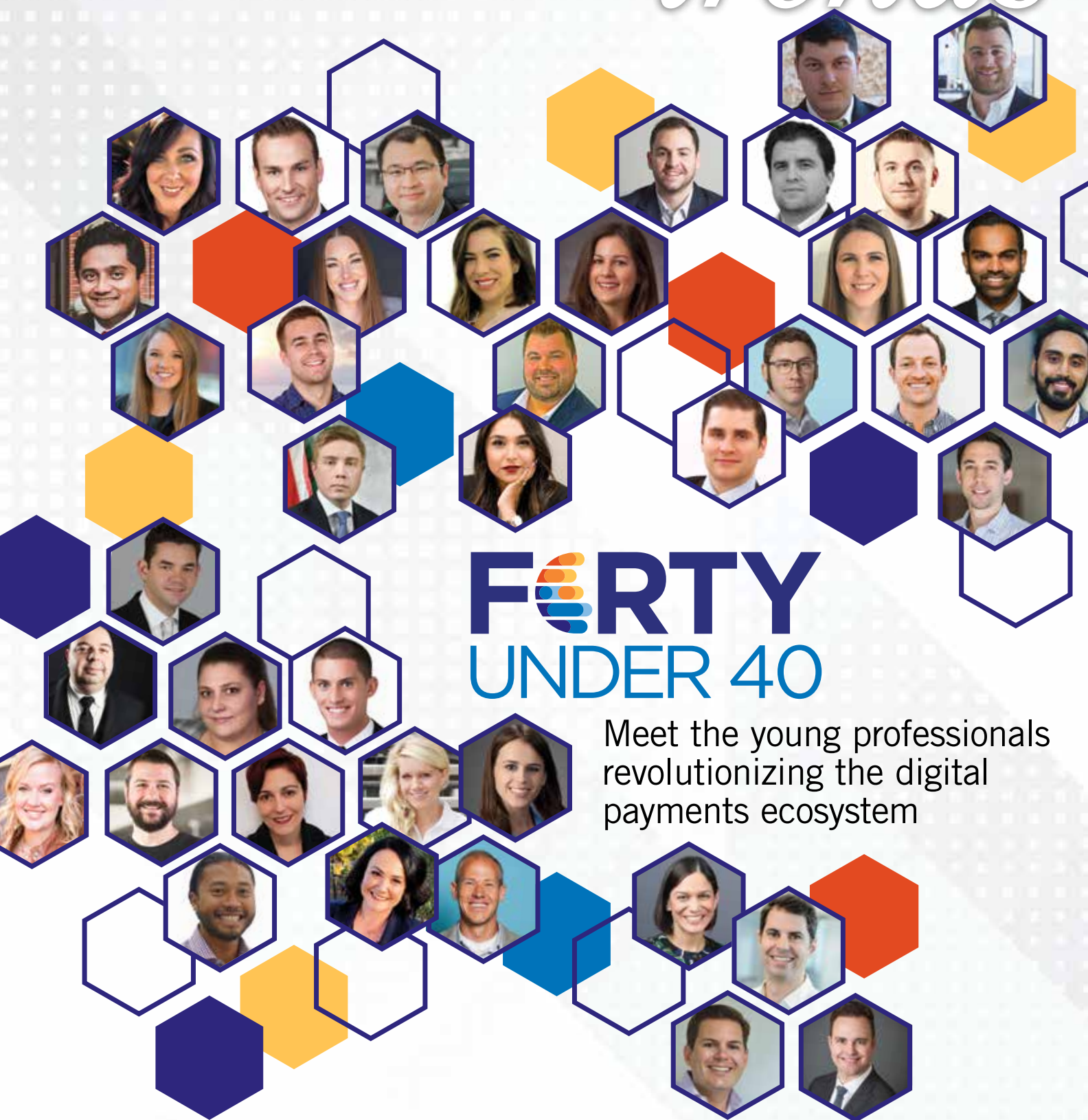


TRANSACTION

THE OFFICIAL PUBLICATION OF THE
ELECTRONIC TRANSACTIONS ASSOCIATION

trends



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contents

The Official Publication of the Electronic Transactions Association Vol. 23 | No. 2



features

14 **Forty Under 40**

Meet the honorees of ETA's inaugural "Forty Under 40" recognition, which identifies leaders from across the digital payments ecosystem who have been game changers at the intersection of payments and technology. Representing all sectors of the industry, these young professionals are poised for big things in the payments business.

32 **The ROI of a Balanced Profession**

By Christine Umbrell

Women in leadership positions within the payments profession are playing important roles in improving organizational and financial performance, promoting a diversity of opinion, and building a well-rounded workforce at their companies. Learn how five influential female executives are paving the way for a new and more balanced generation of payments professionals.



36 **Accelerate Your TRANSACT Experience**

This year's premier conference event features several new spaces dedicated to innovation, biometrics, and contactless payments; two new educational tracks devoted to ISVs and payment facilitators; and much more. Access this guide to preview keynote speeches dedicated to emerging trends, plan for networking opportunities, and get the most out of your time in Las Vegas!



departments

- 2 **@ETA** Announcements and ideas from CEO Jason Oxman
- 4 **Intelligence** Vital facts and stats from the electronic payments world and ETA
- 12 **Politics & Policy** Political, economic, and advocacy updates affecting your business
- 41 **Industry Insider** Lessons learned from PayPal's settlement with the FTC
- 42 **Ad Index**
- 44 **People** Clover Food Lab's Ayr Muir envisions a cashless restaurant experience.

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Future-Forward: Welcome to TRANSACT 18

On behalf of ETA, welcome to TRANSACT, the payments technology industry's premier trade show and the largest and most influential gathering of payments industry professionals on the planet.

Thousands of payments leaders from around the world and across the industry have gathered in Las Vegas to forge the future of payments technology.

And what a future it is going to be. We live in an age of rapid payments innovation. From connected cars to contactless cards, cryptocurrency to encryption, omnichannel solutions to one-click commerce, there are thousands of innovations, powered by ETA members, that will forever shape the way we interact with money. As the voice of the payments industry for nearly three decades, ETA has supported more than 500 leading member companies as they invent the future of commerce.

As our industry changes, so too must our industry's primary annual event, TRANSACT. We've taken a fresh look at our conference, with an eye on building its legacy of advancing payments technology. Take a look around and see for yourself: Coded into the DNA of TRANSACT is a focus on maximizing your ROI as the industry moves forward. The ideas that will define the future of payments will take center stage this week.

Nowhere will they be more present than on our show floor. The all-new Contactless Zone, presented by FreedomPay, and the Biometrics + Identity Zone, presented by the International Biometrics + Identity Association, are where payments professionals can discover the inspiration to create their own groundbreaking solutions. Startups from leading incubators are in our Next-Gen Park and Startup Zone, looking for partners to help them disrupt and change the industry. More than 200 major payments companies will exhibit their latest products and services across the sprawling exhibit hall. Where will you be?

The speakers on the keynote stage and in our educational tracks are distinguished leaders and experts on the new frontiers of our industry. While payments companies and their partners face disruption from many angles, TRANSACT sessions will provide you actionable intelligence you need to make critical changes to your business.

Through our new meeting spaces, executive and member lounges, receptions, and mixers, attendees have plenty of opportunities to secure those invaluable meetings that lead to advancing your business. Meetings between innovators and investors, industry titans and valued clients, legacy and emerging sales channel players—these connections position payments leaders at TRANSACT to thrive.

After all, we know it is all about the innovation that drives our industry. Partnerships that drive our industry. Connections that drive our industry. Sales that drive our industry. TRANSACT attendees who drive our industry.

Welcome to the future of the payments business and the innovation that powers it. Welcome to TRANSACT.

Jason Oxman
Chief Executive Officer
Electronic Transactions Association





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U.K. Shoppers Using Digital Wallets for Pints and Prada

More than £975 million, or \$1.3 billion (U.S.), in sales were made via in-store contactless transactions in the United Kingdom last year, marking a 328 percent year-over-year increase since 2016, according to the latest consumer spending data from Worldpay. The rise of digital wallets such as Apple Pay, Google Pay, and Samsung Pay has contributed to the increasing acceptance of mobile payments.

In-store mobile transactions were highest in the U.K. supermarket sector, which accounted for 59 percent of these types of transactions. Another 12.5 percent took place in pubs, bars, or restaurants. The report also identified luxury department stores and high-end boutiques as one of the fastest growing sectors for mobile payments, as U.K. shoppers are increasingly purchasing higher-value items via smartphone.

“Digital wallets are growing in popularity every day, but what’s interesting is the shift in the way people are shopping with their smartphone,” said Worldpay CMO James Frost. “No longer just restricted to light bites and post-work pints, mobile contactless payments are becoming increasingly popular for higher-end purchases, too, as manufacturers integrate more sophisticated security features into handset designs.” More than half of consumers can see a future where mobile replaces their card within the next five years, according to Worldpay.

INTELLIGENCE

Merchants Falling Out of Compliance, Surprising Researchers

More than 95 percent of companies in acquirers’ portfolios have a formal PCI compliance program in place, yet some of these programs are faltering, according to “The Acquirer’s Perspective on Level 4 Merchant PCI Compliance,” published in February by ControlScan and the Merchant Acquirers’ Committee. The report presented the findings of a survey completed in December 2017 of 115 acquirers, processors, ISOs, and payment facilitators with Level 3 and 4 merchant portfolios.



Acquirers’ overall portfolio compliance rates have edged upward over time, with 42 percent reporting a portfolio compliance rate of 61 percent or greater, and one-quarter reporting a compliance rate in the 26 to 40 percent range. “This report is all about evaluating and optimizing your organization’s PCI program approaches,” said Chris Bucolo, director of market strategy for Control Scan. “We’re seeing slowed growth in PCI compliance levels across portfolios, so it’s important to understand why this occurs and take corrective action.”

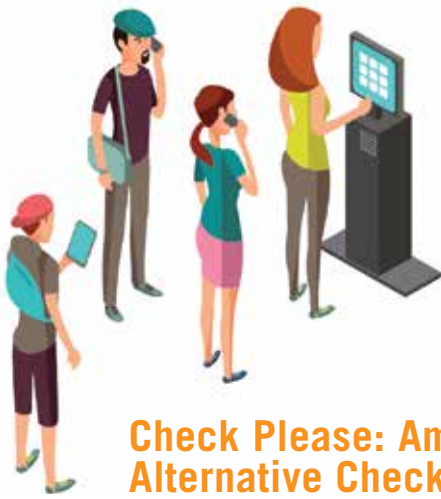
Keeping merchants compliant is a significant challenge, according to the report. Only 80 percent of acquirers require merchants to be PCI-compliant before boarding. Of the survey respondents who are tracking their compliance rates, 62 percent saw their rates increase in 2017, mainly due to an increase in the amount of merchant education and an increase in the frequency of compliance-related communications. But two-thirds of those who reported a decrease in their portfolio compliance rates said their merchants were initially compliant but did not revalidate annually thereafter. “Many ISOs and acquirers have succeeded in getting their merchants PCI compliant to begin with, but we were surprised to learn that so many of those same merchants are falling back out of compliance,” said Bucolo.

The “Acquirer’s Perspective” report also delved into acquirers’ relationships with independent software vendors (ISVs) and found that nearly half are already partnering with or integrating with ISVs. Another 13 percent plan to launch ISV partnerships this year. Of those who are already partnered with ISVs, 60 percent have been doing so for more than two years.

Fast Fact

International digital P2P remittances conducted via mobile and online platforms will exceed **\$300 billion globally by 2021**, up from an estimated \$225 billion in 2018.

Source: “Digital Money Transfer & Remittances: Domestic & International Markets 2018-2022,” Juniper Research



Check Please: Amazon Explores Alternative Checking Accounts

Amazon.com Inc. has reportedly published a request for proposals asking big banks to partner in building an Amazon-branded checking account-like product. Financial experts say the company seeks to partner with a financial firm to build a product that might appeal to millennial consumers as well as the unbanked. Details have not been made public, but experts say the strategy could result in reducing the fees Amazon currently pays to financial firms and give Amazon greater access to consumer financial behaviors. JPMorgan Chase & Co. and Capital One Financial Corp. have been named as among potential partners.

If Amazon were to offer an alternative checking account product, it would add to the company's financial services offerings already in play, including Amazon Pay, which allows consumers to purchase products on third-party sites without reloading their credit card information, and Amazon Cash, a pseudo debit card that allows consumers to add cash to an Amazon wallet and purchase items online without a credit card.



Fast Fact

More than **2.7 million U.S. merchant locations** were **accepting chip cards** as of December 2017. For merchants that had completed the chip upgrade, **counterfeit fraud dollars dropped 70 percent** in September 2017 compared to December 2015.

Source: "Visa Chip Card Update, December 2017," Visa



Moves & Mergers

NMI, a provider of payments enablement technology, has completed its acquisition of **Creditcall**, an omnichannel payment gateway and EMV solutions provider.

HPS, a provider of electronic payment solutions, has hired **Michael J. Dooley** to spearhead the company's expansion in the U.S. marketplace, further growing its U.S. PowerCARD customer base. PowerCARD is an integrated issuing, acquiring, switching, and chargeback dispute platform that allows licensing organizations to take control of payment processing.

Mastercard has acquired mobile payments technology company Oltio from Standard Bank. Oltio offers technology to authenticate Masterpass digital wallet purchases in South Africa using a consumer's bank PIN and mobile phone. With the acquisition, Mastercard is expected to leverage Oltio's platform to enable member banks to offer person-to-person payments, bill payments, and airtime top-ups, which can be integrated into existing mobile banking applications.

Paya has added **Mike Vaughn** to its executive leadership team as the company's chief operating officer. Vaughn is a veteran of the payments industry and has worked in account activations, customer service, and risk management. Vaughn's primary focus is the day-to-day execution of Paya's corporate strategy.

Payment Alliance International (PAI) has announced that **John J. Leehy III**, the company's president and CEO, has been elected president of the Global Executive Committee of the **ATM Industry Association (ATMIA)**. In addition, **Donna Embry**, PAI's chief payments officer, has been elected co-chair of ATMIA's U.S. Regional Board. The elections took place during ATMIA's annual conference in February.

Paysafe has announced two sales leadership appointments to its North American team: **Gretchen Bender** has been hired as senior vice president of sales, ISO agents, and direct sales, and **Bill Ranta** is the company's new VP of sales, card not present.

Pivotal Payments has hired **Mark Pyke** as president. Pyke will report to Philip Fayer, former president and CEO, who has now been named the company's chairman and CEO. Prior to joining Pivotal Payments, Pyke served as president of the merchant services segment at **TSYS**.

Stripe, a payments processing startup, has acquired **Index**, a POS software developer known for its software for PIN pads. Index's software will reportedly be integrated with Stripe's offerings.

Investments Surge in Fintech Sector

Global investment in the fintech industry rose 18 percent in 2017, reaching \$27.4 billion and setting a record, according to a press release from Accenture. Much of that growth can be attributed to funding for startups in the United States, United Kingdom, and India, according to Accenture's analysis of data from CB Insights.

The value of fintech deals in the United States increased 31 percent, to \$11.3 billion, last year. In the United Kingdom, fintech deal values almost quadrupled, to \$3.4 billion in U.S. dollars, while deals in India reached \$2.4 billion in U.S. dollars, according to Accenture. Globally, the number of fintech deals grew from 1,800 in 2016 to nearly 2,700 last year.

Accenture also looked at long-term trends in fintech investment between 2010 and 2017, and found that global investment totaled \$97.7 billion during that time period. U.S. startups accounted for more than half of those investments. The majority of U.S. investments were associated with fintech startups operating in lending and payments, according to the analysis.

"This volume of investment reflects the soaring demand within financial services for new digi-

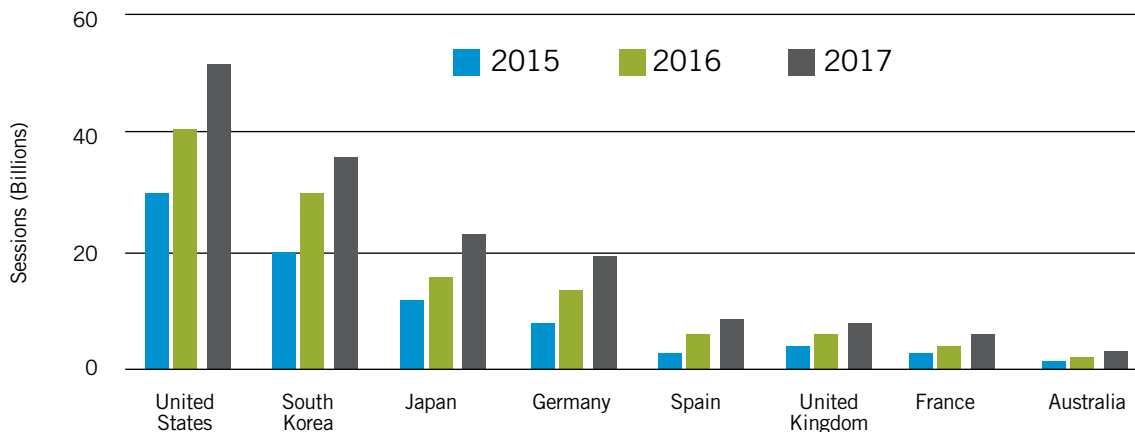
tal innovations, as these technologies prove their value and applicability in the market," said Richard Lumb, group chief executive—financial services at Accenture. "That will continue to position fintechs for a vital role in helping reshape the financial services landscape."



Infographic

Engagement With Android Phone Retail Apps Accelerating

Total Sessions in Retail Apps* in Select Markets



Note: *Android phone; apps from Shopping category on Google Play

Source: "App Annie 2017 Retrospective"

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On March 13, **TRANSACT Tech New York City** brought together more than 200 industry leaders from across the payments technology ecosystem for in-depth discussions on next-generation authentication, biometrics, and frictionless commerce. The event, presented in partnership with the International Biometrics + Identity Association and sponsored by American Express and Loeb and Loeb LLP, was held at the American Express tower in Manhattan.

After opening remarks from ETA CEO Jason Oxman, American Express SVP of AMEX Digital Labs Luke Gebb gave an opening keynote, followed by a morning panel discussion about the future of seamless authentication methods that utilize biometrics and artificial intelligence.



Save The Date – ETA Events

- **ETA Policy Day - Toronto, May 29, 2018**
Blake, Cassels & Graydon LLP
- **TRANSACT Tech Atlanta, June 12, 2018**
Georgia Tech Student Center
- **TRANSACT Tech DC/Fintech Policy Forum, Sept. 6, 2018**
Washington, D.C.
- **Strategic Leadership Forum, Oct. 2-4, 2018**
Dana Point, California
- **TRANSACT Tech San Francisco, Nov. 1, 2018**
Wells Fargo Headquarters

Go to electran.org to register today! Space is limited.

The afternoon sessions included a panel discussion on how new payment methods and POS innovations have changed the way payments technology companies, merchants, and consumers approach data security. Local New York merchants also advised how the payments technology industry can adapt and build upon its current systems to create frictionless and secure consumer experiences. Following a panel from leading venture capitalists, Michael DeSimone, CEO of ShopKeep, closed the event in a fireside chat with Oxman.

The conversation on biometrics and next-generation authentication didn't stop in New York. TRANSACT is hosting a Biometrics + Identity Zone on the show floor so attendees can build partnerships with the biometrics industry. For more information, see page 36.

ETA runs a series of one-day TRANSACT Tech events to unite leading-edge banking, retail, and fintech companies with innovative startups and venture capitalists. Upcoming events include TRANSACT Tech Atlanta, TRANSACT Tech Washington, D.C., and TRANSACT Tech San Francisco.

1. Luke Gebb, senior vice president, AMEX Digital Labs 2. Avi Kaner, owner, Morton Williams and Dina Shaul, vice president of operations, Alorica 3. Jason Oxman, CEO, ETA 4. Laura Hart, vice president business operations, Qualcomm Cyber Security Solutions



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2018 ETA CPP Deadlines Announced

Build your resume and show your merchant customers you have an extra level of expertise as an ETA Certified Payments Professional (ETA CPP). May 1 is the deadline to apply to take the spring exam, and the 30-day testing window will begin June 1.

Completed applications will be evaluated and candidate eligibility is usually determined within seven business days of receipt, according to ETA. One month prior to the opening of a testing window, candidates will receive a notice to schedule and instructions on setting up a testing appointment via email. ETA encourages candidates to schedule their exam as soon as possible, and all scheduling requests must be made at least one week in advance. The computer-based ETA CPP examination

is administered by Castle Worldwide through a network of more than 375 testing centers in cities throughout the United States.

To help candidates prepare for the exam, the ETA Education Committee has developed “The ETA CPP Examination Study Guide.” Complete with study strategies and test-taking tips, the study guide provides a more in-depth overview of the topics covered on the ETA CPP exam. Eligible candidates receive a link to the guide within their confirmation email, or it can be purchased online from ETA.

For more information about the certification and exam process, visit www.electran.org/certification. Questions? Contact etacpp@electran.org.



2018 APPLICATION DEADLINES

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2018 TESTING WINDOWS

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Harmonizing Data Breach Notifications and Engaging in the States

ETA's work to ensure a safe—and profitable—payments industry continues

By Scott Talbott

Exciting things are happening in the payments space, and your ETA team of advocates is enthusiastic to talk about them with policymakers. This spring, we'll be advocating for policies that benefit the payments industry and the consumers who depend on its products and services. We are focusing on two major areas—a uniform national data breach notification standard and proactive advocacy on the state level—that make public policy and keep payments innovative and growing.

National Data Breach Notification Standard

Across many industries, the rapid pace of technological advancement has created awe-inspiring products and services. I think this is particularly true in the payments industry. Look around the show floor at TRANSACT, and it's easy to see: Big things are coming. Some are already here.

Data flows through myriad complex systems in order to enable the seamless electronic payment experience that merchants and consumers alike expect. But data is a valuable commodity. And where there is money to be made, there are fraudsters looking to dishonestly steal and exploit.

ETA members spend billions of dollars as the frontline fighters against fraudsters and criminals. They invest in, develop, and deploy cutting-edge technologies to fight fraud and absorb the risk of losses to deliver high-quality products and services to the American consumer.

Although the industry is highly prepared and equipped to fight fraud head-on, the direct threat and downstream ramifications of a breach of consumer data are nearly impossible to avoid.

When an entity is the victim of a data breach, the last thing it wants or needs is confusion. Companies and consumers deserve clear procedures, expectations, and next steps when it comes to notification in the event of a breach.

We've long encouraged Congress to directly address the confusing and costly patchwork of state data breach notification standards by enacting into law a harmonized federal data breach notification standard. Currently, in the event of a data breach, payments companies operating in more than one state must navigate a confusing landscape of up to 50 individual laws dictating notification standards, costing critical time and resources. We're asking Congress to change that.

While the road from discussion draft to law is complex and will require constant input from ETA and other industry advo-



cates, we are encouraged by the bipartisan attitude and measured approach that current proposals are taking toward solving this issue.

Most importantly, the current draft creates clarity around the costly patchwork of state data breach notification laws that leave payments companies and merchants exposed to risk, delays, and confusion when they are the victims of a breach. Clarity through a uniform national standard lowers compliance costs and risk exposure for the payments ecosystem that operates in multiple states. It provides clear standards for methods of contact and content messaging that give consumers information on the scope and risk of the breach as well as proactive steps they can take to keep their financial information from being exploited by criminals.

The discussion draft also sets data protection standards that are reasonable and tailored to the individual businesses. The payments and commerce ecosystems are diverse and complex; setting requirements without calling for specific one-size-fits-all data security measures ensures security and does not burden businesses with unnecessary or mismatched security protocols.

Further, the bill establishes a timeline that allows for opportunity to alert federal and state authorities and conduct preliminary investigations. In an age that requires constant vigilance, public policy that encourages premature responses to breaches will breed consumer desensitization to breach notification.

The discussion draft does a nice job safeguarding against this problem. Plus, the proposed timeline offers a framework for companies and their third-party partners and service providers in such a way that will prevent consumer confusion and will allow for needed flexibility in determining who should make the notification.

These core tenets of the discussion draft are critical to strengthening the payments industry's response to breaches. ETA member companies are an integral part of protecting against and responding to data breaches. We will continue to push Congress to send a bill to the president's desk this year.

Raising the States

Activity on the state level continues to grow as budgets tighten and Washington, D.C., takes a more hands-off approach to businesses.

In some states, we've seen policymakers look to the payments industry to close budget gaps and raise revenue at the expense of the ecosystem. Additionally, they may endeavor to fundamentally alter the way the payments industry does business.

Chief among these proposals is a real-time sales tax collection, which would ask the payments industry to calculate, collect, and remit the sales tax portion of a purchase in real-time on behalf of the state government, costing billions in compliance for payments companies and merchants and higher prices for consumers of the state—all with no tangible gain to the state. ETA has been proactive in fighting the suggestion of a real-time sales tax collection by meeting with policymakers in the legislative and executive branches of government to educate them on the effect of the proposal. We are working closely with ETA members to bring the voice of payments to the forefront on this

issue. The voice of our members—the companies that enable commerce for millions across the country and world—is truly the most effective tool in our advocacy toolkit.

ETA and its members also have been active in New York and other states, as policymakers examine emerging markets in fintech innovation like online small business lending, as well as other issues. We're frequently in Albany, Springfield, Boston, Annapolis, and other state capitals considering policy changes that raise concerns for our industry. We will continue to make investments in demonstrating and advocating for the proliferation of innovative new marketplaces.

In Sacramento, for example—the seat of power for one of the largest economies in the world and the home of many payments tech companies—ETA's government affairs team and I have been proactive in meetings and educating lawmakers on how and why the payments industry, and the pro-growth policies that support it, benefit the state. Although currently there are no specific policies in California looking to change the way the payments industry does business, taking the time and energy to educate policymakers and make connections between them and payments leaders is always fruitful for both parties.

States will continue to be a hotbed of activity, but, through a balanced approach that fosters connections, education, and pro-payments policies, I am hopeful that on both the federal and state level, our efforts will create a positive environment for our industry. **TT**

Scott Talbott is senior vice president of government affairs at ETA. For more information, please contact Talbott at stalbott@electran.org or Grant Hannah, government affairs coordinator, at ghannah@electran.org.

The advertisement features a central image of a rocket launch from a fishbowl. A blue and red rocket with 'USAePAY' on its side is launching from a glass fishbowl, creating a large splash of water. To the right, another fishbowl contains several goldfish. The background is a dark blue gradient. Text elements include the USAePAY 20 YEARS logo, the slogan 'ALWAYS AHEAD OF THE GAME' in a teal box, and contact information at the bottom.

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Recognizing leaders across the digital payments ecosystem

FORTY UNDER 40





Want to know where the payments business is headed? Just ask one of the 40 young payments professionals featured on the following pages whose actions and leadership are driving the industry forward.

ETA's inaugural Forty Under 40 cohort shines the spotlight on a group of founders, analysts, reporters, and C-level executives whose organizations represent everything from digital wallets and omnichannel solutions to artificial intelligence and machine learning. Selected for their individual impact on the industry and professional character, each is poised to play a crucial role in the future of payments.

ETA solicited nominations from the payments industry, seeking talented payments executives under the age of 40. The organization received more than 100 nominations from ETA members, TRANSACT exhibitors, and

industry leaders. The final group represents a diverse cross-section of professionals who are revolutionizing digital commerce and powering the economy for merchants and consumers.

The honorees of this first class are helping to grow the industry at an unprecedented pace, says ETA CEO Jason Oxman. "Each one possesses a unique skillset, allowing them to identify and shape key segments of the payments ecosystem. The caliber and impact of their work is exceptional and demonstrates their commitment to the industry."

Read on to learn more about these young leaders, their accomplishments, and their aspirations for the future, and make plans now to attend the Visa President's Dinner at TRANSACT on Tuesday, April 17, at 7:15pm, where they will be recognized during the cocktail reception.



RICH ABERMAN ↑

Chief Strategy Officer and Co-founder, WePay, a Chase company

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@WePay

www.wepay.com

Aberman wants to make WePay the case study for a successful acquisition of a fintech by a large financial institution by transforming Chase into a major player in Silicon Valley and the market leader in integrated payments. He also aspires to change how SMBs access payments and, eventually, all financial services via the software platforms they use to grow and manage their businesses.

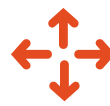
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@PayPal

www.paypal.com

Ahmed's work at PayPal covers a variety of global issues, including financial services regulation, innovation, international trade, and entrepreneurship. He is also an adjunct professor of law at Georgetown University Law School, where he co-teaches a course on Fintech Law and Policy, the first of its kind in the United States. His career goal is to help achieve a society where everyone is able to leverage payments technology in ways that benefit their lives and create opportunity for future generations. Ahmed says he would also love to one day be half of the payments law and policy expert that John Muller is.



FORTY UNDER 40

ANGIE AMMON →

Founder and Managing Partner, Fintech 513

Cofounder, Beanstalk Payments Technologies

@AngieLeeG

@fintech513

www.fintech513.com

Ammon is currently founder and managing partner of Fintech 513 and cofounder of Beanstalk Payments Technologies. Fintech513 is a boutique payment consulting firm that helps companies determine their payments strategy and then execute on that strategy. Beanstalk is a platform that enables merchant organizations to integrate emerging payment routing technologies into their payments stack in order to lower transaction costs and optimize authorization rates. Both simplify payments for those who have a wide variety of needs and experience in the space.

Ammon's goal is to broaden the impact her companies have, for those in need, by helping to make payments more attainable.





JACOB BENNETT, ETA CPP ↓

Chief Risk Officer, National Merchants Association

@PaymentProJB

@ISO4NMA

www.nationalmerchants.com

As chief risk officer at the National Merchants Association (NMA), Bennett advocates on behalf of merchants, their customers, and the payments industry as a whole. He hopes to continue working with NMA and organizations like the International Association of Financial Crimes Investigators to provide insight, intelligence, and support to bring fraud to light. Bennett has also worked with ETA in its lobbying efforts in Washington, D.C., with members of Congress, as well as federal regulators, to advocate on behalf of merchants, small businesses, and the payments industry by discussing and presenting the issues that matter most.

MARC BADALUCCO ↓

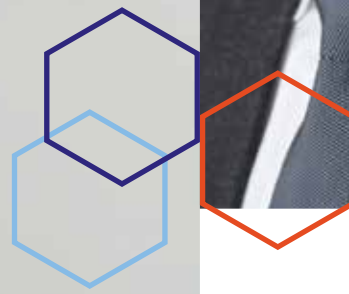
Managing Director, IMPACT Payments Recruiting

@m9rcb

@PaymentsCareers

www.go-impact.com/payments

Badalucco currently leads the sales and marketing efforts for IMPACT Payments Recruiting. With more than 13 years working in the payments industry, he helps innovative companies find the best talent for their openings. Helping people better their lives—whether it’s getting equal pay in the workforce or building out divisions that catapult an organization to unprecedented levels of success—Badalucco’s goal is to get executives the compensation they deserve and encourage companies to continuously innovate the way they attract and retain talent.





KELBY BERG ↑

Vice President of U.S. Operations, Payment Processing, Paysafe

@PaysafeGroup

www.paysafe.com

Berg oversees Paysafe’s operations team, managing the company’s highest EBITDA grossing office out of Irvine, California. Her specific focus is on leading the sales support and operations teams to ensure positive partner relationships and an efficient customer lifecycle from application intake to account management.

Berg’s main goal in the payments industry is to take an innovative approach by leading a team that understands the everyday needs of the customer to ensure that Paysafe is creating forward-thinking solutions that meet and exceed the market needs. In the technology age, Berg is determined to influence young payments professionals to still remain relationship-focused and step outside the box.

BROCK BLAKE →

CEO, Lendio

@BrockBlake

@Lendio

www.lendio.com

Blake is the founder and CEO of Lendio, a marketplace for small business loans. He is responsible for leading and managing all strategy, execution, and results for the organization, including P&L ownership, board management, leadership recruiting and training, public relations, and more. Lendio aims to advance the future of commerce and



power the economy through secure, reliable, and rewarding experiences for merchants. Blake’s goal is to continue pushing for innovation and growth in the small business loan industry to help business owners create jobs and wealth.

LANE CONNER →

Founder and CEO, Fuzse

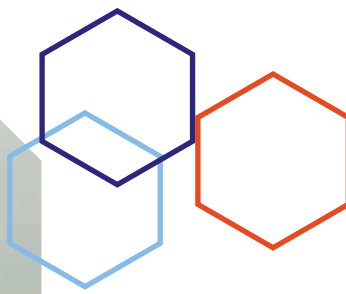
@laneconner

@gofuzse

www.fuzse.com

Conner is the founder and CEO of Dallas-based fintech company Fuzse, which he founded in response to the continued growth of the digital economy and the need for seamless and supported payments integration. Fuzse is the latest fintech venture from Conner, who was one of the cofounders and first employee of Blue Star Payment Solutions (now Blue Star Sports), a sister company to the Dallas Cowboys. Conner’s community and volunteer work spans a range of passions, with an impact on people in many demographics. He serves in a leadership capacity for organizations such as the Taste of the NFL and has partnered with several other organizations, including the North Texas Food Bank.





BEN CURREN ↓

Founder and CEO, Green Bits

@bcurren

@greenbits

www.greenbits.com

Curren is the founder and CEO of Green Bits, a compliance and retail management platform for the legal cannabis industry. Since starting Green Bits in 2014, Curren has worked closely with retailers, as well as regulators and policymakers, in several states. Green Bits helps legal cannabis retailers run compliant, operationally efficient, and growing stores. With several billion dollars flowing through Green Bits registers each year, Curren is focused on leveraging the Green Bits platform, which automates compliance with mandatory government traceability systems, to introduce legal cannabis retailers to safer, more transparent, and more efficient payment solutions.



CHRISTIAN DEGER ↑

Founder and CEO, Payworks

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@payworks

www.payworks.com

Currently, Deger spends his time working on setting and implementing the overall strategic plan and direction of Payworks. He leads the senior management team and acts as the main liaison between management and the board, and he works daily to meet the needs of Payworks' team, clients, and investors.

Modernizing payment acceptance at the point of sale is Deger's top priority. He says he has and will continue to focus his career on creating an ecosystem of rapid advancement at the point of sale, removing unnecessary obstacles for innovators.





MATTHEW DONNELLY ↑

Senior Vice President, Global Compliance and Solutions, FreedomPay Inc.

@freedompay

corporate.freedompay.com

Donnelly started at FreedomPay in 2012, and he currently serves on the company's executive team as senior vice president of global compliance and solutions. He has driven security initiatives and new product development for FreedomPay's portfolio of PCI-validated commerce solutions. As the company's security and compliance expert, Donnelly spearheaded North America's first PCI validation process for point-to-point encryption with support for EMV and NFC technologies. His team provides FreedomPay partners and clients with compliance and security expertise.

Donnelly also leads FreedomPay's solutions team, providing the company's partners and clients with innovative, cross-vertical solutions advisement, and he also acts as FreedomPay's internal security assessor.

LIZ GARNER →

Senior Manager, Public Policy, Amazon

@amazon

www.amazon.com

Garner represents Amazon on payments and financial services policy issues in Washington, D.C. As the company strives to be Earth's most customer-centric company, she says Amazon is constantly looking for ways to revolutionize commerce and improve the customer payment experience.

BEN GORETSKY →

CEO, USAePay

@usaepay

www.usaepay.com

As CEO, Goretsky oversees the larger business opportunities and technology decisions made at USAePay. Working with his C-level and management teams, Goretsky says the company's main goal is to be the most secure and innovative gateway in the industry. His personal career goals include the assurance that USAePay stays a high-tech payment gateway solution and that he continues to expand and pursue knowledge and technology in fintech as well as possible vertical markets.

PAUL HADFIELD →

Founder and CEO, Revzi

@paymentspaul

@gorevzi

www.revzi.com

As founder and CEO of Revzi, Hadfield is responsible for company growth. For him, that means helping his customers use payment technology to grow their business while developing and working with an incredible team of people





and peers from across the industry into this vital network. In the future, she plans to continue leading and advocating for ACI's own Women's Initiative, as well as driving scalability and profitability of the company's cloud-based and on-site solutions, and the ongoing development and execution of its customer experience strategy.

MEGAN HOWELL ↑

Director of Global Government Affairs, First Data

@FirstData

www.firstdata.com

In her current role, Howell is director of First Data's state government affairs program, which includes monitoring legislative and regulatory activity across the country and advocating on public policy initiatives that impact the payments industry. As the payments industry continues to evolve, Howell's goal is to help ensure that the regulatory environment remains flexible enough to accommodate continued innovation in areas such as data security and consumer products. To accomplish that, it will require ongoing education of legislators and policymakers about how the payments ecosystem operates and the existing regulatory environment for these products and services.

that do the same. Currently with three branch offices in the United States, Revzi's goal is to continue to expand across the country in the coming years and make a big impact in each local business community.

Hadfield hopes to leave a mark on the payments industry by helping to change the status quo of competing on price and help businesses choose vendors that provide the most value to their business.

CAROLYN HOMBERGER →

Group President Global Sales, ACI Worldwide

@PaymentsChic

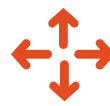
@ACI_Worldwide

www.aciworldwide.com

Homberger is a key member of ACI's executive leadership team and leads the company's global sales organization—a team of more than 200 payments professionals operating across all global regions that is committed to maximizing ACI's full growth potential.

Homberger is an advocate for the U.S. Women in Payments organization and has brought many ACI colleagues





SAINT HUNG ↑
CEO, Universal Processing LLC

www.uprocessing.com

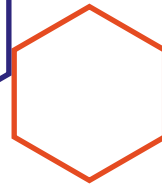
Hung discovered the payments industry in 1998 as a merchant-level salesperson (MLS). When he started as an MLS, he championed the simple goal of building a processing platform that would provide minority business owners with the service levels that top-tier merchants receive from mainstream bank-owned processors. He has since expanded upon that ideal to provide opportunities to all minority professionals who demonstrate the passion to serve such merchants. Universal Processing plans to develop and provide all necessary products and services in the financial technology arena to help these minorities compete at an elevated level.

JARED ISAACMAN ↓
CEO, Shift4 Payments

@Shift4Payments

www.shift4.com

Isaacman is the CEO of Shift4 Payments, a financial technology organization that works with point-of-sale and



software companies in numerous industry verticals. Shift4 enables secure payment processing technology, including tokenization and PCI-validated P2PE, for nearly 200,000 businesses across the United States through its Harbor-touch, Future POS, POSitouch, and Restaurant Manager brands, as well as over 300 integration partners. As the industry continues to evolve, Isaacman says he will explore ways to bridge POS and payments with the intent to increase the value proposition for Shift4's merchant customers and create strong, sustainable revenue streams for the company's sales partners.

THERESA KANANEN ↓
Partner, Arnall Golden Gregory LLP

@agglaw

www.agg.com

Kananen represents and advises numerous entities in the payments industry, principally on the acquiring side, in a wide variety of compliance matters, private disputes, and government disputes and investigations. She also represents payment processors in burgeoning class action litigation, increasingly initiated by merchants based on a variety of theories arising out of contract. She looks forward to continuing to represent and advise the industry on a complex range of legal matters.





ALEXIS KING, ETA CPP

Founding Partner and Chief Sales Officer, Salus and Rigel Payments

[@saluspayments](#)

www.rigelpayments.com

King knows that being a partner in a startup means you wear many hats. She says that running the Salus (e-commerce) side of the business challenges her daily in ways she never thought she could be pushed. From working with new startup merchants, trying to get their gateway integrated with their shopping carts, to managing the company's reseller channel, and providing them the best service possible, King strives to be a trusted resource for agents and partners. Her goal: When agents and partners come across a merchant who needs a bit more TLC, they think of Salus and Rigel Payments first.

JESSICA KOENIG

Vice President of Product, Merchant e-Solutions

[@jessica_pymnts](#)

[@_M_E_S_](#)

www.merchante-solutions.com

Koenig is head of product for an end-to-end payment processor. She leads the teams responsible for the full product

* not pictured

lifecycle—from ideation and scoping, to development and release. Koenig has P&L responsibility for the company's product portfolio and leads cross-functional organizations to direct the overall product strategy and roadmap. Koenig continues to advance her career in payments by leveraging her experience to innovate and drive commerce technology with aspirations to found and lead her own company.

SRI KOTHUR*

Line of Business Executive/GM Merchant Services, FIS

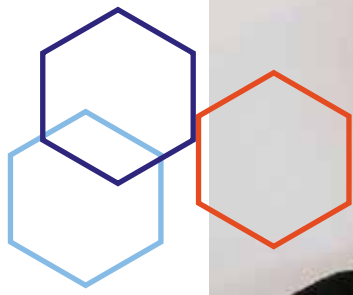
[@FISGlobal](#)

www.fisglobal.com

In his current role, Kothur serves as the line of business executive and general manager of FIS Merchant Services. In that capacity, his responsibilities include the strategic direction, profitability, and long-range growth of the company's merchant services group, which comprises merchant card, gift card, check/ACH, and e-commerce businesses, within FIS' Retail and Corporate Payments Division.

Kothur says his career goals in the payment industry are focused on two areas: to disrupt and redefine the industry and to coach and develop the next generation of leadership.





ALIKI LIADIS-HALL, ETA CPP ↑

Director of Underwriting, North American Bancard

@GreeklyAliki

@Bancard

www.nabancard.com

With more than 15 years of operations experience in the acquiring industry, Liadis-Hall has maintained a heavy focus on underwriting and compliance. She is responsible for developing and maintaining all facets of merchant, sales partner, payment facilitator, and ISO underwriting programs through education, technology, and automation. She currently serves as a board member for the Merchant Acquirers' Committee and is a member of Wnet. Liadis-Hall's goal is to provide a work environment that reduces financial liability, promotes educational opportunities, and makes everyone feel relevant in the work they do day to day.

SUNEERA MADHANI ↓

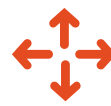
Founder and CEO, Fattmerchant

@SuneeraMadhani

@Fattmerchant

www.fattmerchant.com

As CEO, Madhani leads growth and strategy for Fattmerchant—a payment technology provider with omnichannel



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integrated payment solutions offering subscription-based processing. She has taken the company through \$10 million in funding and over \$1.5 billion in transactions. Her goal is to continue to scale Fattmerchant to five times its size and cross \$10 billion in payments in the next three years. The company's omnichannel platform, transparency, and subscription-based model will continue to be the core of Fattmerchant, she says. As a young female executive and mother, Madhani wants to set an example for women who want to follow their passions and excel in their careers.



JORDAN MCKEE ↑

Principal Analyst, 451 Research

@jordanhmckee

@451research

www.451research.com

As a principal analyst at 451 Research, McKee leads the firm's global coverage of retail payments. He oversees the company's qualitative research, market forecasts, consumer surveys, and strategic consulting and go-to-market engagements in the card issuing and acquiring ecosystems. McKee says his goal in the payments industry is to help companies of all sizes with digital transformation by providing actionable guidance on the emerging and disruptive technologies that are changing commerce.



WALLY MLYNARSKI ↑
Chief Product Officer, Elavon

@WallyMlynarski

@elavon

www.elavon.com

Mlynarski's current role is to lead product and innovation at Elavon, which includes the technical development of its global omnicommerce and integration software in The Grove.

Looking to the future, Mlynarski says he would like to continue to lead responsible disruption throughout the payments ecosystem to drive better outcomes for all players. For example, he'd like to work on eliminating PAN data, as it is today, from the payments ecosystem (e.g., no number printed on cards), enabling SMBs to leverage software at the same scale as large enterprises, and establishing a frictionless payment ecosystem where merchants can focus on delivering winning service to their customers.

GEORGINA NELSON →
Founder and CEO, TruRating

@trurating

www.trurating.com

As founder and CEO of TruRating, Nelson is working to change the way the world gains insight. Her company's feedback solution at the point of payment enables businesses to track how customers feel against how much they spend, thereby understanding the consumer experience. TruRating works with payment companies across the globe and has collected more than 20 million ratings for its customers, which range from large global retailers to local restaurants and shops. The company's goal is to deliver better data for businesses, better experiences for customers, and better outcomes for its charity partners.



RUSHI PATEL ↑
Cofounder and COO, Homebase

@joinhomebase

www.joinhomebase.com

Patel is cofounder of Homebase, a payments-integrated employee management solution for small- and medium-sized businesses (SMBs). As his career progresses, Patel says he looks forward to providing more innovative, practical, and accessible solutions to help SMBs manage their teams. He believes companies in the payments industry have a unique opportunity to serve as a trusted adviser to merchants. Patel looks forward to equipping industry participants with relevant tools and services that can further solidify the relationship they have with their merchants.





SAM QUIGLEY ↑
Risk and Security Lead, Square Inc.

@emerose

@Square

www.squareup.com

Quigley leads risk and information security at Square as a member of the company's executive team, having joined the company as its first information security hire in 2010. Under his leadership, the team has designed an approach to security, fraud prevention, and data protection that leads with innovation to protect both buyers and sellers. Businesses of every size and complexity come to Square for safe, reliable, and simple technology, and Quigley is committed to delivering promise while leveraging artificial intelligence and machine learning to stay steps ahead of the changing security landscape.

MICHAEL REITBLAT ↓
Founder and CEO, Forter

@Reitblat

@ForterFraudFree

www.forter.com

Reitblat has always been innovative and bold in his visions. He invested energy and time learning the payment



and security systems, establishing a deep understanding of the interconnectedness of online payments and the cyber-security world.

In 2013, Reitblat, along with two friends, founded Forter. Within four years, Forter has become a leader in online payment fraud prevention. Forter has plans to further disrupt the payment industry—changing the face of digital payments with cutting-edge technology and a fraud prevention solution for every transaction and every touch point in a customer's online journey.

JARED SAWYER ↓
Deputy Assistant Secretary, The United States Treasury

@USTreasury

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CHARLIE SCHLOREDT →
Owner, Merchant Financial Services

@Schloredt

@MFS_US

www.merchantfinancialservices.org

Since founding Merchant Financial Services in 2013 while studying business administration at Chapman University, Schloredt says he has been at the forefront of a quickly changing payments industry, persevering through each milestone and challenge experienced in the journey of



building the company. He says he started with zero merchants, knocking on hundreds of doors per week. Now five years later, he is building a sales team specializing in payment processing and alternative lending, with big plans for expansion and growth. As a founding member of ETA's Young Payments Professionals, Schloreidt enjoyed working with other payment millennials, and he looks forward to further expanding his leadership roles on both regional and national levels.

SHAWN SILVER ↑
 Founder and President, PaymentCloud
www.paymentcloudinc.com

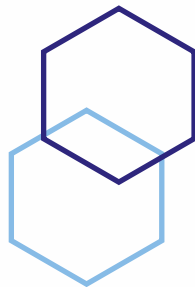
Currently, Silver's scope of responsibilities includes overseeing business operations along with the company's sales distribution channels, with an emphasis on monthly forecasting versus actual budget, P&L, digital paid marketing strategy, and internal/external downstream reporting. He also is involved in PaymentCloud's partnership strategy

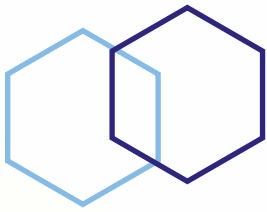


and rapport building and works closely with the company's product and solution providers for all go-to-market offerings. He hopes to continue to provide a high level of quality and growth along with partnerships that create a win-win for everyone. Additionally, Silver looks forward to building and creating opportunities for young payments professionals in and out of PaymentCloud to continue to grow and advance in the company/payments industry.

NOAH SPAULDING ↑
 General Counsel, Circle
 @circlepay
www.circle.com

As general counsel at Circle, Spaulding leads a legal team that spans the globe, working to solve complex legal problems relating to blockchain technology, cryptocurrencies, and digital assets. His goal is to help Circle navigate legacy and emerging regulatory frameworks, while offering products that remain true to Circle's vision of a decentralized and democratized global token-based economy.





CHRISTIN SPRADLEY ↑

Head of External Affairs and Associate General Counsel, OnDeck

@christinspradl

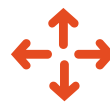
@OnDeckCapital

www.ondeck.com

Spradley serves as OnDeck's head of external affairs and associate general counsel, where she oversees its governmental affairs practice. She has played a critical role in advancing best practices and standards in the fintech industry, serving as a founding member of the Innovative Lending Platform Association and helping to develop the SMART Box™ model pricing disclosure for small business capital providers. Throughout her efforts, Spradley shows a commitment to supporting the health and success of small businesses and promoting greater access to capital through innovation and technology. With a background in international development, Spradley joined OnDeck from the M&A group of Paul Weiss.

GEORGIA STAVRAKIS, ETA CPP ↓

Vice President of Merchant and External Compliance, Global Payments



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@gstavrakis1

@GlobalPayInc

www.globalpayments.com

Stavrakis is vice president of merchant and external compliance at Global Payments with more than 18 years of compliance and risk management experience. Her teams manage corporate PCI, SOX, and SSAE 18 validation and are also responsible for PA DSS compliance and P2PE strategy. In her role overseeing merchant compliance, Stavrakis guides her teams in managing PCI compliance programs for small and medium-sized merchants and providing consultancy services for large enterprises. Merchant compliance also includes merchant-level brand and reputation risk management. Stavrakis strives to oversee all risk and compliance processes for Global Payments in the future.

MIKE STRAWHECKER ↓

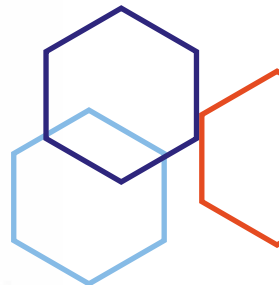
Principal and Partner, The Strawhecker Group

@MikeStrawhecker

@thestrwegroup

thestrwegroup.com

Mike Strawhecker's current role is as principal and partner at The Strawhecker Group (TSG), an analytics and consulting firm focused on the merchant acquiring indus-





try. He has developed several unique product and service offerings not previously seen in the industry, and he has worked with hundreds of companies throughout the payments ecosystem. His career goal is to provide value to the payments value chain by helping the companies within it solve problems with creative and innovative solutions. As the payments value chain is the lifeblood of a transaction, this industry is a fundamental pillar of the global economy.

JENNY SURANE ↑

Finance Reporter, Bloomberg News

@jennysurane

www.bloomberg.com

Surane is a finance reporter at Bloomberg News in New York. She covers the major payment companies and trends in the fintech space, as well as Citigroup Inc. and large regional banks.

HIRO TAYLOR →

Founder and CEO, HeroPay

@myHeroPay

www.heropay.com

As founder and CEO, Taylor currently is in charge of all facets of HeroPay's day-to-day operations and long-term strategic vision. He has been in various roles in the payments industry, starting as a junior analyst on Visa's product innovation team, building an emerging country's payments infrastructure from zero as the Visa country manager in Myanmar, and also founding a company aimed at helping underserved small business merchants. In the future, Taylor would like to see one frictionless digital currency become the global standard for merchants and consumers alike.

DEREK WEBSTER, ETA CPP ↑

Founder and CEO, CardFlight

@websterderek

@CardFlight

cardflight.com

Webster is the founder and CEO of CardFlight, based in New York City. CardFlight builds and operates mobile payment acceptance technology that helps tens of thousands of merchants accept credit card payments on iOS and Android devices, and CardFlight was one of the first providers in the United States approved for EMV chip card acceptance on mobile devices. Fifteen of the top 50 U.S. merchant acquirers offer CardFlight's SwipeSimple product to their merchants that are looking to take payments on-the-go from mobile devices, according to Webster. His goal for CardFlight is to build even deeper partnerships with merchant acquirers, ISOs, and payment processors in the years ahead to serve even more small business merchants. **TT**



Machine Learning, Evolved. Real Intelligence to Beat Omnichannel Fraud.

Providing consumers with a frictionless “omni-channel” experience is top of mind for nearly every merchant and payment processor. While providing an ideal consumer experience is ranked as one of the most important aspects of any website or storefront, the lurking mobs are out to steal from vulnerable merchants. And merchants aren’t the only one at risk; this type of theft puts their payment processors at risk as well. Cyber criminals deploy botnets, phishing scams, ransomware and malware, and other tools to exploit stolen confidential data and everyone is exposed, literally. Mr. Bad Guy Fraudster from the cartel then takes the stolen information and sells it on the dark web where the data is weaponized and used to steal from good, honest merchants.

Two Things Cyber Criminals Want

Cybercriminals are after two things: 1. Stealing all they can and 2. Not getting caught. Today’s fraudster has evolved in technology, sophistication, and speed. Fortunately, the methods to detect and stop them have evolved as well. However, even with the best of best solutions to stop fraud, fraudsters still don’t get

caught often enough. The truth about fraud is that it is nasty for everyone. Merchants no longer have to fight this nasty fight on their own. Kount has partnered with the world’s best payment processors to provide them with comprehensive fraud protection built right into the payment authorization stream. The convergence

“Kount was a great way to put out the fire. Since instituting Kount, we’ve seen a 92% drop in our chargeback rate. The value we get from Kount is phenomenal. Our return on investment is easily 10 to 1.” – **Matt Debnar VP of eCommerce U.S. Polo Assn.**



of payments and fraud into one solution should be considered a basic requirement for today’s online retailer.

Not All Fraud Solutions Fight the Bad Guys Equally

However, not all fraud solutions are the same. There is a need for “real intelligence” (the combination of technology like artificial intelligence and machine learning technique along with human expertise) to make the right business decision, to stop fraud, and to increase order acceptance. Advanced machine learning that does more with big-data than basic clustering or anomaly detection is critical to review the hundreds of digital data points that provide insights that can be found no other way. Wait, you knew that right? If not, here is some hidden industry insight. In 2008, Kount was awarded our first patent related to machine learning; it was designed to expose fraud as it occurred. A decade later, machines have evolved and so has Kount’s proprietary machine learning technology. This evolution at Kount is found in both our Persona Technology™ and the Boost Safety Rating™. To fully understand how Kount stops cyber criminals, you can take two approaches. First, request a demo from Kount or through your payment processor. Turn on Kount and see immediate results. Second, take a look at the story of one of our multi-million-dollar online merchants that specializes in import auto parts and aftermarket accessories.

The Story of a Merchant, Who Used Kount to Fight the Bad Guys

There is a powerful story as it relates to reducing fraud. A merchant in the auto aftermarket segment started out as a brick-and-mortar operation and added an online selling operation as part of their overall growth strategy. After successfully growing their eCommerce business with very little fraud during the first few years, they were suddenly hit with a surge of fraudulent orders. In other words, the cyber criminals figured out they were not protected as well as they should be and they became an easy target. Their eCommerce manager explains: “We started getting orders for \$4,000 or \$5,000 that turned into chargebacks costing us thousands and thousands of dollars each month. We increased manual reviews to try and stop it, but we got to the point where we were reviewing 25% to 30% of orders. Even so, at the peak of the attack, as many as 20% of orders were fraudulent.”

After researching possible solutions, this merchant selected Kount. One of the deciding factors was the balanced approach Kount takes in managing big data and our use of machine learning. By combining machine learning and customized business policies, the merchant automated the decisioning of risky orders. The results for this merchant in stopping the theft was nearly immediate. They reduced chargebacks dramatically—to less than one percent—and they also cut manual review rates by nearly 70% without adding any friction to the checkout process.

The Story of Payment Processor, Who Used Kount to Fight Fraudsters

These success stories are not uncommon among merchants, nor are they uncommon among payment processors. One payment processor recognized that becoming a global payments company that looks at eCommerce a little differently isn't easy when thinking about the omni-channel experience. Like many payment processors, they expect that every single purchase should be processed easily, quickly, and securely. Prior to implementing Kount, the payment processor had a labor-intensive fraud detection process involving multiple customer service representatives who manually reviewed hundreds of suspicious transactions daily. As

the company grew rapidly, they saw an increasing need for a built-in, comprehensive fraud solution that would automate fraud prevention for their entire customer portfolio using machine learning and overarching business policies.

One of their fraud managers says: “Our old internal system was flagging more orders than necessary, which created a heavy workload and sometimes slowed down the approval process.” They saw Kount as an ideal partner solution for their challenges as Kount's quick response times of under 200 milliseconds didn't add friction to their merchant's checkout process. The outcome for this payment processor was a dramatic drop in chargebacks on their merchant portfolio drop to only .02%, which is five times lower than their previous methods achieved. This enabled the payment processor to focus on growing their business and building tools to help their merchants become more successful by increasing order acceptance.

What Cyber Criminals Can't Steal When You Have Kount Fighting Fraudsters

With proper fraud mitigation in place, criminals don't steal merchants' products, marketing dollars, shipping costs, etc. They don't get to take peace of mind as merchants' open up their sales funnel. Forward thinking payment processors protect their merchant base. They don't allow fraudsters to steal from their merchants which ultimately can put their processing business at risk. What we do know is that fraudsters won't go away. They will move on to somewhere else, looking for easier prey.

You are a leader in your space. Your merchant expects, and rightly so, that you are a partner with them in reducing fraudulent transaction risk. The next success story could be yours. How would your merchants feel about reduced chargebacks, increased sales from more orders, fewer manual reviews, higher profitability and a confidence that each transaction is being monitored for fraud? Visit our website at kount.com to learn more.

“Chargebacks dropped as soon as we turned on Kount. The chargebacks have continued to fall. Our chargeback rate is now 50% lower than it was before Kount.”

— **Brett Goldberg, Co-CEO & Co-Founder, TickPick**



Julie Pukas

Women discuss how strong female leaders benefit the payments industry



Carol Grunberg

The

ROI of a

Balanced Profession

By Christine Umbrell

More and more, the global conversation is turning to women in the workplace and the importance of gender diversity in the boardroom. A 2017 study by McKinsey & Co. found a marked correlation between the presence of women in top management teams and the organizational performance of the company.

That study, “Women Matter: Time to Accelerate,” also found a strong correlation between the presence of women in top management and better financial results. In fact, McKinsey reported a difference in return on equity of 47 percent between the companies with the most women on their executive committees and those with none, and a 55 percent difference in operating results.

Similarly, MSCI ESG Research’s recent study, “Women on

Boards,” found that companies in the MSCI World Index with strong female leadership generated a return on equity of 10.1 percent per year versus 7.4 percent for those without. “That’s a pretty powerful statistic,” says Jennifer Miles, president of Ingenico North America. “That being said, the study indicated it’s not about one woman but true diversity across the executive layer that makes a difference.”

Miles, who has worked her way up the ranks in the pay-



Jennifer Miles

Reetika Grewal

Kim Fitzsimmons

ments profession since starting her career at Wachovia Bank working with Fortune 500 companies on cash management initiatives, is a shining example of how some payments companies have come to embrace diversity at the highest levels. Those companies are reaping the benefits of a broader mindset at the executive level.

Benefits of Female Leadership

Today's job candidates are actively seeking companies with diverse executive teams. More than 70 percent of Americans believe that having more women in leadership positions would have significant positive impacts in the workplace, including helping to reduce the pay gap between men and women doing the same work, changing workplace policies in ways that benefit both men and women, and attracting a more diverse workforce, according to a Rockefeller Foundation study, "Women in Leadership: Why It Matters." The presence of women in leadership positions also is an important consideration to Americans in choosing where to work, according to the research.

Women sometimes "think and react and process things differently," says Kim Fitzsimmons, U.S. president, Chase commerce solutions, at JPMorgan Chase & Co. "Any time you have that, you get a more rounded, balanced view. Companies are starting to really understand that."

"This is a volatile, complex world we live in. To navigate all of this, you need different opinions and points of view," agrees Carol Grunberg, head of global key accounts for Ant Financial/Alipay. Grunberg, who has travelled extensively throughout Asia and India in her career as a payments and technology professional, believes women in leadership roles provide not only a diversity of opinion, but also a "different aptitude for how you engage partners and employees," she says. "You need your employees to come up with ideas for your company to grow. If you foster a space where everyone's opinion is valued, there is more opportunity for company advancement and innovation."

At payments companies in particular, many see growth in the number of women in executive positions over the past quarter century—but there remains room for improvement. "When I started my career in payments, I saw a lot of women in the industry but had very few leadership examples to follow," says Miles, who served five years on ETA's board. Twenty years later, she sees a "diversity of success stories—especially in payments—and examples that young women have to emulate. I actually believe if we benchmarked the payments industry versus the Fortune 500 at the executive layer, we would be ahead of the overall corporate trend."

These days, "there are some total rock-star women in the payments space," says Reetika Grewal, head of payment strategy and solutions for Silicon Valley Bank (SVB). "Women are still a minority, but it's getting more balanced." While she notices many females in operator roles, "there's room to have more women in strategy/business leaders roles."

Grewal, who worked at several banks and startups, including JPMorgan Chase, Wells Fargo, Clairmail, and Sapien, before settling in at SVB five years ago, touts the advantages of payments companies that embrace an inclusive hiring approach: "You have to build diverse teams to get diverse perspectives," she says.

What's more, female payments professionals play an important role in understanding consumer behavior and how purchasing decisions are being made, says Julie Pukas, head of U.S. bankcard and merchant solutions at TD Bank. "As you go to larger customers and clients, our customers' decision makers are increasingly women," she says. "With what happens at the point of sale, as an example, there's a high degree there will be a female at the end of that transaction."

In order to meet the need for more female payments executives, Pukas says more young women should be educated about the sector and its opportunities. "This is not necessarily a profession that women aspire to. And as this profession becomes more dependent on technology—and as we work with more fintechs and other traditionally male-dominated

Women Discuss the Future of Commerce at TRANSACT

Don't miss the "Future of Commerce" keynote address on Wednesday, April 18, at TRANSACT, where Carol Grunberg, Jennifer Miles, Kim Fitzsimmons, Reetika Grewal, and Julie Pukas will discuss the future of omnichannel and digital commerce. The session is presented in partnership with the Women's Network in Electronic Transactions (Wnet).

Grunberg, who is head of global key accounts for Alipay, will moderate the panel discussion. She has travelled extensively throughout the world and has a global perspective on the evolution of payments. From her unique vantage point, she has been immersed in cultures where most payments are transacted digitally, on mobile devices, rather than via cards—which is where U.S. payments may soon be headed.

Miles, who is president of Ingenico North America, sees the evolution of digital payments completing the vision of a cashless society, and she believes the integration of digital payments "with the instruments of our daily lives will impact everyday consumers." This fusion of tools "will make payments seamless, frictionless, and effortless. This shift will open up opportunities to view payments as part of a bigger solution rather than a means to transact."

Commerce itself is in a period of significant growth, with ever-increasing expectations from consumers and businesses, according to Grewal, head of payment strategy and solutions for Silicon Valley Bank. "Retail is being looked at very differently," she says. "It's no longer a showroom; it's about experiences: How do you provide a great experience for consumers, and how does that translate into payments? We're seeing a ton of innovation around interactions." She notes that innovators are looking at each individual part of the commerce experience to determine where there's room for improvement in the end-to-end experience.

Trends in mobility, data and analytics, and blockchain will transform the future of commerce, according to Fitzsimmons, who is U.S. president, Chase commerce solutions, at JPMorgan Chase & Co. She predicts we will see increasing real-time payments in the near future. "Payments professionals need to keep up with all of the changes and be ready for commerce to become much more complex."

Plan to attend the keynote address at TRANSACT to hear more about the future of commerce.

business—we have to be mindful of including women so we don't go backward."

Promoting the Profession

In the overall U.S. jobs market, women currently account for 52 percent of all professional-level jobs, but fewer women than men hold leadership positions. Women comprise 44 percent

of the overall S&P labor force—25 percent of executive- and senior-level officials and managers, and 6 percent of CEOs, according to data from Catalyst. At S&P companies in the financial services industry, women make up 54 percent of the labor force; 29 percent of executive- and senior-level managers; and 2 percent of CEOs, according to Catalyst.

Given those numbers, Grewal says that companies seeking to boost their ranks of female employees—in leadership roles in particular—should communicate the message that having diverse opinions is appreciated. "Recognize that there is a positive ROI" associated with a balanced workplace. She suggests making others aware of any biases or "blind spots" they may not notice.

Companies should expand their networking activities "to find great people—men and women," says Grewal. She does her part to help other female professionals advance in their careers—for example, by working with Christine Larson from First Data in organizing "Women in Fintech" events in the Bay Area as well as in New York City. "In New York, we see a lot of younger women starting out in the profession. In the Bay, we see younger women plus a more seasoned crowd."

Grunberg also engages in activities to help mentor and assist young female payments professionals, on both a national level as president-elect of the Women's Network in Electronic Transactions (Wnet), and on a local level in Silicon Valley, where she participates in smaller organizations focused on mentoring and career development. "These activities are critical," she says. "In order for a person to perform their best, they need to have a level of comfort and a feeling of ease. Having a 'safe haven' to discuss issues, where women can express concerns and get feedback, is important." Instilling confidence in women to go after new positions and helping them understand that skill sets can be learned, "allows companies to get the most from their employees," says Grunberg.

When it comes time to hire, Grunberg believes it's important to "hire the right person, rather than the right experience." And she notes that evening out the playing field will require leaders of both sexes to encourage young women to explore new career opportunities.

It's important to choose the best candidate for a specific role—regardless of sex or race, says Fitzsimmons. "We need to hire the best person, but work from a diverse candidate pool," to ensure women have the change to advance, she says. "If you don't start with a diverse slate, it's hard to have a diverse staff."

"My personal goal is to get to a place where it isn't about 'female' leaders, just 'leaders,'" says Miles. "What we need to do as women is coach, educate, and mentor each other; work with young women in our organizations on how to grow their skill-sets; and be cheerleaders and partners to ensure that there is a strong pool of diverse candidates when the opportunities for leadership promotion arise. I believe we will continue to see more women leaders over time."

Grewal emphasizes the importance of mentorships to prepare young professionals but notes that these relationships do not have to be formal. "I find [mentorships] to be more successful when you sort of gravitate to someone—male or

female—with whom you share a connection,” she says. “Mentorship is not a one-and-done thing; you need a personal connection” to sustain you through a protracted relationship.

“All women leaders have to make sure we’re giving younger women opportunities to stretch and grow—and potentially fail,” says Pukas, who sits on the board of directors of both ETA and Wnet. Getting involved in Wnet provides another opportunity for female payments professionals seeking personal enrichment. The organization offers national and regional programming, networking opportunities, and mentorship programs.

Pukas also advises women seeking to advance their careers to “become involved in small community organizations that provide leadership opportunities. . . . Be as well-rounded as you can.” She suggests younger professionals consider taking part in opportunities that could hone their leadership skills—for example, public-speaking courses.

Leading By Example

Going forward, it will be critical that female leaders demonstrate a continued willingness to grow and evolve when serving as role models. Displaying such traits is important since women, more often than men, may be afraid to try new positions that are out of their comfort zone, says Grunberg. She herself has always loved a challenge, and jumped into a job she knew little about right after college—as an employee in the Cardmember Retention Group at DiscoverCard. After learning how to create programs, customize services, and cultivate loyalty, she entered a marketing leadership program and spent several years at Discover before taking a position at IBM and then Indecomm Global Services, where she lived and worked in India. Later, Grunberg held positions at Tyfone, a startup in NFC technologies, and at Google, where she helped develop Google Offers, Google Wallet, and Android Pay. When approached by Ant Financial Services Group, which operates Alipay, she jumped at the chance to grow her knowledge and contribute more broadly in the global technology and payments space and now travels extensively throughout Asia.

But some women need a little encouragement to take the next step. “Sometimes, women don’t lean in or raise our hands, if we don’t think we’re ready” to move up to the next step in a career path, says Fitzsimmons. “It’s up to women like myself in a hiring role, to bring people along and pull them up.” Fitzsimmons herself has led a successful career by working at companies of all sizes. She entered the industry via a small payments company in Memphis, called Concord ESS, soon after college graduation. After a few years, she started her own payments business, which she eventually sold back to Concord. Then Concord was acquired by First Data. “I stayed on at First Data for eight years,” she says.

Fitzsimmons recalls her decision to leave First Data in 2012, after she had made a positive impact on the company’s culture, as a “pivotal point” in her career. “There comes a time when you just have to take a chance on yourself and believe,” she explains. “Sometimes that’s hard for women to do. But it’s important.” Fitzsimmons took on more leadership positions,

eventually serving as president of ETA and president of Wnet, and landing her current position at JP Morgan.

It’s important for female executives to model a continuing search for knowledge, says Pukas. “For me, even now, I learn something new every day,” she says. “The technology is changing, the customers are changing, and the value we bring to the customers is changing. . . . Merchant acquiring is really at the center of payments. The enabling capabilities we have as an acquirer are really quite substantial, and this industry is very important.”

Pukas attributes her success to three key attributes: First, she is “very focused on building strong relationships, with my colleagues and my team as well as with my customers, and I try to create a working relationship where both parties feel like they ‘win.’” Second, Pukas is curious by nature, “so I am always asking questions and always asking why, which has proved helpful in a tech-driven business.” And finally, she is a “people” person: “I love managing people and leading teams—showing others what is possible,” she says.

Part of leading teams is communicating the message to younger female professionals that it’s OK to try and fail, adds Pukas. “If I didn’t take risks and not worry about being perfect all the time, I wouldn’t be where I am today.”

Grewal similarly describes herself as someone who “challenges convention” and attributes her success to “a willingness to challenge myself, to try something new, and to look for opportunities to ‘land and expand,’” she says. “Success has meant taking chances, trying to find opportunities, having creativity, and putting my leadership skills into practice.”

As Grunberg has travelled the world and advanced in her career, she has learned an important lesson that works whether developing products and services for consumers and merchants or helping others advance through the ranks: “When you work with people to really understand what they need, that’s when you get the most out of them.” **TT**

Christine Umbrell is a contributing writer to Transaction Trends. Reach her at cumbrell@contentcommunicators.com.

What Is Wnet?

The Women’s Network in Electronic Transactions (Wnet) provides personal enrichment through national and regional programming, networking opportunities, and mentorship programs. The organization, which was started in 2005 by Linda Perry, Diane (Faro) Vogt, and Holli Targan, has a membership of women in senior leadership roles as well as emerging leaders in the payments space.

Wnet “aspires to drive parity for women in the payments industry by providing the platform through which women can disseminate ideas, share tools, and network,” according to its website. Theresa Gongora, head of corporate strategy and planning for TSYS, is the current Wnet president. Visit wnetonline.org for more information.

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Accelerate Your TRANSACT Experience

Everything you need to know to network, navigate, and negotiate at the industry's preeminent event

Regardless of whether you are an ISO, value-added reseller (VAR), integrated software vendor (ISV), or a professional from a large financial institution, technology company, or retailer, TRANSACT is the premier conference to see what's new and learn what it takes to grow in the payments profession. Joined by more than 4,000 of your colleagues from around the world, you'll make the connections, nurture the relationships, and learn from industry leaders and innovators that will position you for success. Because the conversations and technologies featured at this annual event will drive the future of payments, we've put together this guide to help you maximize your time in Las Vegas!

NEW FOR YOU IN 2018

Payments innovation is moving at a rapid pace, and as the most influential event in the business, TRANSACT is ready to deliver with a fresh agenda focusing on technology and partnerships. Check out what's new this year taking center stage on the show floor and as part of the comprehensive educational lineup:

• Next Gen Park and Roundtable Discussion

Location: Show Floor

Featuring game-changing innovation from startups, incubators, and accelerators in the payments and fintech space, ETA's first ever Next Gen Park promises to be a distinctive marketing and business development opportunity. The zone will feature 16 startups from five accelerator/incubators that will be showcasing the next generation of payments solutions to TRANSACT attendees.

In addition, leaders from the five incubators will participate in a roundtable discussion, "R&D in the Payments Industry—the View from Next Gen Park," on Wednesday, April 18, at 11:30am on the Trustwave Keynote Stage. There, the panel will explore new developments within the payments industry and present unique perspectives and focus on fintech startups and the ecosystem at large.

• Biometric + Identity Zone

Sponsored by the Biometrics + Identity Association (IBIA)

Location: Show Floor

Meet with leaders within the biometrics industry, experience new products, and forge valuable partnerships in the new Biometrics + Identity Zone—Powered by IBIA. The dedicated area will focus on fighting fraud and ensuring customers have access to safe, secure, and frictionless payments options through biometric authentication of the user's identity. For example, IDEMIA will be demonstrating how it provides merchant acquirers, fintechs, and financial institutions facial, iris and, fingerprint biometrics solutions to enroll, identify, and authenticate new customers remotely and in-person.

Biometric discussion also will take place during the educational sessions. Check out "Digital Identity," on Tuesday, April 17, at 1pm in Islander I, which will tackle the evolution of digital identity in the coming years.

• Contactless Zone

Sponsored by FreedomPay

Location: Show Floor

Financial institutions, mobile payments, and mobile wallet providers/platforms unite in the new Contactless Zone, presented by FreedomPay, which focuses on how contactless payments—either through a mobile phone or contactless card—streamline the POS process while increasing safety. Product experts from FreedomPay will be on hand to map out complex payment environments, and the booth will feature a whiteboard for real-time solutioning. In addition, the company will be showcasing a self-service kiosk, a small footprint workstation, and a pay-at-table solution.

• ISV and PayFac Session Tracks

Building off last year's Integrated Payments Workshop, TRANSACT this year will include two days of new strategic business guidance that address the issues confronting software and existing players in the payments ecosystem. The Integrated Payments/Software session track, sponsored by Accenture, will take place on Tuesday, April 17, and the Payment Facilitator session track, sponsored by Discover Global Network, First Data, NMI, and Vantiv, now Worldpay, will take place on Wednesday, April 18.

Software is a vital tool driving new products and enhanced services, extending the reach of payments to new verticals in new ways. The Integrated Payments/Software track will bring together a cross section of industry leaders to discuss how software is enabling the payments industry to better serve business customers and merchant needs. Participants include Agreement Express, First Data, JP Morgan Chase/WePay, iPayment Inc., Worldpay, and Homebase.

The emergence of payment facilitators is a by-product of market evolution, technological change, and new business models. The full-day Payment Facilitator track, on April 18, will focus on this growing segment and how it adds

value and brings opportunity to the industry. Attendees will hear from key business leaders in the space including Adyen, Agreement Express, First Data, Rich Consulting, Visa, Mastercard, Discover, American Express, Amaryllis, Chase, and Run Sign-up.

Keynotes and Presentations

TRANSACT is renowned for delivering industry-leading keynote speakers, thought-provoking panels, and insightful marketing intelligence. This year, you'll hear about emerging trends across the entire payments spectrum. For 2018, ETA is proud to present the following keynote addresses:

• The New POS: Partnerships and Possibilities

Wednesday, April 18, 8:40am

Location: Exhibit Hall, Trustwave Keynote Stage

From fully integrated software solutions and omnichannel capabilities to cutting-edge security and machine learning, the POS experience has become more sophisticated to meet the needs of today's merchants. Join Poynt CEO Osama Bedier and talech CEO Irv Henderson as they discuss their new partnerships and explain how the new POS and the new software ecosystem are revolutionizing merchant payments.

• Driving Secure E-Commerce: Market Growth and Consumer Ease

Wednesday, April 18, 8:55am

Location: Exhibit Hall, Trustwave Keynote Stage

Jessica Turner of Mastercard will join Garrett Goff of Netflix to discuss how emerging technologies are enabling safer online commerce.

• The Future of Commerce

Wednesday, April 18, 9:20am

Location: Exhibit Hall, Trustwave Keynote Stage

Presented in partnership with the Women's

Network in Electronic Transactions, and moderated by Carol Grunberg, head of global key accounts for Ant Financial/Alipay, this keynote will feature insights from executives from a variety of payments technology industry verticals and areas of expertise as they discuss how organizations must adapt to the rapid pace of innovation and change in the industry. (For more information on the session and panel, see page 34.)

• Seizing the Future of Payments

Wednesday, April 18, 4pm

Location: Exhibit Hall, Trustwave Keynote Stage

Executives from three of the most important segments of the industry—Jamie Walker, CEO of Elavon, Paul Galant, CEO of Verifone, and Neil Randel, CEO of First American Payments—will offer insights on how to thrive in the ever-evolving payments space.

• P2P: The Next Payments Disruptor

Thursday, April 19, 9am

Location: Exhibit Hall, Trustwave Keynote Stage

ETA CEO Jason Oxman and Lou Anne Alexander, group president of payments at

Early Warning Services, will participate in a fireside chat to discuss how peer-to-peer (P2P) payments and mobile applications are changing the payments industry. Alexander plays a key role in the company's real-time P2P and network services offerings. She'll offer insights on the needs of businesses, financial institutions, and consumers for fast settlement and will discuss real-time payments and the evolution of the company's Zelle product line.

• Blockchain and Distributed Ledger: Strategic Opportunities To Consider

Thursday, April 19, 9:30am

Location: Exhibit Hall, Trustwave Keynote Stage

Join Emi Yoshikawa of Ripple, Dave Birch of Consult Hyperion, and Guillaume Lebleu of First Data as they discuss how to use blockchain and distributed ledger technology to streamline and modernize the acquiring channel.

Educational Tracks

More than 60 sessions, organized under six Educational Tracks, at TRANSACT will provide in-depth and individualized information for professionals operating in a

more nuanced industry. New this year, each track's sessions will run consecutively in the same location over the course of the day.

• 22nd Century Payments and the Connected Consumer

Sponsored by Mastercard

Tuesday, April 17, 9am -3:30pm

Location: Islander E

The payments transaction of the future flows seamlessly from online to offline, integrating e-commerce with brick-and-mortar retail and creating a fast, effortless experience for the consumer. The mobile point of sale offers an unparalleled suite of tools to bring us closer to that future. With digital wallet platforms, integrated marking, embedded loyalty incentives, location-based interaction opportunities, and sophisticated, layered security, mobile is the key to the future.

• Integrated Payments/Software

Sponsored by Accenture

Tuesday, April 17, 9am -3:30pm

Location: Islander H

The sales channel is changing rapidly, with new players entering the market and disrupting the old models. To stay relevant,

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Cayan now has a 75,000-customer base with the help of ETA.

ETA has helped us build our business over the past 15 years. From the business relationships and the advice we get from other members year-round, we've learned the inner workings of the industry and have seen the future. There really is no other resource for our industry like ETA.



Henry Helgeson, CEO and Co-Founder, Cayan



eta

ELECTRONIC
TRANSACTIONS
ASSOCIATION

you need to seize the integrated payments opportunity and create new, omnichannel experiences for your merchant customers. This is where you'll learn about the latest solutions and meet your future business partners.

• **Mobile/Digital Payments**

Tuesday, April 17, 9am -3:30pm

Location: Islander D

The expanding use of mobile devices such as smartphones and tablets has led to the incredible growth of mobile commerce. New digital payment applications such as contactless cards, wearable devices, connected commerce, and augmented reality present limitless possibilities. This track will include sessions that speak to the rapid pace of innovation, coupled with discussions that focus on near-term challenges, to ensure a vibrant and thriving mobile and digital payments ecosystem.

• **Payment Facilitators**

Sponsored by Discover, First Data, NMI, and Vantiv now Worldpay

Wednesday, April 18, 10am -3:50pm

Location: Exhibit Hall, Session Room 1

Whether you run your own payment facilitator program or are just seeking to learn more about this exciting new segment, this track will help make sense of it all. Hear about the latest trends and solutions that will transform your business. Learn how to manage fraud and maintain compliance with a risk-based security strategy. This is the premier gathering of payment facilitators in the industry.

• **Politics & Policy**

Sponsored by Arnall, Golden, and Gregory LLP

Tuesday, April 17, 9am -3:30pm

Location: South Pacific D

Join the industry's top policy advocates and explore legislative and regulatory issues as well

as the newest threats and opportunities with issues related to data collection, information sharing, uniform standards, breach notification, and more.

• **Risk, Fraud, and Security Technologies**

Sponsored by Forter

Tuesday, April 17, 9am -3:30pm

Location: Islander I

The payments industry handles \$6 trillion in payments every year, making it a target for fraud and cyber-attacks. But the industry is fighting back with new technologies and sophisticated strategies to protect consumer data and secure each and every transaction. As fraudsters get more creative, so do payments professionals. This track will explore the new, cutting-edge tools that are helping payments companies secure their information, manage risk, and reduce fraud. Learn how you can stay ahead of the curve and exceed your customers' expectations.

Facilitated Networking and Special Events

As the gathering place for the entire payments technology ecosystem, TRANSACT is where the deals that drive the payments industry are made. That's why ETA has made it easier than ever to meet new business partners and galvanize long-standing relationships at these special occasions:

• **Payments Pitch-Off**

Sponsored by Vantiv, now Worldpay, and Loeb & Loeb LLP

Wednesday, April 18

Location: Show Floor

Once again, startups will go head-to-head pitching their groundbreaking payment solutions before a panel of venture capitalists and payments executives live on the TRANSACT show floor. Judges will award one overall winner with a \$30,000 cash prize, sponsored by Vantiv, now Worldpay, and the audience favorite will receive a \$5,000 cash prize, sponsored by Loeb & Loeb LLP.

• **ETA CPP and ETA YPP Recognition Luncheon**

Tuesday, April 17, 12pm

Location: Exhibit Hall

Connect with fellow ETA Certified Payments Professionals—and meet the new class of ETA Young Payments Professionals—at this special luncheon honoring their commitment to the payments industry.

• **TRANSACT Exhibit Hall Opening Reception**

Sponsored by Paysafe

Tuesday, April 17, 5pm

Location: Exhibit Hall

As the official start of ETA's annual event, the opening reception is where industry decision makers and exhibiting company executives meet to connect, all in one place.

• **Visa President's Dinner and ETA Star Awards Gala***

Sponsored by Visa

Tuesday, April 17, 7:15pm

Location: South Pacific EFGHIJ

The Visa President's Dinner & Star Awards Gala is ETA's tribute to the payments industry—and your chance for top-shelf mingling and networking. This year's event also will include recognition of the inaugural Forty Under 40 honorees (see page 14).

*Separate registration is required.

• **TRANSACT First-Time Attendee/New Member Reception**

Sponsored by National Merchants Association

Wednesday, April 18, 5pm

Location: Exhibit Hall, Booth 404

This reception specifically for first-time attendees and new ETA members will get you connected. Exchange ideas for making the most of your TRANSACT experience!

• **All Attendee Party**

Sponsored by Bank of America Merchant Services

Wednesday, April 18, 7pm

Location: House of Blues

Undoubtedly the most anticipated event of all, the All Attendee Party is the best way to make lasting business connections at TRANSACT!

Disclosure, Privacy, and Security

PayPal's settlement with the FTC offers lessons for the payments industry

By Edward A. Marshall and Bradford J. Kelley

The growth and innovation of fintech firms over the past several years has been exciting to watch, especially in the realm of peer-to-peer (P2P) payments. Venmo, Zelle, and similar services have revolutionized the way consumers transfer funds between one another, offering a level of convenience and speed that has been lacking in traditional payment channels. But these new entrants to the market are not immune from the regulatory oversight that has long been present in the payments landscape. A recent settlement between the Federal Trade Commission (FTC) and PayPal underscores that reality.

Specifically, on Feb. 27, 2018, the FTC announced that it had reached a settlement with PayPal Inc. over allegations that Venmo misled customers regarding the ability to transfer funds, privacy settings, and security practices. (Read the FTC's announcement here: <https://bit.ly/2DLb8c0>). Venmo, a PayPal-owned mobile payment and social networking application, allows consumers to transfer money to one another and share information about such payments through a social news feed. The proposed settlement requires Venmo to make clear disclosures about certain business practices and participate in ongoing compliance assessments for the next decade.

According to the FTC's complaint, Venmo failed to disclose that fund transfers could be delayed, frozen, or reversed after Venmo initially provided users with notifications indicating that Venmo had validated the financial transaction. (Read the FTC's complaint here: <https://bit.ly/2pAGMDM>). In other words, Venmo notified users that funds had been credited to their account before Venmo had reviewed and verified the underlying transaction. The complaint alleged that oftentimes consumers weren't able to transfer funds as promised, thus resulting in financial hardships for consumers such as being unable to pay their rent or other bills. Acting FTC



Chairman Maureen K. Ohlhausen explained in a statement, “Consumers suffered real harm when Venmo did not live up to the promises it made to users about the availability of their money.”

The FTC further alleged that Venmo misled users about the privacy of information relating to their transactions. Under Venmo's default settings, all P2P transactions were publicly displayed on Venmo's social news feed. On this news feed, Venmo displayed the names of the payer and recipient, the date of the transaction, and a message written by the user that initiated the transaction to anyone using Venmo's service. Even though Venmo provided information about how to customize a user's privacy settings so users could limit who could view their transactions, it allegedly failed to inform users how those privacy settings actually work. The complaint contended

that “Venmo exacerbates these problems by incorrectly describing its privacy settings in its Privacy FAQs.”

The FTC also claimed that Venmo misrepresented the extent of security it provided to consumer financial accounts and claimed it provided “bank grade security systems” when it did not. Indeed, the FTC claimed that Venmo had failed to implement basic safeguards until 2015. The FTC additionally complained that Venmo violated the Gramm-Leach-Bliley Act's Privacy Rule by failing to provide customers with a clear and conspicuous initial privacy notice; by failing to deliver it in a way that each consumer could reasonably be expected to receive it; and by distributing a notice that didn't accurately reflect its practices. Moreover, the FTC alleged that Venmo violated the act's Safeguards Rule by failing to have a comprehensive written information

security program and by failing to implement safeguards to protect the security, confidentiality, and integrity of consumer information.

The proposed administrative settlement does not require any monetary penalty. Rather, it prohibits Venmo from misrepresenting any material restrictions on the use of its service, the extent of control provided by any privacy settings, and the extent to which Venmo implements or adheres to a particular level of security. The settlement further requires Venmo to make certain disclosures about the company's transaction and privacy practices, and mandates compliance with the Safeguards Rule and the Privacy Rule. In addition, the proposed settlement requires Venmo to undergo third-party assessments of its compliance with these rules every two years for the next 10 years. The proposed administrative settlement was open for public comment until March 29, 2018; interested parties were able to submit comments via the FTC's website.

Industry Takeaways

Four lessons can be learned from the settlement. First, it shows that new players in the payments space, for all their innovation and outside-the-box thinking, are still subject to the same consumer protection laws, regulations, and oversight as their more traditional counterparts. Second, it reinforces that all businesses need to make clear disclosures about privacy, security, and functionality to consumers. Third, the case highlights that businesses need to be aware of the privacy risks involved in merging financial transac-

tions with social networking. Financial information has traditionally been regarded as confidential, whereas social networks were designed for sharing information in a public manner. Consequentially, the combination of the two raises significant privacy challenges. And, fourth, this case strongly underscores that privacy and security safeguards cannot be pushed to the end of a fintech company's innovation queue. As Acting FTC Chairman Ohlhausen notes, "This case sends a strong message that [fintech firms] need to focus on privacy and security from day one."

To help achieve these goals, businesses should ensure that they are as transparent as possible. Companies in the fintech space should be clear with consumers about when payments are sent and received and disclose any material terms or limitations. In a similar vein, businesses need to ensure privacy options are accurate and clearly conveyed. If businesses provide privacy options, those options should be straightforward, so consumers can select the settings that meet their preferred privacy level. This is especially important in light of the growing privacy risks triggered by combining financial transactions with social media. As this particular case likewise aptly demonstrates, businesses must correctly describe their privacy settings in a FAQ, if one is provided.

Furthermore, businesses should strive to make sure that reasonable data defaults are in place. To do so, companies should routinely review disclosures and data defaults to ensure they are accurate and consistent with reasonable consumer expectations. Default settings

should be disclosed to consumers and businesses should determine the best ways to educate users about those settings and how users may be able to change them. At a minimum, default settings should be intuitive and aligned with users' expectations.

Finally, businesses need to know whether they are covered by the Gramm-Leach-Bliley Act's Safeguards Rule and Privacy Rule. Businesses covered by the act have a number of obligations, including telling their customers about their information-sharing practices and explaining to customers their right to "opt out" if they don't want their information shared with certain third parties. The act applies to "financial institutions," but this term is defined in a broad manner, so the scope of the act is fairly expansive and often includes many businesses that may not normally describe themselves that way. More specifically, the act applies to businesses that are "significantly engaged" in providing financial products or services. Many companies in the fintech space may be considered to be financial institutions subject to the act. As such, it is important to know whether your company is subject to these rules. **TT**

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Ayr Muir

MIT alum and environmentalist Ayr Muir has been questioning the status quo since he opened his first food truck 10 years ago. Over the years, his “cult-favorite” restaurant chain, Clover Food Lab, has evolved from a series of food trucks to 12 brick-and-mortar stores throughout the Boston, Cambridge, and MetroWest areas in Massachusetts. Muir seeks to shrink the ecological footprint of the food industry by offering fresh, local, sustainable vegetarian food. His vision of the future includes not only a more environmentally friendly restaurant space but also a cashless transactions environment. Here, Muir discusses his intention to make his restaurants cashless and his innovative mPOS system.

The following has been edited lightly for clarity.

Your goal is for Clover Food Lab to go cashless. How have you experimented with cashless up to this point, and what are your plans for the future?

We tried going cashless with our late-night 24-hour food truck, but we got a cease-and-desist letter from the city of Cambridge—it turns out all retail establishments in Massachusetts must accept cash.

If it weren't for the law, we would be cashless already. Cash accounts for less than 10 percent of our transactions. It's not efficient and is expensive to handle. There are a lot of costs associated with it: We have to keep cash on hand, we have to count it each day and make sure no one's stealing it, and we have to deposit it into the bank each day. We are hoping to move away from cash altogether, and we have a few ideas in the works to make that happen.

What methods of payments are you promoting over cash?

Clover accepts all major credit cards, Apple Pay, Samsung Pay, and e-gift cards through in-store transactions and an online ordering app.

Why and how did your company create a custom point of sale (POS) that is device-independent, and how has it been an asset?

We developed the first cloud-based POS system in 2009. Our first food truck was at MIT, and the POS system we had didn't fit our unique needs.

Our business runs on a supply-driven menu: We ask farmers what's available, then we develop our menu. Our menu changes a lot, and can change over the course of a day. We needed a POS system that could support those changes. The solution—which I helped sketch out and an MIT alum designed—is a custom POS that can adapt to the changing menu.

The POS is device-independent. In the early days, we used a GRPS credit card reader, then eventually switched to Square. Now Square is integrated with our POS.

What are options for cash-only customers who want to eat at your establishments once those restaurants become cashless?

We are exploring the idea of a “reverse ATM.” If you don't have a credit card, you could put your cash in a machine and it would give you a preloaded card to use to buy our food. We've been talking to manufacturers about this concept, but it's still in the early stages.

How do you foresee the cashless trend evolving in the future, in the food services industry in particular and in payments in general?

We are moving toward a cashless future. I was just on a trip to Japan, and they were still using cash everywhere. It was challenging to have to go and get paper money and coins—it was a real hassle compared to what we're used to here in the United States.

I think we will be moving forward to even less cash as time goes on, and we will see interchange fees evolve as well. We shouldn't be accepting the status quo. **TT**



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