affect your customer comes from really serious risk-management tools in the hands of those with experience. And I am not alluding to simplis-

tic controls on numbers and dollars of checks allowed in varying time periods.

As a payment vehicle, checks continue to defy the evolutionary life cycle. Their resilience and continued growth are clear indicators that they are not going away anytime soon. In fact, the SafeCheck and Visa POS programs recognize that very subject!

Do your homework to find the service provider that maximizes your income stream for the long haul – short-term thinking creates short-term gain and short-term customers.

Alienating customers who create the basis for your referral and lead-generating engine is not the name of the game. Do yourself a hard-earned favor and tear that page out of your playbook. 📄

Lin Fellerman is founder, President and CEO of San Diego-based Secure Payment Systems, a national provider of electronic check and gift card processing services. Before founding SPS in 1996, Lin was a 20-year employee and 10-year President of Telecredit/Equifax Check Services (now Certegy Check Services). To learn more about SPS, visit www.securepaymentsystems.com or e-mail Lin at lfellerman@securepaymentsystems.com

Advanced Payment Services

We guarantee this is
the best ISO/MSP Program

**1.49% Buy Rate 100% above
9 1/2c + Interchange 100% above
\$4.50 Statement fee 100% above
Faxed Applications Accepted**

Same day live merchant numbers

No Application Fee

No minimum monthly fees

No liability

Diners Club commissions \$25

Amex commissions \$25

Lease rates as low as 0.029

- . Lifetime vested residuals
- . Liberal underwriting
- . Over 100 types of businesses
automatic approval
- . Guaranteed residuals
- . One application for all
- . Daily detailed status reports
- . 24/7 Live Customer Service
- . Free start up kits
- . No annual fees
- . No batch fees
- . Support 98% of terminals
- . Loyalty Card program
- . Residual Buyout Program

THIS PROGRAM IS FOR ALL ISO/MSP REGARDLESS OF SIZE

CALL 1-800-414-4286 X102 OR EMAIL AGENTINFO@ADVANCEDPAYMENTS.NET



NPC Acquires Bridgeview Payment Solutions

National Processing Co., LLC has acquired ISO Bridgeview Payment Solutions, Inc. from Bridgeview Bank and Trust Co. NPC paid \$32.3 million for all outstanding shares of BPS, and the deal closed Monday, June 9, 2003.

BPS has corporate offices in Chicago and Tampa, Fla., and has been processing credit and debit card transactions for U.S. merchants since 1993.

BPS processes for more than 28,000 small to midsize merchants and signs approximately 1,500 new accounts per month through its network of ISOs and sales agents. The company's merchant customers rang up approximately \$1 billion in

credit card sales in 2002.

Bridgeview recently was voted "Best ISO" by subscribers of The Green Sheet as featured in the GS poll of Best Payment Processing Players ("2003 Best of the Best" The Green Sheet, June 9, 2003, issue 03:06:01).

Louisville, Ky.-based NPC ranked third in the U.S. for 2002 in the list of billion dollar bankcard acquirers published in the January 2003 issue (volume 6, number 1) of GSQ.

NPC processes for more than 645,000 merchant locations, which represents about one out of every five MasterCard and Visa transactions in the U.S. National City Corp. owns 85% of National Processing Inc., the parent company of NPC.

NPC became interested in BPS while exploring options to increase its market share of small to midsize merchants. It was attracted to BPS's strong merchant portfolio and ISO distribution channel as well as its risk-management tools, according to NPC executives.

"Having partnered with NPC for several years, we are confident that they will continue to take this business to new levels," Tom Haleas, Chairman of Bridgeview Payment Solutions, said in a statement.

"We feel strongly that BPS's current employees, ISOs and independent agents will have the opportunity to further prosper under NPC leadership." ■



Some vendor problems can be solved with a simple KISS.

"Knowledge, Information, Superior Service."

How many times have you wanted to tell your current merchant services provider that you can't build a good relationship on unkept promises, lousy treatment and no respect.

**CardWare isn't about lip service.
Our KISS is forever.**



CardWare™
INTERNATIONAL

We have your Solution today.

(740) 522-2150
sales@13-inc.com



FS40469



A registered
ISO 9002 company

AT GCF WE'VE LEARNED TO ROLL
WITH THE CHANGES.



YOU DON'T GET TO BE 30 IN THIS INDUSTRY
BY STANDING STILL.

We started out in the forms business.

You know, the old "knuckle busters". We're still the largest manufacturer of those — but we've learned to change with the times — now we're also the largest manufacturer of rolls in the industry. In fact we hold 9 patents in the paper business.

Our customers don't want to buy from a middleman.

Paying more for the same product doesn't add to their bottom line.

Our customers want added value.

So, over the years, we've added a state-of-the-art warehousing and distribution center and offer terminal deployment and repair on site.

We don't keep pace — we set the pace.

You keep on coming, and we'll keep on rolling.



WHERE FORMS FOLLOW FUNCTION

For more information, call Teresa or Sandy at 1.888.GCF.NEWS or visit www.gcfinc.com

"The best Agent Program ever!"

"Be Rich!"

"Be our Partner!"

"Signing Bonus!"

"Amazing Lease Factors!"

"Incredible Buy-rates!"

"Become our ISO!"

"Instant Approvals!"

"Be your own Boss!"

"Make Loads of Cash!"

"Join Us!"



CONFUSED?

Choosing the right processing relationship is often confusing and a hassle. It is important that bankcard professionals focus on the values that will help them succeed. Real values like "care" and "financial growth."

Yeah sure, we offer an "interchange plus" pricing structure, revenue share in all fee categories and online reporting. But without care, and a plan for personal growth, it's tough in this industry to develop the "kitten" into the "lion." We can help you grow.



We understand that there are many agent/ISO programs out there. Choosing one is not exactly easy – we have been in your shoes, we built this company from scratch ten years ago. Contact us and we'll give you a clear overview of our programs.

- Free POS equipment upgrade program.
- Lead generation program.
- Revenue-share in all fee categories.
- Virtual office support (email, voice mail, web presence and online reporting).
- Stock options.
- Training for your representatives.
- Residual advance buyout – up to 24X.
- Agent bank program.
- And more goodies of what you expect from a good processing partner.



Newark, CA
www.usms.com

For details, contact Tannon McCaleb:
800.655.8767 Ext. 262
or by email at: tannonm@usms.com

NEW PRODUCTS ◀ ◀ ◀

All-in-One Electronic Check Conversion and Card Processing Device

Product: Synergy

Company: RDM Corp.

In conjunction with the release of the EC6000i in April 2003, RDM Corp. also released Synergy, a new stand-alone, all-in-one, point-of-sale terminal for electronic check conversion as well as credit, debit and loyalty and gift card processing.

The product has a Linux-based operating system and microprocessor and supports multiple applications and configurations, enabling merchants to leverage their current payment infrastructure to take advantage of electronic check conversion and point-of-purchase (POP) and accounts receivable conversion (ARC).

Synergy captures clean, clear images of paper checks, including accurate readings of MICR text.

The product has a bi-directional check drive that indicates whether a merchant's check guarantee provider approves the check. When a clerk feeds a customer's check into the Synergy device, the check gets returned "face up" from the entry slot if the transaction is declined. If the check is approved, the check returns "face down" from the exit slot.

RDM has equipped Synergy with a 20-key keypad and three-track magnetic stripe reader; a backlit

graphic LCD display supporting eight lines of text and 21 characters per line; a standard one megabyte of flash memory for storing images, user data and applications; a proprietary MICR line reader that scans, reads and captures the MICR line of a check in a single pass in less than two seconds; an RJ11 (33,600 bps) port; and two RS232 ports for connecting to peripherals and other payment devices.

The product was designed to maximize counter space – it is only 8.75 inches long by 6.1 inches wide by 4.5 inches high.

RDM offers users the option to upgrade on a number of optional features, such as adding a thermal printer, a 33.6 KB internal modem and two or four megabytes of flash memory.

Users can add an OCR MICR line, which provides an optical read of the MICR text. The company says this feature can improve Synergy's read rate to 100% and is ideal for bill-payment applications.

RDM also can add check-franking capabilities, which stamp a fixed text message on the front face of the check in order to fulfill NACHA's requirement for check defacement so the check cannot be re-presented.



RDM Corp.

4-608 Weber Street North
Waterloo, Ontario Canada N2V 1K4
519-746-8483
www.rdmcorp.com



Process Fleet Cards and More on One Terminal

Product: PetroTrans

Company: *Lynk Systems, Inc.*

Payment processor Lynk Systems, Inc. now offers a software application for merchants called PetroTrans that processes fleet cards and other electronic payment transactions, all on one payment terminal and through one payment processor.

It's a cost-effective solution for small to midsize merchants such as gas stations and convenience stores, automobile maintenance and repair businesses and even retail stores that sell automobile maintenance products.

With PetroTrans, now these mer-



chants can offer fleet card processing in conjunction with credit, debit, EBT and prepaid card processing for commercial and government fleets, all on VeriFone's Tranz 380 point of sale terminal.

VeriFone's Tranz 380 has a 16-character (alphanumeric) fluorescent display and a track magnetic card reader with an RS-232 serial port for connecting a printer.

PetroTrans supports Voyager,

Wright Express, MasterCard Fleet and Visa Fleet programs. Wright Express has more than 3.3 million cardholders, and Voyager has more than 1.3 million cardholders. 

Lynk Systems, Inc.

600 Morgan Falls Road, Suite 260
Atlanta, GA 30350
800-200-5965
www.lynksystems.com

VeriFone, Inc.

2455 Augustine Drive
Santa Clara, CA 95054
1-800-VeriFone
www.verifone.com



loyalty pays, Schlumberger offers unlimited possibilities

Loyalty pays in almost any retail environment and Schlumberger offers the products and services to assist retailers of any size in delivering their loyalty programs. From open platform smart cards and loyalty applications to smart card ready POS terminals, we can help retailers grow and retain their customer base. Schlumberger offers the benefits of an unparalleled track record implementing credit, debit, private label, affinity and loyalty

programs, and our point of sale terminals accept both smart cards and traditional magnetic stripe cards, and support a variety of user environments including multi-lane, handheld, wireless and infrared. Contact Schlumberger to learn how our products can make loyalty pay for you.

Schlumberger multi-application POS terminals support the leading Visa and MasterCard loyalty applications.

888-343-5773
www.smartcards.net



HARRIET HATES CHECKS.

Now **POS** approves
her checks in
9 seconds...deposits
her money in
48 hours...for
pennies per
check, no
discount rate,
including
guarantee!



CHECKING SECURITY FOR MERCHANTS. CHECKING INCOME FOR YOU.

That's why so many merchants are asking for Paid On Signing. It converts a paper check to a debit transaction at the point of sale...quickly and securely, in "REAL-TIME".

Paid On Signing is a Payment Option Solutions product for ISOs and acquirers, processors or agent banks. Looking for an exciting new product for new and existing customers?

Get with the POS program and start making real transaction income today.



PAYMENT OPTION SOLUTIONS, LLC
800 SHAMES DRIVE
WESTBURY, NY 11590

TEL: 888.767.7674
FAX: 516.408.7058

WWW.PAYMENTOPTIONSOLUTIONS.COM

WANTED

TRANSACTING MERCHANTS



AGENTS:

MAKE MORE MONEY



EXPAND YOUR PROFITS

**ON YOUR EXISTING
GATEWAY BUSINESS
BY SWITCHING TO US**



Make additional
money & bonuses &
more favorable buy rates with
your conversion to ThriftyGateway.



888-299-6999 * www.thriftygateway.com * sales@thriftygateway.com

WATER COOLER WISDOM

If a man insisted always on being serious, and never allowed himself a bit of fun and relaxation, he would go mad or become unstable without knowing it.

– Herodotus (484 B.C.-432 B.C.)

INSPIRATION ◀◀◀

Say Yes to Less Stress – Live a Little!

Second of two articles

Your back and neck are feeling better and you actually are remembering to eat well. So why are you still irritable or tired or restless? Why is it still difficult to focus on the task at hand? Why are you feeling as if you are ready to explode?

The answer to these questions may lie in the answer to another question. When was the last time you took a break? By focusing so hard on work, you may have forgotten to take some time for yourself. Relax and take a deep breath ...

Stress permeates every corner of our lives. It is a necessary part of our existence. While we need some stress in order to perform well, too much stress can affect our performance negatively and can affect our physical health.

When we are overworked we can be irritable, restless, fatigued and unfocused. We may not be sleeping well. Stress can add to cardiovascular problems, cause high blood pressure and weaken our immune

systems. Just a few of the signs that you are overstressed are:

- You are always tired, even after getting a full night's sleep.
- You are unexplainably irritable or anxious.
- You have frequent headaches.
- You have difficulty concentrating.
- You have trouble sleeping at night.

Snapping at your clients is bad for business, obviously, so you need to be a bit self-indulgent and take care of yourself to relieve some of the stress you face each day. You don't have to take a two-week vacation in the Bahamas every time you are annoyed, but a few minutes spent on yourself every day can work wonders.

In the June 9, 2003 issue of *The Green Sheet* (03:06:01), we discussed getting up and moving to keep your body healthy, but this also can help your mind. Take a couple of extra minutes to look out the window or, better yet, go outside if the weather is nice and just breathe for a few minutes. When lunchtime rolls around, perhaps you can





Association of Credit and Collection Professionals

ACA International's 64th Annual Convention and Exposition

Highlights: The Association of Credit and Collection Professionals presents four days of timely, comprehensive education and networking opportunities. More than 35 sessions and workshops will help you sharpen your skills and expand your resources in these tough economic times. Attend one of ACA's half-day educational seminars designed for people who work in a third-party agency or a collection department. These seminars are included in the registration fee. Earn CEUs toward your ACA Academy Degree; attorneys can earn CLEs by attending the concurrent MAP Legal Education Conference. The Expo Hall will feature new products and services from dozens of vendors to provide a one-stop shopping opportunity that will enhance the bottom line and keep your business moving ahead. On July 11, the second annual Foundation Golf Tournament for Financial Literacy will take place at the Secretariat, the most challenging of three distinctive courses at Stallion Mountain Country Club, 15 minutes from the Vegas strip.

When: July 8-11, 2003

Where: Mandalay Bay Resort & Casino, Las Vegas

How to Sign Up: Visit www.acainternational.org

Smart Card Alliance Conference

Smart Cards in Government 2003

Highlights: Government adoption of smart card technology is growing at a faster rate than many other non-government segments. This conference and exposition will bring together the leaders of the smart card movement within government, including both the internal civilian and military agency leadership as well as the technology providers and integrators behind the programs. Learn about policies, applications and next steps; technology discussions will cover related areas such as PKI and biometrics, how and where the technologies are being utilized and installed and why government is moving so aggressively in this area. Speakers from a broad range of interests will provide insight and the exhibition hall, new this year, will give attendees opportunities to speak with key vendors and agency representatives.

When: July 15-17, 2003

Where: Sheraton National Hotel, Arlington, Va.

How to Sign Up: Visit www.smartcardalliance.org

sit outside and eat. If you are on the road, take the time to sit and eat lunch. Don't just hit the drive-thru and eat in the car.

When was the last time you went to the movies? If the last movie you remember seeing in the theater is "Easy Rider," it's probably time you gave it another try. The popcorn and the sound systems actually have gotten better. If movies don't interest you, pick up a book to read. While "Good Selling!" is a great book, try something that has nothing to do with your career or success. A fictional story or something to do with a hobby would be a good choice.

More and more employers are allowing time for naps at work. Research has found that by napping for 20 minutes in the afternoon, workers can increase their productivity by up to 35%. Turn off the phones, turn down the lights, get comfortable and snooze for a while.

To be really indulgent, you might try a massage. Massages have been shown to reduce your heart rate and lower your blood pressure ... and they just plain feel good. If you don't want to take the time to travel to the masseuse, find one who will come to you. Many masseuses bring a portable massage table to their clients' homes or workplaces.

Hobbies can provide a great outlet for stress. If you don't have a particular hobby, think about taking one up. Any type of interest can generate numerous hobbies. Like to be outside? How about gardening, golf, hiking or bird watching? Like to use your hands?

How about building models, woodcarving or metal sculpture? You don't have to spend a lot of money or even be particularly good at whatever hobby you indulge in. Just be sure it is something you truly enjoy doing.

The point to all this is to reserve some time for yourself each and every day. Constantly ignoring your physical, emotional and mental needs challenges your ability to perform at your best. Taking care of everyone else is impossible if you cannot even take care of yourself. Even just leaning back in your chair and closing your eyes for five minutes while you day-dream can go a long way toward keeping you on track.

SUBMIT YOUR TALES OF SALES SUCCESS

If we publish your story,
we'll give you **\$100**

E-mail to: greensheet@greensheet.com

Good Selling!

Paul H. Green

BEE

appreciated.

Bonus Program in addition to residuals. Each approved account processing with BPS receives 1 Bee Credit.

- 500 Bees = Mini Cooper, VW Bug, or Toyota Camry or \$20,000 CASH**
- 400 Bees = 10 Day Vacation to the Carribean or Europe for 2 or \$12,000 CASH**
- 250 Bees = In-Home Theatre or 5 day trip to Disney World for 4 or \$5,000 CASH**
- 100 Bees = Laptop or Desktop Computer with flat screen or \$1500 CASH**
- 50 Bees = Nikon Digital Camera or Sony 15" Flat Screen TV or \$500 CASH**

WHAT ELSE IS BUZZING AT BPS?

BEE CheX Electronic Check Conversion Guarantee Program, Buy Rate 1.12% + \$0.16.

Internet: 100% online application, no wet signatures ever needed • **High Risk** Department

• Guaranteed **Sure Lease** Program • ATM's • **ACH** Program • **BEE CARD** Gift & Loyalty Program

- Monthly Minimum Income
- Mid/Non-Qualified Income
- Statement Fee Income
- Transaction Fee Income
- AMEX, Discover, Diners Residual Incomes
- No Charge Reprograms or Installations

Retail Buy Rate	Moto/Internet Buy Rate
1.47% + \$0.16	1.93% + \$0.22

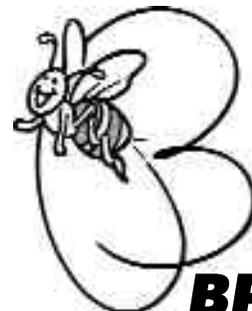
***BI-LINGUAL
SERVICE/TECH SUPPORT**

1-877-700-SWIPE ext.242

SPECIAL



FOREVER
THALESTERMINAL
SOLD, GET 1
EXTRABEEUNTIL
JAN. 2004



BPS

VISIT OUR WEBSITE @ WWW.BUSY-AS-A-BEE.COM



RESOURCE GUIDE

The Resource Guide has grown to accommodate increased interest!

To add your company to our expanding listing, call 800-757-4441 today.

ATM LEASING

LeaseProcess
(303) 808-0448

ATM/SCRIP ISOs LOOKING FOR AGENTS

Access ATM
(866) 874-0384

Access to Money
(888) 501-5246

ATM Merchant Systems
(888) 878-8166

Data Capture Systems, Inc.
(800) 888-1431

NationalLink
(800) 363-9835

BANKS LOOKING FOR ISOs/MSPs

Bridgeview Payment Solutions
*A Wholly Owned Subsidiary of
Bridgeview Bank and Trust*
(888) DO APPLY

CentralBancard
(866) 797-2317

Comerica Merchant Services
(800) 790-2670

First American Pymt Sys
(866) G04 FAPS

National Processing Co.
(800) 672-1964 x 7655

Retriever Payment Systems
(800) 376-3399

CHECK DRAFTING SERVICES

CFIgroup
(888) FON-CHEX
Checks by Phone/By Web
(561) 998-9020

CHECK GUARANTEE/ VERIFICATION

Abanco Intl., LLC
(866) 231-2030 x2347

CrossCheck, Inc.
(800) 654-2365

ElectCheck Plus
(800) 863-5995

EZCheck
(800) 797-5302 x303

Global eTelecom, Inc. (GETI)
(877) 454-3835

Global Payments
(800) 638-4600 x888

Nationwide Check Services
(800) 910-2265

Red Check Investments
(877) 238-0415

Secur-Chex
(888) 603-0978

COMPLIANCE/PIN ENCRYPTION

INFORMATION EXCHANGE, INC.
(888) GO-INFOX

CONSULTING AND ADVISORY SERVICES

Adam Atlas Attorney at Law
(514) 842-0886

First Annapolis Consulting, Inc.
(410) 855-8500

Integrity Bankcard Consultants, Inc.
(800) 816-4224

Service Dimensions, Inc.
(800) 578-3800

Strategic Management Partners,
LLC
(800) 886-4465

DEBIT TRANSACTION PROCESSING

Global Payments, Inc.
(800) 801-9552

EFT-ACH SETTLEMENT SERVICES

Intercept Corporation
(800) 378-3328

EQUIPMENT

Abanco Intl., LLC
(866) 231-2030 x2347

Automated Transaction Tech.
(888) 454-1210

BANCNET
(713) 629-0906

CardWare International
(740) 522-2150

Electronic Payment Systems, LLC
(800) 863-5995

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

Global Payments
(800) 801-9552

Ingenico
(800) 252-1140

Lipman USA, Inc.
(516) 484-9898

MIST
(866) 955-6478

MLT & Assoc., Inc. Plastic Refurb
(775) 358-2922

National Processing Company
(800) 672-1964 x 4383

Nationwide Check Services
(800) 910-2265

POSPortal, Inc.
(866) 276-7289

Schlumberger Sema
(800) 732-6868 x202

TASQ Technology
(800) 827-8297

Teertronics, Inc.
(800) 856-2030

Thales e-Transactions, Inc.
(888) 726-3900

Vital Merchant Services
(800) 348-1700

FREE ELECTRONIC CHECK RECOVERY

Chexcollect.com
(866) 691-0666
Gulf Management Systems, Inc.
(800) 947-3156

FUNDING SOURCES

Resource Finance Company, LLC
(866) 211-0114

GIFT/LOYALTY CARD PROGRAMS

CHIPLOGICS
(866) 462-4477
POS Payment Systems
(718) 548-4630

ISO RELATIONSHIPS AVAILABLE

Abanco Intl., LLC
(866) 231-2030 x2347

AmericaOne Payment Sys
(888) 502-6374

Brennes-Jones Group
(800) 970-2592 x1003

Business Payment Systems
(877) 700-7947 x242

CentralBancard
(866) 797-2317

Cynergy Data
(800) 933-0064 x5710

First American Payment Systems
(866) G04 FAPS

First Data Merchant Services
(866) FDMS-ISO

FMBS
(800) 966-5641

Global Payments, Inc.
(800) 801-9552

Lynk Systems, Inc.
(866) MSP-LYNK

MSI-MerchantServices, Inc.
(800) 351-2591 x9-23



Nationwide Check Services
(800) 910-2265

Partner-America.com
(800) 366-1388

Total Merchant Services
(888) 84-TOTAL x314

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

ISOS/BANKS PURCHASING ATM PORTFOLIOS

Momentum Cash Systems
(800) 939-0914

ISOs/BANKS PURCHASING MERCHANT PORTFOLIOS

AmericaOne Payment Sys
(888) 502-6374

CardPoint, Inc.
(410) 592-7485

CentralBancard
(866) 797-2317

Concord EFS, Inc.
(800) 778-4804

Global Payments Inc.
(416) 847-4477

Merchant Services Incorporated
(800) CARDSWIPE x7934

PaySystems Corporation
(514) 227-6894 x407

Southwest Financial Services, Inc.
(800) 841-0090

ISOs LOOKING FOR AGENTS

Abanco Intl., LLC
(866) 231-2030 x2347

AmericaOne Payment Sys
(888) 502-6374

American Credit Card Proc. Corp.
(800) 310-3812

Approval Payment Solutions, Inc.
(888) 311-7248

Bancard Payment Systems
(866) 783-7200

BankCard USA
(800)589-8200 x101

Brennes-Jones Group
(800) 970-2592 x1003

Business Payment Systems
(877) 700-7947 x242

CardPoint, Inc.
(410) 592-8998

CentralBancard
(866) 797-2317

Certified Merchant Services
(800) 732-7099

Comerica Merchant Services
(800) 790-2670

Concord EFS, Inc.
(800) 778-4804

Cornerstone Payment Systems
(866) 277-7589

Cynergy Data
(800) 933-0064 x 5710

E-Commerce Exchange
(800) 748-6318

Electronic Payment Sys., LLC
(800) 863-5995

First American Payment Systems
(866) G04 FAPS

First Card Merchant Services
(800) 404-9118

FMBS
(800) 966-5641

Frontline Processing
(866) 651-3068 x133

**Innovative Merchant
Solutions**
(800) 397-0707

IRN PAYMENT SYSTEMS
(800) 366-1388

Merchant Services, Inc.
(800) CARDSWIPE

Momentum Cash Systems
(800) 939-0914

Money Tree Services
(800) 582-2502 x100

MSI-MerchantServices, Inc.
(800) 537-8741 x9-12

MSP Direct, LLC
(888) 490-5600 x112

National Processing Co.
(800) 672-1964 x7655

Nationwide Check Services
(800) 910-2265

Netcom Data Southern Corp.
(800) 875-6680

Orion Payment Systems
(877) 941-6500

Signature Card Services
(888) 334-2284

Total Merchant Services
(888)-84-TOTAL x314

Transaction Payment Systems
(800) 999-8674 x309

United Merchant Services
(800) 260-3388 x236

Vequity Financial Group
(800) 442-8380

Worldwide Merchant Services
(800) 847-2662

Xenex Merchant Services
(888) 918-4409

LEADS GENERATORS

Hot Leads Xpress
(866) 244-2593

LEASING

Abanco Intl., LLC
(866) 231-2030 x2347

ABCLeasing
(877) 222-9929

Allied Leasing Corp.
(877) 71-LEASE

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

BARCLAY SQUARE LEASING, INC
(866) 396-2754

Electronic Payment Systems, LLC
(800) 863-5995

GlobalTech Leasing, Inc.
(800) 414-7654 x 3002

Golden Eagle Leasing, Inc.
(800) WE LEASE

Integrated Leasing Corp.
(800) 398-9701

LADCO Leasing
(800) 678-8666

Lease Finance Group
A Division of CIT
(888) 588-6213

Leasecomm Corp.
(800) 515-5327

MERCHANTS LEASING SYSTEMS
(877) 642-7649

Merimac Capital
(888) 603-0978

Nationwide Check Services
(800) 910-2265

Northern Leasing Systems, Inc.
(800) 683-5433 x 8500

Signature Leasing, LLC
(877) 642-7649

TASQ Technology
(800) 827-8297

LOYALTY CARDS

FLEXGIFT/UMSI
(800) 260-3388 x236

POS CHECK CONVERSION

Abanco Intl., LLC
(866) 231-2030 x2347

B-CheX
(877) 700-7947 x242

CrossCheck, Inc.
(800) 654-2365

E-Chex
(877) 474-8924

ElectCheck Plus
(800) 863-5995

ElectroCheck
(877) 509-9399

EZCheck
(800) 797-5302 x303

Global eTelecom, Inc. (GETI)
(877) 454-3835

Nationwide Check Services
(800) 910-2265

POS SUPPLIES

CardWare International
(740) 522-2150

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

TASQ Technology
(800) 827-8297

Vital Merchant Services
(800) 348-1700

PROCESSORS LOOKING FOR ISOs

First Data Merchant Services
(866) FDMS-ISO

Global Payments
(800) 801-9552

Lynk Systems, Inc.
(866) MSP-LYNK

National Processing Company
(800) 672-1964 x7655

PARTNERSHIP PROGRAM



**American Credit Card
Processing Corporation**

**TO START YOUR OWN BUSINESS
CALL US**

1-800-310-3812

**A COMPANY OWNED AND OPERATED
BY SALES PEOPLE**



INDEX TO ADVERTISERS:

A-1 Leasing	8
ABANCO International	49
ACCPC	85
Advanced Payment Services	71
AmericaOne Payment Systems	9
Barclay Square Leasing	16
Bridgeview Payment Solutions	35
BUDGET Terminals & Repair	28
Business Payment Systems	81
CardWare International	72
CDE Services	34
Comerica Bank	53
Concord EFS	43
CrossCheck	21
Cynergy Data	11
Discount Credit Card Machine	56
Electronic Payment Systems	25
EVS Development	78
EZCheck	57
FTI	12
First American Payment Systems	31
First Data Merchant Services-MD	69
Frontline Processing	61
General Credit Forms	73
GO Software	40
Heartland Payment Systems	51
Horizon Group	88
Infinite Peripherals	58
Integrated Leasing	26
IRN/PartnerAmerica	27
JR's P.O.S. Depot	60
Lipman USA	33
Merchant Services Inc.	23
Merchants' Choice Card Services	63
MIST	24
Money Tree	15
MSI-NJ	83
MSI-NJ 1-800-BankCard	46
Nationwide Check Services	42
Nationwide Payment Solutions	54
Network 1 Financial	65
North American Bancard	7
NOVA Information Systems	59
NPC	19
Online Data	39
Payment Option Solutions	77
POS Payment Systems	20
POS Portal	55
Resource Finance	50
Retriever Payment Systems	13
SchlumbergerSema	76
Secure Payment Systems	37
Signature Card Services	32
TASQ Technology	87
Teertronics	36
Thales e-Transactions	2
The Phoenix Group	17
Total Merchant Services	44-45
Transaction Payment Systems	62
U.S. Merchant Systems	74
United Bank Card	41
United Merchant Services	64
Vequity Financial Group	70
VeriSign	22
Vital Merchant Services	29
Wells Fargo Merchant Services	67

Paymentech
(888) 849-8980

REAL-TIME CHECK / CREDIT CARD PROCESSING

E-Commerce Exchange

(800) 748-6318
eProcessingNetwork.com
(800) 971-0997
USAePay.com
(866) USAePay (872-3729)

REAL-TIME CHECK/DEBIT PROCESSING

**Payment Option
Solutions, LLC**
(888) 767-7674

SITE SURVEYS

Property Resource Network Inc.
(800) 676-1422

SUPPORT DESK FOR POS TERMINALS & PC SOFTWARE

CardWare International
(740) 522-2150
TASQ Technology
(800) 827-8297
Vital Merchant Services
(800) 348-1700



- Have You Moved?
- Do You Have a Correction to our Database?

Visit www.greensheet.com and complete the convenient form.

GSQ BACK ISSUES ONLY \$1.45*



order at greensheet.com/gsq

*Subject to availability, plus shipping

THE LEADING OUTSOURCE PROVIDER FOR THE PAYMENT PROCESSING INDUSTRY



POS equipment

Supplies and accessories

TASQ-NET[®] management software

JIT deployment

Retrieval management

Training & conversions

Leasing, rental, ACH

Professional services

Refurbishment

Supply order desk & fulfillment

PC products and configuration

Service & help desk

VeriFone

Hypercom

Lipman

Ingenico

Mag-Tek

Dassault/Thales

SchlumbergerSema

MIST

RDM

Addressograph Bartizan

IC Verify

PeriPheron Tech

GO Software, Inc.

For personal service, please call our Sales Representatives at 1-800-827-8297
For more information about TASQ Technology, visit us at www.tasq.com

Isabel Bishop
Extension: 3038
Florida, Iowa, Kansas
Nebraska,
Oklahoma, Texas

Kristin Harvey
Extension: 3063
Southern California,
Nevada

MaryAnn Baldez
Extension: 3002
Alabama, Arkansas,
Georgia, Illinois, Indiana,
Kentucky, Louisiana,
Michigan, Minnesota,
Mississippi, Tennessee,
Wisconsin

Schuyler Kennedy
Extension: 3084
Northern California,
Oregon

Anna Mortensen
Extension: 3077
Alaska, Arizona,
Colorado, Missouri,
Idaho, Hawaii,
Montana, New Mexico,
North Carolina, North
Dakota, Ohio, Utah,
South Carolina, South
Dakota, Washington,
Wyoming

Robert Heinrich
Extension: 3016
Connecticut, Maine,
Delaware, Maryland,
Massachusetts, New
Hampshire, New York,
New Jersey, Pennsylvania,
Rhode Island, Vermont,
Virginia, West Virginia,
Washington D.C.

Are You ready to get into the game?

☑ Play ball with *Hy-Inside* and win free prizes and rewards.

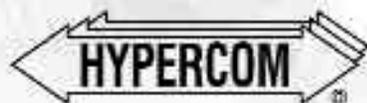
Hy-Inside is the payment industry's leading loyalty program that rewards you for doing what you do best – selling terminals. Here you can earn points toward free terminals, free shirts, jackets, jewelry, cameras, camcorders, laptops and TVs. Even weekends in Las Vegas.

All you do to get into the game is **log on, sign up and cash in.**

Keeping score in the game of sales has never been easier. So play ball with *Hy-Inside*.

Do it today!

☑ www.hypercomusa.com



get there: hypercom.com



innovation. results. leadership.