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THE NILSON REPORT

ISSUE
596

FOR 25 YEARS, THE LEADING PUBLICATION COVERING CONSUMER PAYMENT SYSTEMS WORLDWIDE

DATACARD PLANTS TO GEMPLUS The four card manufacturing plants and five service bureaus owned by DataCard in the United States, United Kingdom, Germany, Holland, and Belgium will be acquired by Gemplus, world's leading manufacturer of ... (turn to page 6)

GENERAL PURPOSE CARDS — U.S. 1ST QTR. Compared to first quarter 1994, total volume on Visa, MasterCard, American Express, Discover, and Diners Club cards increased 25.0% to \$159.56 billion. Volume at ... (turn to page 7)

GLOBAL CORPORATE BANK CARDS To compete with American Express and Diners Club in the world market for corporate card spending, First Bank ... (turn to page 9)

COMDATA ACQUIRES FLEETMAN Consolidation of card systems serving the fleet industry continues with Gascard being acquired by Fleetman, ... (turn to page 9)

EMPLOYEE REWARD DEBIT CARD Boatmen's National Bank is issuing a controlled-use debit card that accesses rewards for employee incentive ... (turn to page 10)

GM CO-BRAND IN AUSTRALIA Westpac Banking Corp. of Australia joins Household Bank in the U.S., Toronto Dominion in Canada, HFC Bank in the ... (turn to page 9)

DIGITAL PHOTO/ENCRYPTION SYSTEMS DataGlyphs, an encoding technology developed by Xerox Corp., can reproduce color or black and ... (turn to page 5)

REUNION GROUP CARD ENHANCEMENTS Former executives of SafeCard Services have been reunited by former CEO Steve Halmos to develop and ... (turn to page 6)

TIDEL CASH DISPENSERS Tidel, the leading manufacturer of mechanisms for controlling and protecting employee access to cash at convenience ... (turn to page 5)

TOP U.S. GENERAL PURPOSE CREDIT CARD PORTFOLIOS

End of First Quarter 1995	Outstand- ings (bil.)	Chg. vs. year-end 1994
1. Citibank	\$38.80	-0.5%
2. Discover Card	\$20.95	+0.1%
3. MBNA America	\$19.15	+9.1%
4. First Chicago	\$12.02	-1.1%
5. First USA	\$11.96	+8.7%
6. AT&T Universal	\$11.90	-3.3%
7. Household Bank	\$10.56	-1.7%
8. Chase Manhattan	\$10.53	+1.2%
9. Chemical Bank	\$9.11	+2.4%
10. American Express	\$8.30	+2.5%
11. Capital One	\$7.94	+7.6%
12. B of A & Seafirst	\$7.78	-3.3%
13. Bank of New York	\$7.41	-0.7%
14. Banc One	\$7.11	-1.1%
15. Colonial National	\$6.91	+5.7%
16. NationsBank	\$5.68	-3.1%
17. First Union Nat'l	\$4.08	+2.4%
18. Wachovia Bank	\$4.06	-0.4%
19. Wells Fargo	\$3.66	+3.5%
20. Associates Nat'l	\$3.57	+3.9%
21. First Bank System	\$3.44	+1.8%
22. Provident Bancorp	\$3.40	+9.7%
23. USAA Fed. Svgs.	\$2.94	-3.0%
24. Mellon Bank	\$2.42	+1.9%
25. GE Capital	\$2.40	+0.3%

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AMEX STORED-VALUE CARDS are a new product being developed by the American Express Travelers Cheque Group through its acquisition of Special Teams, a company that designs and delivers such systems for 175 clients. Don Endres is President at American Express Special Teams, Inc., (605) 697-6311, fax (605) 697-6304.

GM MASTERCARD mailings to current cardholders offer a prime + 2.15% finance charge (11.15%) on balances transferred using enclosed balance-transfer checks. The rate is applicable until the balances are paid, but these transactions do not accrue rebates. William Anderson is Dir. of Card Mktg., (313) 556-0612, fax (313) 974-6967.

"CORPORATE PLUS" VISA from GE Capital gives small- and medium-sized businesses discounts at Hertz, Radisson, Hyatt, Airborne Express and Boise Cascade Office Products. It also gives rebates at Exxon and Maritz Travel Co., and provides expense tracking by location and product category. Anne Van Geldern is VP at GE Capital, (203) 357-6950, fax (203) 961-2088.

CHECKMATE ELECTRONICS'S CM 2002 local-area-network (LAN) card terminals track frequent shoppers and accept credit, debit, and EBT card payments. The terminal works with a LAN controller developed by Smoky Mountain Technologies. John Neubert is COO at Checkmate, (404) 594-6000, fax (404) 594-6020.

SMARTPHONE COMMUNICATIONS, remote payment and information services bureau, will provide electronic bill payment services through CheckFree Corporation. Steven Francesco is President at SmartPhone, (203) 353-5950, fax (203) 353-5962.

APPLE COMPUTER is selling its software on the Internet using First Virtual Holdings' payment system to facilitate payment card processing and to secure transactions. Lee Stein is Pres. at FVH, (619) 462-8359, fax (619) 759-0501.

GENSAR'S "InnCharge!" card management software for lodging properties has been certified by American Express and Visa. Jeff Connelly is EVP at Gensar Technologies (formerly TransNet), (813) 281-4013, fax (813) 286-8082.

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CREDIT STRATEGY MANAGEMENT (CSM) seeks individuals to complement our in-house **Analysis and Sales Teams**. Ideal candidates will possess a high level of initiative and commitment. Credit industry and client management experience a definite plus. Analysis candidates should have: a degree in statistics, or management science, economics, or engineering with heavy statistics; three years' business experience; proficiency in SAS or similar analytical software. Sales candidates should have: five years' experience in the credit industry; two years' experience in sales, technical sales, support or consulting; strong communication and organization skills. Contact Michael McLane, CSM, 11 Piedmont Center, Suite 200, Atlanta, GA 30305.

VISA seeks ... **Member Relations Account Executives** — San Francisco, Chicago, or New York based. Join Visa's Marketing Team and play an integral part in growing Visa's business. In this position, you will act as the focal point for assigned accounts marketing Visa products and services, along with representing the needs and issues of those member banks within Visa. You'll be working with Visa products and delivery system services including identifying sales opportunities, developing member relationships and reporting back to management on member bank needs. Located in our regional offices in San Francisco, Chicago, or New York, these positions require extensive domestic travel. Your background should include a related college degree, solid knowledge of the payment services industry, and a minimum of 5 years' bank card experience ... **Co-Branding Specialists** — New York or Virginia based. Your strong co-branding, bank card marketing, and sales background will enable you to work with prospective co-branding partners and Visa issuers to develop joint programs to market co-branded Visa cards. This position requires a minimum of 5 years' bank card marketing and/or sales experience. Located in our regional offices in New York or Virginia, these positions require extensive domestic travel. A related college degree and a minimum of 3 years' experience in the bank card industry with at least 1 year of co-branding experience is preferred. Visa offers a dynamic environment

JOB MART — POSITIONS AVAILABLE

for those individuals looking for a new challenge. Our competitive compensation package rewards your contributions. For immediate consideration, please send your resume with salary history to: Visa U.S.A., Dept. SR, P.O. Box 8999, San Francisco, CA 94128. For other job opportunities, call our **JOB HOTLINE** at (415) 432-8299. We are an equal opportunity employer.

FIRST USA seeks ... **Assistant Vice President Acquisitions Direct Mail** — Managing broadscale direct mail solicitations from planning through analysis, while developing test offers to increase response rates, will be an important responsibility at First USA. You will develop segmentation strategies to maximize new account profitability and manage expenses against budget. In addition, you will supervise a two-person staff, manage vendors and participate on a cross-functional team. A minimum of 3 years' related account acquisition experience, ideally with credit cards, is essential. A demonstrated record of success in direct mail program management is required along with strong analytical and interpersonal skills and spreadsheet proficiency. A Bachelor's degree is required; an MBA is preferred ... **Assistant Vice President Acquisitions Credit Policy** — As part of the management of new account acquisitions in First USA's marketing area, you will establish the analytical framework to develop optimal account acquisitions plans, recommend test programs, create statistically sound evaluation criteria, and ultimately evaluate the impact of these programs on marketing, credit, and financial growth objectives. You'll also manage and refine program profitability forecasting models and create plans to maximize overall bank profitability through targeted account pricing. At least 5 years' strong financial analysis experience is required to assist in the management of our bottom line corporate profit. A solid employment history of demonstrated financial analysis modeling and forecasting (preferably in the credit card industry) is required. A quantitative Bachelor's degree (math, statistics,

CHASE FEDERAL BANK of South Florida will use Cardholder Management Services to provide turnkey processing and back-office support for its secured and unsecured bank card portfolios. Don Doiron is SVP at Chase Federal, (305) 444-7700 ext. 7901, fax (305) 461-0371. Donald Berman is Pres. at CMS, (516) 576-0404, fax (516) 349-7260.

MERCHANT RISK ASSESSMENT on-line "System 9000" from Risk Management Systems monitors authorization and settlement. Todd Linden is Mgr. at RMS, (818) 246-4454, fax (818) 243-4466.

ULTRA PLASTIC PRINTING manufactures offset printed plastic cards in quantities of 500 to 10,000 for delivery in 7 to 10 days. Sam Maropis is President, (216) 582-8500, fax (216) 582-8502.

VERIFONE has sold 3,000 TRANZ 460 POS payment systems and CM450 smart card readers/writers to Deutsche Bank's Italian affiliate. Jan-Erik Rottinghuis is VP at VeriFone, 33 (1) 458-54477, fax 33 (1) 458-51027.

MANAGEMENT CHANGES

Anne Cobb has been appointed President of Visa International's newly formed Central and Eastern Europe, Middle East and Africa (CEMEA) region, 44 (171) 937-8111, fax 44 (171) 937-5208. Elected to the MasterCard Global Board of Directors — **Delroy Hayunga** (502-364-2911, fax 502-364-2284), President at National Processing Co., **Michel Lucas** (33-88-14-8401, fax 33-88-14-8400), CEO at Credit Mutuel, **Moo Young Oh** (82-2-520-4870, fax 82-2-520-4391), CEO at BC Card Co., **Tarilton Pittard** (404-321-2105, fax 404-634-6352), SVP at First Financial Management Corp., **William Siart** (213-614-4567, fax 213-614-3741), CEO at First Interstate Bancorp, **Owen van der Wall** (61-2-226-3578, fax 61-2-226-1442), Group Executive at Westpac Banking Corp., **Stephen Wall** (216-689-7801, fax 216-689-9950), President at Society National Bank, **Zhou Xiaochuan** (86-10-601-1444, fax 86-10-601-5604), Exec. Pres. at Bank of China.

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finance, or operations research) is needed as is SAS proficiency. An MBA or applicable MS and IFPS & Lotus/Excel skills are definite advantages ... **Assistant Vice President Marketing/Forecasting Analysis** — You will bring your highly quantitative background to our credit policy group, where your knowledge of statistics will allow you to determine relationships among variables and significance of results. Proven mainframe computer skills will allow you to quickly assess and analyze priorities, as well as optimize the structure of future testing. Your comfort with financial analysis techniques will give you the ability to manage and refine program profitability forecasting models, creating plans to maximize overall bank profitability through targeted account offers. Your analysis will be translated into logical conclusions and actionable results as a result of your superior communication skills. You must have managed the analysis of marketing programs in a test and control environment, banking or consumer products industries preferred. Your structured statistical testing, either scientific or business applications, background is needed, as is a solid analytical experience. A quantitative Bachelor's or advanced degree (math, statistics, operations research, engineering) is required along with varied programming experience (including SAS) ... **Account Manager Co-Branding** — You'll lend your support in First USA's co-branding programs from origination through marketing initiatives while maintaining strong partnership relationships. A minimum 8 years' brand marketing experience is essential, as well as multimedia exposure such as direct mail, telemarketing or advertising. A college degree is also required as are a project management background, intermediate Lotus 1-2-3, organization, interpersonal and communication skills ... **Product Manager Media** — As you plan, implement and analyze new account acquisition efforts through direct response advertising and promotional efforts, you will utilize your strong attention to detail and initiative. After identifying new vehicles, you will evaluate their potential success and develop test strategies. A Bachelor's degree is required; an

MBA is preferred. A minimum 2 years' related experience (new account acquisition background in the credit card industry ideal) is required. Media planning/buying or account/product management experience is a definite plus ... **Assistant Vice President Operations Research** — Applying your team leadership abilities, you will coordinate and manage our policy analyst group which handles portfolio and operations analysis projects, as well as manage all research and development efforts associated with collections' forecasts, strategies, and resource optimization. You will also develop and implement cost efficient collections' solutions using our operations research, statistical or industrial engineering techniques. At least 3 years' operations research or statistical experience is required in a business environment, preferably financial services; a BS in a quantitative field is required. Strong supervisory ability is essential, as well as superior verbal/written communication, presentation, and project management skills. Working knowledge of SAS, optimization software, and spreadsheet/report presentation software is needed; a Master's degree (with emphasis on operations research, statistics or industrial engineering) is preferred ... **Assistant Vice President Cardmember Communications** — In this capacity, you will be responsible for the management of existing Cardmember communication programs and the development of new communication programs designed to improve Cardmember usage, retention and satisfaction. Three or more years' marketing experience is required. Previous management background in the communications field is preferred and current experience in a Bankcard or a direct mail marketing organization is an advantage. First USA offers a progressive work environment, a competitive salary and excellent benefits package including medical/dental, company savings plan, a stock purchase plan, and much more. Please forward your resume, including salary requirements to: First USA Bank, Human Resources, 201 North Walnut Street, Wilmington, DE 19801, Fax (302) 433-8457. To find out more about First USA, check our site on CareerMosaic at <http://www.careermosaic/cm/first-usa> or contact us on-line at bhapl@omni.voicenet.com (making subject FirstNR). We're an equal opportunity employer.

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LATIN AMERICA CARD CONFERENCE Subscribers to The Nilson Report will receive a 20% reduction in their registration fee for the August 23-25 "Plastic Cards Conference" in Santiago, Chile. Topics include co-branding, procurement cards, predictive models, credit bureau information, debit cards, smart cards, and interbank systems. Speakers from Brazil, the U.S., France, Chile, and Argentina represent Banco de Santiago, First Data Corp., Transbank, Fair Isaac, Booz Allen & Hamilton, Groupement des Cartes Bancaires, Gemplus, Orga Card Systems, Solaic, Red Electronica, Coasin Computacion, and MasterCard International. Contact Tania Edwards at AIC Conferences in Santiago, Chile, 56 (2) 246-8100, fax 56 (2) 246-8109. □

TRANSACTION PROCESSING FOR REMOTE PAYMENTS Servantis Systems, marketers of home-banking/bill-payment software for telephones and PCs, will acquire Amresco Services, second largest service bureau processor in the remote bill-payment industry after CheckFree Corp. The acquisition will give Servantis a turnkey system to sell to U.S. financial institutions. Telephone bill-payment software introduced in the mid-1980s is used by over 50 financial institutions. The company's "Bank At Home" PC software is being tested by USAA Federal. Servantis can also offer its clients remote banking services for customer interface and back-office operations. Last year Amresco handled \$1.55 billion in remote bill payments from three million consumer and commercial transactions. Dan Gillean is Managing Director at Amresco Services, Inc. in Austin, Texas, (512) 458-3288, fax (512) 458-9435. Tom Cable is Senior VP Home Banking at Servantis Systems, Inc. in Norcross, Georgia, (404) 840-1339, fax (404) 840-1494. Prior issues: 590, 578, 546 □

PAYMENTS GROUP STUDIES THE INTERNET CommerceNet is a consortium of over 100 banks, software vendors, telecommunications companies, and other corporations interested in developing trade on the Internet. Members include Citicorp, Bank of America, Wells Fargo, Electronic Data Systems, Banc One, and the National Automated Clearing House Association. A dozen pilot programs already in progress are testing how the Internet might be used for commerce including development of electronic catalogs and methods of securing of on-line credit card payments. Cathy Medich is Executive Director at CommerceNet in Menlo Park, California, (415) 617-8790, fax (415) 617-1516. Prior issues: 595, 593, 589, 584 □

U.S. WIRELESS DATA Negotiations between U.S. Wireless Data, a manufacturer of mobile point-of-sale terminals that access cellular networks for card authorization, and a leading European payment-systems conglomerate that was a potential investor, have been discontinued. The company must move quickly to find a new investor for short-term cash infusion and long-term capitalization. U.S. Wireless went public in late 1993 and raised \$12.5 million in its initial stock offering. Last year it paid \$1.2 million in cash and 700,000 in shares of common stock (\$2.50 per share) to acquire Direct Data, a manufacturer of check-reader devices and reseller of point-of-sale equipment. Direct Data markets terminals manufactured by NBS of Canada and De La Rue Fortronic of Scotland, and printers manufactured by Scriptos of France. Alan Roberts is President at U.S. Wireless Data in Boulder, Colorado, (303) 440-5464, fax (303) 440-5640. Prior issues: 580, 575, 561 □

AMEX/MCI ALLIANCE American Express cardholders pay \$55 annually for the Green card but can have those fees waived for up to five years when they sign up for MCI residential long-distance calling. Existing cardholders who already use MCI can take advantage of the same offer on request. Another benefit is 30 minutes of free calling-card charges every month for the first year. An MCI/Amex program called "Connectplus" that lets Amex cardholders pay their residential long-distance charges on their American

Express card is no longer being marketed. However, cardholders are being solicited to make their Amex card an MCI calling card by selecting a PIN. The newer program bills charges for long-distance calls to the participant's Amex card. Frank Skillern is President of the Consumer Card Group at American Express in New York, New York, (212) 640-3067, fax (212) 619-8571. Angela Dunlap is President of MCI Consumer Markets in Arlington, Virginia, (703) 415-6000, fax (703) 415-7124. □

CARD MANAGEMENT A new privately held management consulting firm called Card Issuer Program Management Corp., formed by Jerry Craft, will be offering services to clients of First Data. Craft's first customer is PNC Bank, headquartered in Pittsburgh, Pennsylvania, with card operations in Wilmington, Delaware. Craft negotiated the contract under which First Data will provide PNC with complete cardholder processing and back-office functions, cutting its bank card employees from 220 to 5. Keith Coughy will stay on to oversee interests of the bank. About 25 other former PNC employees will remain in Delaware to handle administration, marketing, and coordination under Joe Gonczi who will manage the center for CIPM. PNC will set goals for growth in outstandings and pretax profits, but all marketing and support will come from CIPM and First Data. Jerry Craft was at Wachovia Bank for 12 years before joining Omaha-based First Data a year ago, working out of an office in Atlanta which is the temporary office of CIPM Corp., (404) 242-6663, fax (404) 242-7927. Prior issue: 572 □

Tidel (from page 1) ... stores and gas stations, makes a small cash dispenser that uses some of the same principles. "AnyCard" cash dispensers differ from models made by AT&T, InterBold,



Fujitsu, and others by delivering cash in tubes. After cardholders remove the cash, they return the tube to a nearby receptacle. Tubes are retrieved by store employees and refilled with cash from the register. Employee access to tube loading is controlled by keypad code entry. This eliminates the need for a third-party servicer and recycles some of the huge quantities of cash convenience stores take in daily. Tidel uses a similar system of cash management in the controllers it has installed at 80,000 convenience stores and gasoline outlets in the U.S., Asia/Pacific, Europe, Canada, and Latin America. AnyCard cash dispensers are available in countertop and wall-mount models. They have been certified by almost every major network including Plus, Cirrus, Visa, MasterCard, Amex, and Discover. Over 1,400 units have been installed in 38 states ... 920 were shipped last year. By year-end, a new model designed for installation outside the U.S. will be available. Michael Hudson is Senior VP Sales & Marketing at Tidel in Carrollton, Texas, (214) 484-3358, fax (214) 484-1014. Prior issue: 514 □

Digital Photo (from page 1) ... white pictures or text from data stored either in a computer or on the card itself. The DataGlyphs appear as nearly invisible scratch marks on a card, but can reproduce the cardholder's picture on a paper sales draft when read by a special terminal. Although their encoding capacity is less than one-fourth the capacity of a smart card, DataGlyphs can store enough information to reproduce a cardholder's fingerprint and other data, in addition to a photo, without adding to the cost of producing the card. Sandia Imaging Systems, a public company with backing from J.P. Morgan, has been licensed by Xerox to market DataGlyph imaging software and hardware. The company maintains offices in North America, Europe, and Asia. Lasertechnics, Sandia's parent company founded in 1981, is headquartered in Albuquerque, New Mexico. Jim Padalino is VP Sales and Marketing at Sandia in Carrollton, Texas, (214) 407-6080, fax (214) 407-9085. (turn to page 6)

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Digital Photo (from page 5) Xerox digital photo reproduction is being used on drivers licenses issued by the state of New York. Many of the 27 other states that require photos on drivers licenses are considering conversion to digital systems because they can reproduce photos on computer screens installed in police cars. Digital imaging is already the standard technology for motor vehicle departments in all states. Issuers of credit cards and providers of other identification documents may eventually be able to get photos from state motor vehicle departments instead of generating their own. Massachusetts is considering a bill that would require credit card issuers in that state to put photographs on all credit cards.

The quality of digital reproduction is not as attractive or color correct as the more widely used dye-sublimation thermal-transfer processes developed by DataCard, Dai Nippon, Hitachi, and others, but it only costs half as much. Leading U.S. card issuers including Citibank, Bank of America, and Bank One use thermal transfer. Digital alternatives to both of the above photo-card systems are Polaroid's personal computer-based system and Eastman Kodak's Image Verification System, both of which encode the photograph on the magnetic stripe. A neutral authority on all types of digital photo processes is Larry Linden, phone/fax (301) 431-5200. Prior issues: Photo cards: 593, 564, 557, 552, 510, 497, 495, 490, 486, 449 □

Reunion (from page 1) ... market fee-based card enhancements to the credit card industry, first in the U.S. and later internationally. Steve and brother Peter formed SafeCard in 1969, then built it into the world's top provider of card registration services. Leadership of SafeCard was taken over by Paul Kahn (formerly at AT&T Universal Card) in 1993. Reunion is staffed by people who worked for the Halmos brothers and were replaced by Kahn at a cost of \$3.5 million in severance pay ... their noncompete agreements have either expired or will soon. Steve Halmos, whose noncompete obligation expires this month, left the company in 1992 with a consulting contract that SafeCard bought out for \$4.5 million. He sold his stock interest back to SafeCard for \$18.9 million and then sold off the remainder of his stock on the open market for \$60 million. The "Hot Line" brand of card registration developed by Halmos for SafeCard is still the most used service of its kind worldwide. Most of the nation's largest card issuers have dealt with the Halmos brothers at some point during the past 25 years. Steve can be reached in Fort Lauderdale, Florida, (305) 760-4980, fax (305) 760-4983. Prior issues: 562, 547, 539

SAFE CARD LAWSUITS CONTINUE. Numerous legal actions are pending between SafeCard (recently renamed Ideon) and former Chairman Peter Halmos who is now Chairman of Continuity Marketing Corp. in Fort Lauderdale, Florida, (305) 938-8946. Peter was ejected from SafeCard two years ago. He ran an open letter in the Wall Street Journal April 27, addressed to the Securities and Exchange Commission, alleging SafeCard failed to disclose material information in the Ideon/SafeCard stock swap. Peter is suing SafeCard officers and directors, along with Price Waterhouse, charging stock manipulation. Ideon says those claims are false and ridiculous. □

DataCard/Gemplus transaction will be co-present owner, the Q Germany which will end up holding b exercising stock opti family also hold sma joint venture with Ge markets prepaid card

GEMPLUS will beco Visa and MasterCard plants to the four sm Germany and France to be in the \$400-mill DataCard properties about \$100 million. DataCard acquisition service bureaus, whic headquarters in Mini tions for smart cards mag-stripe cards. G Singapore, Argentina It expects to build ca Latin America withir President at Gemplus Gaithersburg, Md fax (301) 990-8801. Xavier Bon is the co France, 33 (42) 325-0 issues: 586, 580, 566

DATA CARD will re production of card e but for the first time be competing with o service bureaus that personalization equip will be manufacturing models that were pre product line. It will terminals to the petro industries — the Data Addressograph Farris be in the \$300-million sales staff will repres and service bureau w will have separate sa DataCard owns 81% ture with Toppan Mo undecided. GI H in Minneapolis, Minn fax (612) 930-2895. F

plus (from page 1) ... smart cards. The be completed in 60 days. DataCard's family in Bad Homburg, ready owns about 12.3% of Gemplus, ing' veen 30% and 35% after opt. s. Members of the Quandt small interests in VeriFone which has a h Gemplus, called VeriGem, that card systems.

become the world's largest supplier of Card bank cards after adding DataCard smart card plants it already has in ance. Gemplus revenues are expected -million range this year, including ties that are generating revenues of on. The most strategic benefit of the ition will come from ownership of the which include a facility at DataCard Minneapolis. Service bureau operarads are far more critical than those for . Gemplus maintains offices in China, tina, Venezuela, and other countries. d card service bureaus in Asia and ithin 18 months. Dan Cunningham is plus Card International Corp. in ylan (301) 990-8800, Mare Lassus is President and e contact at Gemplus in Gemenos, 25-000, fax 33 (42) 325-090. Prior 56 18, 551, 544

ll remain the world leader in d embossing and encoding machines, me in its 26-year history will no longer h other card manufacturers and hat are its clients for card- quipment. DataCard's core business uring those machines in addition to previously part of the Gemplus will continue to sell point-of-sale etroleum, retail, and hospitality Datatrol business acquired from arrington in 1986. Annual sales will illion range. In the U.S., DataCard present Gemplus for card production u work. In Europe, each company e sales teams. In Japan, where 1% of a \$60-million-a-year joint ven- Moore future sales strategy remains Hig and is CEO at DataCard Corp. Minnesota, (612) 933-1223, . Prior issues: 593, 581 □

General Purpose Cards (from page 1) ... merchant outlets for purchases of goods and services was up 19.5% to \$129.64 billion. Credit card cash advance and debit card cash withdrawal volume was up 56.2% to \$29.91 billion. Visa was the only brand with an increase in market share of total volume, growing from 46.1% to 49.0%. For

purchases only, Visa accounted for 46.4% of sales, up from 44.0%. Bank cards (Visa and MasterCard credit and debit) continued to outperform other brands, with total volume of \$122.15 billion up 28.7%.

CARDS. General purpose cards totaled 424.1 million, up 17.4%. Since year-end: Visa cards increased by 7.7 million ... MasterCard cards grew by 6.2 million

... American Express and Discover cards declined by 200,000 each ... and Diners Club cards were unchanged.

TOP 25

ISSUERS. Ranked by outstandings, First Chicago and First USA overtook AT&T Universal ... Capital One jumped ahead of Bank of America ... First Union National moved ahead of Wachovia. Biggest percent increases during the quarter were at

Providian Bancorp with 9.7%, followed by MBNA (9.1%), First USA (8.7%) and Capital One (7.6%). A decline in outstandings compared to year-end 1994 occurred at 10 of the top 25 □

U.S. GENERAL PURPOSE CARDS IN CIRCULATION AT END OF 1ST QUARTER 1995

Brand	Millions	Share
Visa	213.4	50.3%
MasterCard	141.8	33.4%
Discover	42.4	10.0%
Amer. Express	25.1	5.9%
Diners Club	1.4	0.3%
TOTAL CARDS		424.1 100.0%

U.S. GENERAL PURPOSE CARDS

1st Quarter Volume in billions

Brand	1995	1994	Chg.
Visa	\$78.25	\$58.90	+32.8%
Market Share	49.0%	46.1%	+2.9 pts.
Purchases	\$60.16	\$47.78	+25.9%
Cash Adv./With.	\$18.09	\$11.13	+62.6%
MasterCard	\$43.90	\$36.01	+21.9%
Market Share	27.5%	28.2%	-0.7 pt.
Purchases	\$34.85	\$30.17	+15.5%
Cash Adv./With.	\$9.05	\$5.84	+55.0%
Amer. Express	\$25.97	\$22.85	+13.6%
Market Share	16.3%	17.9%	-1.6 pts.
Purchases	\$25.34	\$22.35	+13.4%
Cash Adv./With.	\$0.63	\$0.51	+23.6%
Discover	\$9.60	\$8.20	+17.1%
Market Share	6.0%	6.4%	-0.4 pt.
Purchases	\$7.45	\$6.52	+14.3%
Cash Adv./With.	\$2.15	\$1.68	+28.0%
Diners Club	\$1.84	\$1.69	+8.7%
Market Share	1.2%	1.3%	-0.2 pt.
Purchases	\$1.84	\$1.69	+8.7%
Cash Adv./With.	\$0	\$0	—
TOTAL VOLUME		\$159.56	\$127.66 +25.0%

Visa & MasterCard include both credit and debit cards, but do not include Interlink or Maestro.

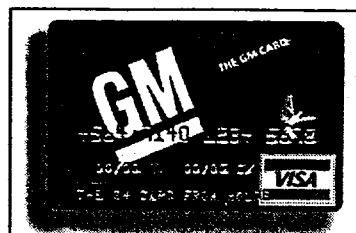
FIFTH 50 BANK CREDIT CARD ISSUERS IN THE U.S. — 1994

Issuer, State of Issuance	'94 Rank	'93 Rank	Active Accounts	Total Accounts	Credit Cards	Visa Cards	MasterCard Cards	Charge Volume	Outstandings
IBM Federal CU N.Y.	201	202	18,785	24,112	32,603	30,898	1,705	\$16,422,622	\$28,951,496
First National of Gainesville Ga.	202	216	18,762	23,996	32,569	9,710	22,859	\$50,404,850	\$21,794,700
Glen Falls National N.Y.	203	215	18,750	22,300	34,350	24,300	10,050	\$31,302,000	\$15,680,000
Mountain America CU Utah	204	256	18,162	19,862	26,620	26,620	0	\$58,083,909	\$23,012,693
McCord Credit Union Wa.	205	220	17,740	22,930	25,223	25,223	0	\$49,870,570	\$33,403,000
NBM Coastal Employees FCU N.C.	206	176	17,519	25,396	38,095	38,095	0	\$70,546,854	\$19,663,714
Langley Federal CU Va.	207	218	17,489	23,378	32,351	6,581	25,770	\$40,921,618	\$19,036,000
US FCU Minn.	208	221	17,467	17,467	26,200	26,200	0	\$34,764,174	\$21,067,673
Peoples Bank & Trust Miss.	209	223	17,225	22,750	29,470	22,100	7,370	\$30,240,000	\$14,367,179
Rockwell Federal CU Calif.	210	227	17,064	22,859	29,757	23,844	5,913	\$52,582,409	\$27,417,866
Albany Savings Bank N.Y.	211	206	17,000	25,400	29,565	17,672	11,893	\$33,800,000	\$17,000,000
Park National Ohio	212	146	16,900	20,502	30,300	23,028	7,272	\$43,000,000	\$54,000,000
Michigan State Univ. FCU Mich.	213	204	16,704	25,187	32,571	32,571	0	\$71,453,320	\$43,239,125
USA Federal CU Mich.	214	222	16,534	25,032	37,134	36,098	1,036	\$49,032,725	\$16,357,284
Bethpage Federal CU N.Y.	215	238	16,099	20,137	25,841	25,841	0	\$43,414,613	\$24,435,567
Educational Employees CU Mo.	216	262	15,845	20,870	30,481	30,481	0	\$50,705,000	\$27,162,000
Mid-State Bank (Keystone) Pa.	217	254	15,603	26,181	45,000	44,500	500	\$31,877,233	\$17,502,330
Educational Comm. CU Fla.	218	231	15,596	21,276	26,642	15,067	11,575	\$36,166,801	\$29,388,298
Navy Orlando Federal CU Fla.	219	237	15,439	22,776	28,469	22,717	5,752	\$31,074,934	\$15,703,112
WesBanco W. Va.	220	228	15,314	20,439	24,222	18,657	5,565	\$33,126,774	\$12,104,582
Tyndall Credit Union Fla.	221	249	15,168	18,527	27,790	27,790	0	\$47,615,022	\$31,457,202
Mid Am Ohio	222	245	15,100	25,000	25,221	7,821	17,400	\$29,400,000	\$15,500,000
Educational Employees CU Calif.	223	248	15,010	19,377	27,315	27,315	0	\$44,130,754	\$33,402,088
Calif. United Svc. Org. Calif.	224	241	14,942	20,151	20,983	20,983	0	\$38,779,816	\$26,292,167
LMSC Federal CU Calif.	225	234	14,872	20,997	31,495	31,495	0	\$72,425,090	\$17,660,246
Max Federal Credit Union Ala.	226	230	14,803	22,245	33,044	21,227	11,817	\$31,252,303	\$13,586,047
Digital Employees FCU Mass.	227	247	14,273	16,701	23,845	23,845	0	\$58,987,543	\$36,806,028
Aberdeen Prov. Grd. FCU Md.	228	250	14,230	17,173	22,904	22,904	0	\$28,355,095	\$25,339,663
Broadway National Tex.	229	225	14,000	26,700	40,000	40,000	0	\$36,690,000	\$12,465,000
United National W. Va.	230	236	13,702	20,609	26,569	20,409	6,160	\$28,687,401	\$14,052,766
University Wisconsin CU Wis.	231	252	13,376	20,713	27,838	16,506	11,332	\$38,170,539	\$11,359,082
Georgia Telco CU Ga.	232	251	13,225	18,696	24,440	24,440	0	\$43,842,883	\$20,905,702
West Suburban Bank Ill.	233	217	13,208	16,120	24,359	24,359	0	\$40,136,400	\$22,026,262
State Dept. Federal CU Va.	234	235	13,166	17,892	21,635	0	21,635	\$50,967,082	\$22,953,135
First Citizens Bank S.C.	235	239	12,916	18,665	22,659	11,684	10,975	\$18,788,674	\$18,415,454
Corporate America FCU Ill.	236	260	12,500	16,000	23,500	23,500	0	\$40,600,000	\$20,200,000
University Federal CU Tex.	237	258	11,997	16,539	27,840	14,537	13,303	\$35,327,039	\$11,285,851
SAFE Federal CU Calif.	238	263	11,695	14,662	26,000	26,000	0	\$25,813,750	\$20,500,000
First Nat'l of Treasure Coast Fla.	239	282	11,568	12,089	16,532	8,253	8,279	\$17,980,051	\$6,417,552
First Nat'l Bank in Edinburg Tex.	240	—	11,276	15,200	20,000	11,500	8,500	\$18,240,000	\$16,000,000
Northrop Employees FCU Calif.	241	261	11,196	18,927	26,529	0	26,529	\$28,150,706	\$14,255,826
Sandia Laboratory FCU N. Mex.	242	279	10,910	13,244	16,409	14,266	2,143	\$59,364,935	\$15,371,450
NCR Credit Union Ohio	243	270	10,733	14,474	21,711	21,711	0	\$26,624,519	\$21,129,082
First Financial FCU Calif.	244	267	10,646	12,321	16,984	16,984	0	\$24,399,144	\$47,461,035
First Nat'l of Anchorage Alaska	245	265	10,621	17,265	23,530	0	23,530	\$40,187,763	\$15,050,622
Tellico Credit Union Ohio	246	266	10,517	16,265	21,900	21,900	0	\$29,750,531	\$15,390,970
Purdue Employees FCU Ind.	247	276	9,975	12,132	17,591	17,591	0	\$31,755,000	\$9,511,488
Flat Top National W. Va.	248	259	9,958	16,276	16,649	7,152	9,497	\$17,272,960	\$12,180,731
Bank of New Hampshire N.H.	249	269	9,314	11,647	16,198	13,610	2,588	\$28,474,731	\$7,426,948
Republic Savings Bank Ky.	250	287	9,149	11,191	13,364	11,672	1,692	\$29,477,090	\$15,025,095
TOTALS FIFTH 50 1994			714,043	970,648	1,322,297	1,029,657	292,640	\$1,920,437,227	\$1,050,714,111

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GM (from page 1) ... U.K., and Banco de Boston in Brazil as issuers of Visa and MasterCard cards co-branded with General Motors, the world's largest automobile manufacturer. The Australian co-brand is with Holden Automobile Ltd., GM's Australian subsidiary. Westpac is Australia's second largest bank card issuer with over one million Visa and MasterCard credit cards. It will mail approximately one million preapproved applications following a TV and print campaign. GM subsidiary EDS will handle database management for the rebate program. Rob Bishop is Head of Card Products at Westpac Banking Corp. in Sydney, Australia, 61 (2) 876-9000, fax 61 (2) 876-9830.

GENERAL MOTORS. Over 15 million bank cards carry the GM brand worldwide — 12.1 million in the U.S., 2.0 million in Canada, 750,000 in the U.K., and 50,000 in Brazil. Since GM launched its first card in the U.S. in September 1992, more than 452,000 cars in the U.S. and another 53,000 cars outside the U.S. have been bought using GM card rebates. Prior issues: 590, 584, 558, 550, 548, 543, 541 □



HOLDEN (GM)/WESTPAC CO-BRAND

PRODUCT — Visa or MasterCard cards.
FINANCE CHARGES — variable, tied to official rate, currently 16.9%.

ANNUAL FEE — None the first year ... \$13 after that.

REBATES — All card spending earns 5% rebates. Balance transfers over \$145 also earn 5% rebates. Rebates are capped at \$2,200 over five years but have no annual cap.

Comdata/Fleetman (from page 1) ... which is about to be acquired by Comdata, largest supplier of commercial fuel management systems to trucking firms. Combined with Gascard, privately held Fleetman (doing business as "Fuelman") issues 500,000 fleet cards (270,000 active). They are accepted at 8,000 outlets and last year generated 22 million transactions worth \$460 million. Combined revenues for Fleetman and Gascard in 1994 totalled \$53 million.

Comdata has signed a letter of intent to acquire Fleetman in a tax-free stock exchange. This would put Comdata in direct competition with major petroleum marketers that issue a proprietary brand of fleet card for use at their own outlets and with third-party firms that issue cards usable at a wide variety of gasoline outlets, such as First Bank System (which offers a Visa card in partnership with International Automated Energy System), Pacific Pride, Commercial Fuel Network, Wright Express, and others including Voyager universal card to be launched this fall. Comdata has 15,000 accounts in the long-haul trucking industry for which it has issued 330,000 cards. Volume last year totalled \$6 billion. Truckers generated 36 million Comdata card transactions at 8,000 outlets in 48 states. Comdata trades on NASDAQ under the symbol CMDT. Chuck Harris is Senior VP at Comdata in Brentwood, Tennessee, (615) 370-7775, fax (615) 370-7178. Prior issues: 593, 592 □

Global Corporate Cards (from page 1) ... System is forming alliances with overseas banks that will allow it to provide multinational corporations with similar card products in all local markets. Benefits to the corporation are: charges billed in local currency ... settlement with acquirers in local currency ... localized management information systems ... and a reporting system that gives the parent company detailed information on card activity generated by corporate cardholders worldwide.



First Bank System, world's largest issuer of Visa commercial cards, has signed its first alliance with Hongkong and Shanghai Banking Corp. which has affiliates in 23 countries. These affiliates will have a reciprocal relationship with FBS that will let FBS supply employees of client companies who live in the United States with FBS cards. Midland Bank, the U.K. affiliate of HSBC, is FBS's first partner. Since January, Midland has issued Visa Purchasing (procurement) cards to employees of Hewlett-Packard who ... (turn to page 10)

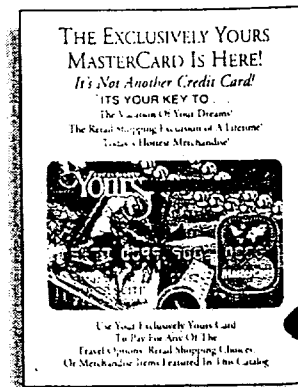
Global Corporate Cards (from page 9) ... reside in the U.K. FBS had already been serving the U.S. headquarters with the same product. Nigel Eaton is Project Manager at Midland Bank in London, 44 (171) 260-8695, fax 44 (171) 260-6090.



FBS and Midland issue all three types of Visa commercial card products — travel and entertainment, small business, and procurement. Both banks establish card pricing and merchant settlement procedures independently, but enhancements and management reports are uniform. Later this year, FBS expects to make similar arrangements with one or more HSBC affiliates in Hong Kong, Singapore, Malaysia, Thailand, Taiwan, India, or the Philippines, as well as with a corporate card partner in France and another in Germany. James Baumgartner is General Manager of Corporate Payment Systems at First Bank System in Minneapolis, Minnesota, (612) 973-8765, fax (612) 973-8370. □

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Employee Reward (from page 1) ... programs. The card is sponsored by Maritz Inc., a leader in the multibillion dollar employee-incentive industry that typically delivers rewards in the form of cash, checks, travel credits, merchandise, etc. The Boatmen's/Maritz MasterCard, called "Exclusively Yours," draws from a special debit card account maintained for the employee. Deposits are made electronically by Maritz — \$1 for every incentive point. Cards are valid for transactions at all merchants whose names appear in a catalog published by Maritz. It lists 10,000 outlets nationwide operated by Macy's, Marshall Fields, Eddie Bauer, Hertz, Avis, Marriott, and others. Cardholders can also order brand-name merchandise directly from the catalog, and can make purchases in excess of the amount remaining in their account by using cash, check, or credit card.



Employees receive monthly statements listing deposits and withdrawals. Boatmen's expects to issue up to 50,000 cards this year. MasterCard estimates the market for such cards to be in the 5-million range. Mark Jackson is VP at Boatmen's Bancshares, Inc. in St. Louis, Missouri, (314) 466-6418, fax (314) 466-7770.

MARITZ has been in the employee-incentive business since 1929. It has been issuing "Exclusively Yours" paper cheques since 1984 and has added the debit card to improve cost efficiency and streamline administration. Other businesses include travel and market research. Offices are in the U.S., U.K., Mexico, Canada, and France. For fiscal year ended March 31, Maritz reported revenues of \$1.65 billion, of which its Performance Improvement group generated \$650 million. Maritz Travel Company ranks fourth in the U.S. behind American Express, Carlson, and BTI Americas for travel business. David Carrithers is Director of Business Development at Maritz, Inc. in Fenton, Missouri, (314) 827-2375, fax (314) 827-5505. □

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H. Spencer Nilson

May 30, 1995

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