

FOR 30 YEARS, THE LEADING PUBLICATION COVERING CONSUMER PAYMENT SYSTEMS WORLDWIDE

DEBIT CARDS
AT THE POINT OF SALE IN THE UNITED STATES - 1999

Visa/MasterCard Issuers Debit card volume settled within the MasterCard and Visa systems in 1999 totalled \$157.90 billion in purchases of goods and ... (turn to page 9)

Shared EFT Systems Transactions for goods and services and/or cash at one million merchant outlets linked to 24 shared regional and 2 national ... (turn to page 7)

PIN vs. Signature Verification Financial institutions in the United States had issued 216.7 million debit cards by the end of 1999. Those cards can be used to ... (turn to page 6)

BILLPOINT AUCTION PAYMENTS Among the best known Internet destinations in the United States is the auction web site eBay, which facilitated sales of more than \$4 billion last ... (turn to page 10)

ORBISCOM INTERNET PAYMENT SYSTEM A patent pending technology that doesn't require encryption to protect consumer payments over the Internet, developed by a company ... (turn to page 4)

CLEARCOMMERCE INTERNET ACQUIRING One of the fastest growing providers of software for card and check processing for Internet merchants is ClearCommerce. Clients in the ... (turn to page 4)

ATM MANUFACTURER SHIPMENTS U.S. 1999 Shipments of newly manufactured automated teller machines and cash dispensers increased to 50,153 last year, up 6% from 47,301 ... (turn to page 3)

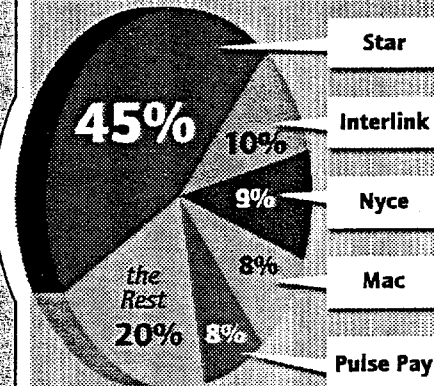
INSIDE: Report on Payment Methods — 5 Triton to Dover Industries — 10 Discover Card Parent Retests Visa Bylaw — 10 Fast Facts — 2, 3

TOP VISA/MASTERCARD ISSUERS
Debit Card Purchase Volume (Bil.)

Bank of America	\$23.10
Wells Fargo	\$11.10
Bank One	\$8.06
First Union	\$6.90
Merrill Lynch	\$6.63
Fleet	\$4.82
US Bancorp	\$4.55
Wash. Mutual	\$4.08
Chase	\$3.24
PNC	\$3.20

1999

SHARED EFT SYSTEMS
POS Debit Transactions



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FAST FACTS ▾ **FAST FACTS** ▾ **FAST FACTS** ▾ **FAST FACTS** ▾ **FAST FACTS** ▾ **FAST FACTS** ▾ **FAST FACTS** ▾

FLEET CREDIT CARD SERVICES has signed a co-brand credit card partnership with S&H greenpoints.com. S&H is the pioneering loyalty and rewards company whose predecessor began issuing green stamps 104 years ago. Walter Beinecke is EVP at S&H, (978) 526-8285, fax (978) 526-9911. Joseph Saunders is CEO at FCCS, (215) 444-7440, fax (215) 672-6214.

INTRAPAYX, a division of CitX Corp., will provide Web-based payment collections/disbursement to Financial Services Network USA and Express Processing Center, both subsidiaries of direct marketer Navestar. Tom Goldman is VP at IntraPayX, (215) 538-3535, fax (215) 538-7025. Paul Navestad is Pres. at Navestar, (607) 735-0010, fax (312) 896-5632.

INTERNATIONAL CHECK SERVICES, formerly NPC Check Services, has acquired check verification and collections services competitor United Check Control. Terms were not announced. ICS clients now include 6 of the top 12 U.S. supermarket chains. Chris O'Hara is COO at ICS, (973) 839-6600, fax (973) 283-6010. Sandra Schultz is Pres. at UCC, (713) 845-7200, fax (713) 845-7201.

IFS INTERNATIONAL, developer of software for ATMs, POS terminals, and more, has retained Commonwealth Associates to advise on strategic and corporate finance. Commonwealth has received 850,000 warrants to purchase IFS common stock. John Singleton is Chairman at IFS, (518) 283-7900, fax (518) 283-8779. Michael Falk is Pres. at CA, (212) 829-5800, fax (212) 829-5989.

SYNOVUS FINANCIAL, parent company of Total System Services, will acquire ProCard, specialists in commercial card management programs. TSYS is the world's largest commercial cardholder account processor. Dale Browning is CEO at ProCard, (303) 216-4016, fax (303) 279-1044. Stanley Pipes is SVP Commercial Services at TSYS, (706) 649-4323, fax (706) 644-1618.

AMERICAN EXPRESS has made a minority investment in Respond.com, a free on-line "shop by request" service. Buyers and sellers register with Respond.com. Sellers contact buyers by e-mail and the parties negotiate a purchase price. Will Clemens is CEO at Respond.com, (650) 701-7001, fax (650) 701-7100. Pierric Beckert is SVP at Amex, (212) 640-2077, fax (212) 619-8610.

WILDCARD SYSTEMS is the new name of ClaimCard, provider of host-based stored-value payment systems which use magnetic stripe cards. The company has also received more than \$18 million in new capital from its third round of financing. Larence Park is CEO, (954) 851-0700, fax (954) 851-9537.

NEWBOLD, the world's largest manufacturer of imprinters, has acquired the embossing-products division of Norcom Electronics. Robert Scott is CEO at Newbold, (540) 489-4400, fax (540) 489-6724. Bruce Hanson is Pres. at Norcom, (203) 374-1500, fax (203) 374-1530.

H&R BLOCK tax preparation clients are being offered Refund Rewards, a prepaid MasterCard card issued by Household Bank. Cards have a built-in spending limit equal to the amount of the tax refund, and offer special discounts when used at participating merchants. Randy Raup is Mng. Dir. Co-branded Prog. at Household, (847) 564-6249, fax (847) 205-7495.

FIRST DATA CORP. will provide private label cardholder processing services for a business card to be marketed by Borders, a retailer of books, music, and other products. David Bailis is EVP at First Data, (402) 222-6808, fax (402) 222-7770. Mary Jean Raab is SVP at Borders, (734) 477-1308, fax (734) 477-1335.

CREDITLAND.COM lets consumers comparison shop for the best credit cards, personal loans, home loans, and auto loans. American Express, BofA, First Union, and Security First Network have designed card products specifically for the Web site. Tony Wilbert is CEO at Creditland, (415) 551-2100, fax (415) 551-2111.

EQUIFAX CHECK SOLUTIONS is offering its merchant customers software from Intell-A-Check to facilitate Internet payments from a consumer's checking account. Jeff Carbiener is General Manager at ECS, (727) 556-9000, fax (727) 556-9051. Kevin Fahey is Nat'l Sales Dir. at Intell-A-Check, (973) 844-9100, fax (973) 844-1281.

FIRST OF OMAHA is offering its merchants automated access to the Internet-based promotions system of Prio. Michael Phelan is SVP at FoFo, (402) 633-1804, fax (402) 633-1983. Dennis Kraft is VP at Prio, (972) 778-8173, fax (972) 851-7868.

FIRST AMERICAN PAYMENT SYSTEMS, a Texas-based independent service organization, is offering its merchant clients Internet payment services using its newly created proprietary gateway FirstPay.net. Melissa Jackson is Mktg. Coord., (817) 317-9100, fax (817) 317-9108.

TRUSTMARQUE of Canada offers Web merchants various services including on-line credit card fraud protection, real-time authorization, and total order management. Mike Di Domenico is EVP, (514) 336-4949, fax (514) 336-0239.

STB-CARD in Russia will convert 700,000 Maestro-brand cards over the next two years to EMV-compatible microchips. Andrei Lykov is Chair. at STB-Card, 7 (095) 230-3876, fax 7 (095) 230-1940. Andrei Korolev is Bus. Mgr. Russia at Europay, 7 (095) 937-7710, fax 7 (095) 937-7711.

MUZO, a transaction-processing company owned by banks in the Czech Republic, has licensed software from ACI Worldwide which will let its clients offer acquiring services for EMV-compatible chip cards. Frantisek Chroust is Gen. Mgr. at Muzo, 420 (2) 242-30245, fax 420 (2) 242-29539. Doug Parr is Mng. Dir. at ACI, 44 (1923) 816-393, fax 44 (1923) 211-037.

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EMVCO, a standards organization established by Europay, MasterCard, and Visa, has published specifications defining how smart cards can be used for payments over the Internet. Brian Morris is E-Commerce Mgr. at Europay, 32 (2) 352-5743, fax 32 (2) 352-5730. Mike Harris is SVP at MasterCard, (914) 249-5604, fax (914) 249-4312. Joe Chouinard is VP at Visa, (650) 432-3112, fax (650) 432-3980.

DIGITAL COMMERCE BANK of St. Vincent and the Grenadines will offer card processing services to merchants outside the U.S. The bank is an ISO for Intercontinental Financial Services. Both entities are owned by Digital Commerce Int'l. Kim David Taylor is Mng. Dir. at DCB, (305) 668-7085, fax (305) 668-7086. Michael Kang is CEO at DCI, (604) 899-0411, fax (604) 899-5495.

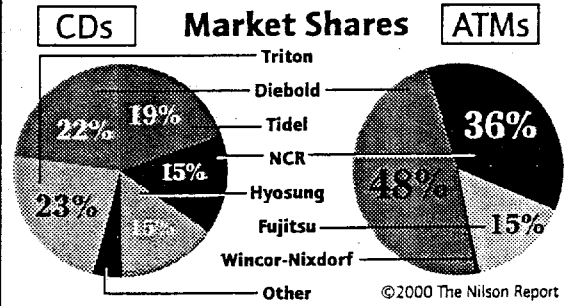
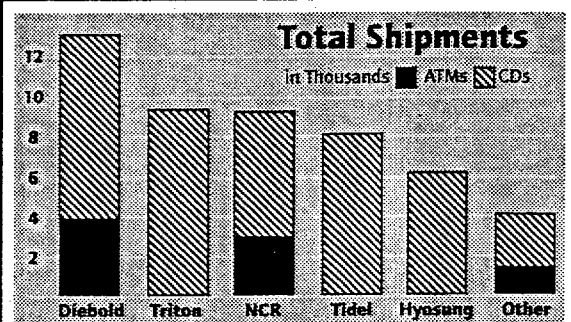
AFFINITY INTERNET HOLDINGS in the U.K. has formed a joint venture with U.S.-based Trans National to offer branded Internet, fixed and mobile telephone, and branded financial services to charities, clubs, and associations. Wayne Lochner is CEO at AIH, 44 (207) 670-1155, fax 44 (207) 596-6452. Barry Hill is Mng. Dir. at Trans National, 44 (118) 955-6333, fax 44 (118) 955-6334.

MANAGEMENT CHANGES

John Harte, formerly at NeoVista Software, has been appointed EVP Global Sales & Mktg. at Tintech, (650) 227-7015, fax (650) 227-7100. **Stevan Berardo**, formerly at Vital Processing, has been appointed Pres. No. American Oper. at QSI Financials, (650) 632-4416, fax (650) 551-9901. **Carl Beniscoter**, formerly at John Harland Co., has been appointed VP Regional Sales at Asset Management Outsourcing, (770) 792-3600, fax (770) 429-4863. **Yeoshua Agassi** has been appointed President Credit Cards at Bank Leumi, 972 (3) 514-9776, fax 972 (3) 514-8345. **Matthew Buhler** has been promoted to VP Distribution at Card Capture Serv., (503) 639-1267, fax (503) 670-5020. **Carol LeMay**, formerly at Momentum, has been appointed VP Nat'l Retail Sales at NPC, (502) 315-7626, fax (502) 315-2271. **Paul Schroeder** has been appointed Gen. Mgr. at DataCard Worldwide, (952) 933-1223, fax (952) 988-2895. **Frank Cotroneo**, formerly at MasterCard, has been appointed CFO at H&R Block, (816) 932-8495, fax (816) 753-8628. **Jeannine Farhi** has been appointed Pres. at Aetna SinoPac, 886 (2) 274-61301, fax 886 (2) 276-79066. **Roger Alexander**, formerly at Barclaycard, has joined the Board of Directors at Transaction Systems Architects, 44 (207) 283-1114, fax 44 (207) 283-1007. **Greg Adelson** has been promoted to SVP Client Relations at International Check Serv., (973) 283-6161, fax (973) 283-6010. **Jock West**, formerly at Comdata, has been appointed SVP Sales at CardSystems, (801) 277-3688, fax (801) 277-3686. **Eula Adams** has been appointed EVP at First Data Corp., (303) 488-8126, fax (303) 488-8705. **Stephen Robins**, formerly at Paymentech, has been appointed SVP National Sales at First American Payment Sys., (813) 641-8821, fax (813) 641-9613. **Pat Cronin** has been appointed SVP Financial Solutions Group at NCR, 44 (207) 725-8719, fax (207) 725-8849.

ATMs/CDs (from page 1) ... terminals in 1998. Nearly 84% of units shipped were limited-function cash dispensers, which have outsold full-service ATMs for the last five years. CD shipments increased by more than 15% to 41,930. ATM shipments dropped by more than 26% to 8,223. Diebold regained its position as the largest manufacturer of ATMs while NCR dropped to second. Triton continued as the largest manufacturer of CDs. Tidel showed strong increases, as did Hyosung, whose terminals are distributed by Cross International Technologies.

ATM SHIPMENTS - U.S. 1999



Ranking by Shipments of New Machines

'99 '98	Mfg. Headquarters	Units	Chg.	Share
1 2	Diebold U.S.	13,150	+2%	26.2%
2 3	Triton Systems U.S.	9,433	+6%	18.8%
3 1	NCR U.S.	9,243	-38%	18.5%
4 4	Tidel U.S.	8,144	+88%	16.2%
5 6	Hyosung Korea	6,179	+485%	12.3%
6 5	Fujitsu ICL Japan	2,446	-22%	4.9%
7 10	Greenlink Tech. U.S.	696	+135%	1.4%
8 9	Unlimited Cash U.S.	375	-17%	0.8%
9 -	Lipman Israel	370	new	0.7%
10 7	Wincor-Nixdorf Germany	117	-84%	0.2%
TOTAL		50,153	+6%	

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CLEARCOMMERCE PRODUCTS: Merchant Engine for a single merchant and a single card processor ... and **Hosting Engine** for multiple merchants and multiple processors. Both provide real-time card authorizations, fraud protection for checks and cards, merchant reports, integration into storefronts and back-end systems, and shipping and tax calculations. Once a customer clicks the buy button at the merchant's Web storefront: a connection to ClearCommerce's engine occurs using SSL (Secure Sockets Layer protocol) ... modules for tax/shipping and fraud protection are activated ... the payment module establishes contact with the card processor ... transactions are logged into the database for later recovery ... the consumer is notified by e-mail that the sale is completed and told when the goods will be shipped ... fulfillment systems are updated. The entire process takes less than seven seconds. ClearCommerce engines can process 62 transactions per second.

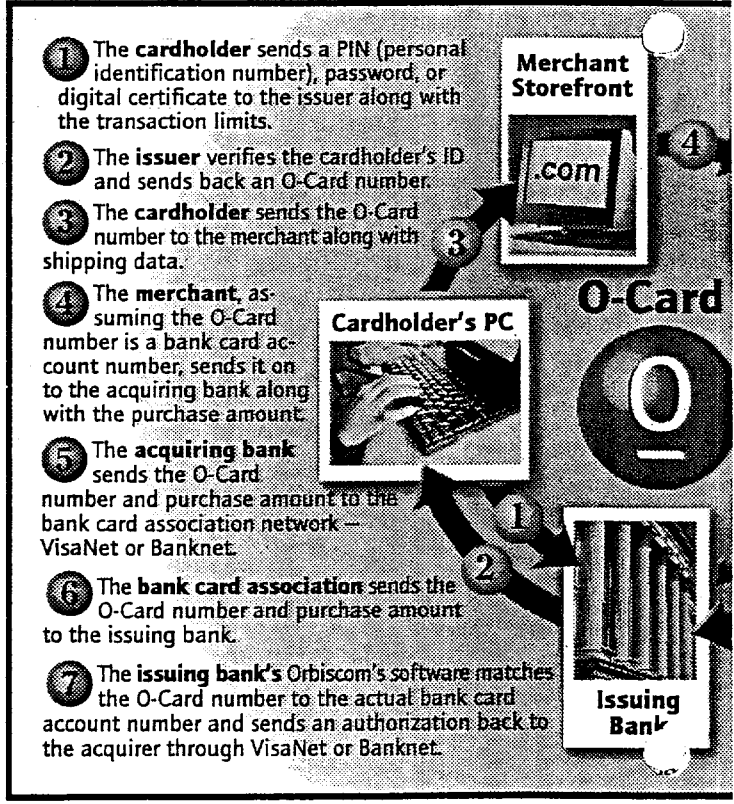


ClearCommerce (from page 1) ... U.S. include Chase, Nova, Paymentech, and Vital Processing. In Europe, ClearCommerce has opened its first overseas office in Egham, Surrey, England, to serve clients Natwest and Barclays. Other clients include Royal Bank of Canada. The company has recently signed an OEM agreement with Hewlett-Packard that lets HP brand ClearCommerce products with the HP or VeriFone name. The company has filed with the Securities and Exchange Commission for an initial public offering of common stock. Julie Ferguson is Co-Founder and Chief Technology Officer at ClearCommerce Inc. in Austin, Texas, (512) 832-0132, fax (512) 832-8901. Prior issues: 708, 701, 695, 690, 665 □

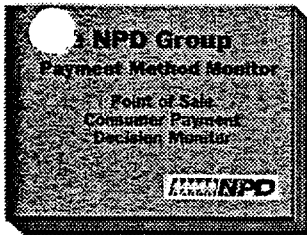
Orbiscom (from page 1) ... called Orbiscom, is a simple alternative to the highly complex system called SET. SET (Secure Electronic Transactions) is a computer protocol that uses cryptography and digital certificates to secure a cardholder's 16-digit credit or debit card account number as it travels through the Internet. Orbiscom's O-Card software generates a 16-digit number that is unique to each transaction. Because the O-number contains a 6-digit BIN (bank identification number), it looks like a valid account number to merchants and their processors. And because O-Card software can limit how often that number is used to once only, and can link it to a specific merchant for a limited amount, the O-number has no value if compromised and does not need to be secured. Visa and MasterCard issuers anywhere in the world can integrate Orbiscom's system into the digital wallets (including SET-type) they now issue for one-click shopping.

Cardholders start by downloading software onto their PCs. This causes a virtual representation

of their issuer's payment card to appear on their screen. To make a purchase from a Web storefront, cardholders click on that representation which then prompts them to enter their PIN number, password, or digital



REPORT ON PAYMENT METHODS The NPD Group markets custom research projects along with a syndicated tracking service that monitors consumer purchasing behavior.



Diagnostics are gathered from telephone interviews with a representative sample of 6,000 U.S. households who answer questions about their prior day's activity at the point of sale. Results published in the new *Payment Method Monitor 1999 Annual Report* cover all payment methods — cash, checks, credit cards, etc. Topics include: how loyal consumers are to different payment methods ... how much they spend on each

method ... what motivates them to use one method over another ... why they pick one credit card brand over a competing brand. The 230-page report, which sells for \$25,000, is available to subscribers of *The Nilson Report* for \$18,750 (25% off). Alex Chew is Project Director at The NPD Group, Inc. in Port Washington, New York, (516) 625-2471, fax (516) 625-4629. □

certificate (whether stored in a PC, cell phone, smart card, or some other token). Purchase and identification data is transmitted to the card issuer who verifies the identity of the cardholder and responds with the O-number.

O-numbers can be linked exclusively to reoccurring bills or to frequently patronized merchants. They can also be linked to thousands of proprietary debit card brands as well as to debit cards issued with Maestro and Interlink brands, allowing those cards to masquerade as Visa or MasterCard cards for Internet payments.

Orbiscom's first customer is Allied Irish Bank, a minority investor. AIB expects to have 50,000 cardholders using the system by year-end. Private placements have raised Orbiscom's current value to \$250 million. David Brennan is Managing Director at Orbiscom Ltd. in Dublin, Ireland, 353 (1) 294-5111, fax 353 (1) 294-5119. Prior issues: 709, 701, 698, 670 □



ORBIS VS. SET

*Concern over fraud losses and disputed transactions led financial institutions outside the U.S. to adopt SET (Secure Electronic Transactions), a computer protocol incorporating digital certificate and cryptography technologies to secure the cardholder account number when transmitted over the Internet. The threat of fraud is real, and SET is a proven defense. But the protocol is having problems gaining acceptance in the marketplace for reasons shown below.**

Merchants

SET must be integrated into a Web storefront and requires buying software and paying a systems integrator to install it. Cost is a minimum of \$20,000.

No implementation requirements.

Acquirers

SET requires an upgrade to the acquirer's Internet payment gateway. That can cost from \$500,000 to \$1 million.

No system changes. No merchant sign-ups.

Cardholders

SET software takes a comparatively long time to download — up to 12 minutes for older "fat" digital wallets and up to 6 minutes for newer "thin" wallets. Cardholders also need to get a digital certificate from their card issuer, either by visiting a branch office in person or by downloading it from a certificate authority. In some cases, the certificate is incorporated into a microchip on a payment card, which then requires that the cardholder have a chip-reader device — either attached to or built into their PC.

O-Card software takes a few minutes to download or can be incorporated into a Web browser or a digital wallet. A CD-ROM version is available.

Issuers

Issuers of "thin" wallets must operate a remote server to facilitate transactions for their cardholders. They must provide cardholders with digital certificates and be responsible for cryptographic key (public and private) management.

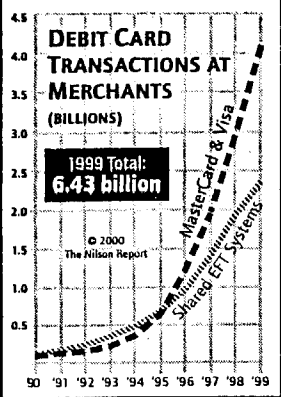
Issuers must purchase the O-Card system, including the server software and modules for processing and customer service, then integrate it into their existing Internet and processing systems. No key management is necessary. Cost is a combination of transaction fees and a licensing fee paid to Orbiscom.

**Visa International recognizes the problem SET is having in the marketplace and is developing a simplified model it expects will help accelerate merchant acceptance. The association will make an announcement by the end of June.*

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TYPES OF DEBIT CARDS



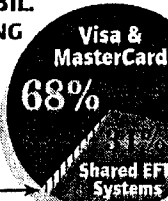
MARKET SHARES OF \$230.83 BIL. IN SPENDING ON DEBIT CARDS AT THE POINT OF SALE

ON DEBIT CARDS AT THE POINT OF SALE

excludes cash back

Proprietary Systems (1%)

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SHARED EFT SYSTEMS

Cards are issued by financial institution members of shared regional switches, led by Star, Nyce, Mac, and Pulse, and by the two national switches (Visa's Interlink and MasterCard's Maestro). All information needed for authorization, clearing, and settlement is contained in a single data message sent on-line in real time at the time of purchase. Transactions require personal identification numbers (PINs) for cardholder authentication.

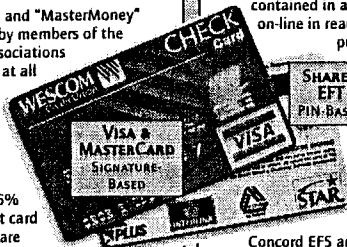
PROPRIETARY SYSTEMS

Fleet cards issued by private-label firms such as Concord EFS are accepted for payment and cash back with or without PINs at truck stops and selected gas stations. Transactions are authorized against the issuer's negative file. A second message for settlement is transmitted to the card issuer within 5 days. Cards issued by supermarkets, led by Vons in California and by gasoline retailers including Exxon and Mobil, are accepted only at the issuer's own outlets.

Transactions are authorized against each issuer's negative file. A second message for settlement is transmitted to an automated clearing house within 5 days.

MASTERCARD AND VISA

"Check Card" and "MasterMoney" cards issued by members of the bank card associations are accepted at all merchants that honor Visa and MasterCard credit cards worldwide. More than 96% of these debit card transactions are authorized on-line, although they are usually referred to as "off-line" because data needed to settle purchases are transmitted in a second message after the authorization request has been made. Cardholder verification is by signature comparison only. Personal identification numbers (PINs) are not used at merchants, even though these same cards can generate transactions for shared EFT systems where merchants require, or cardholders choose to use, PINs.



Verification (from page 1) ... obtain cash from automated teller machines when used with personal identification numbers (PINs) to secure the transaction. They can also be used to make payments at the point of sale from merchants who have installed 3 million terminals with PIN-pads. Those terminals are linked to 26 shared regional and/or national electronic funds transfer systems whose identifying service marks (Star, Nyce, Interlink, Maestro, etc.) appear on the back of the card. This year, Web storefronts will also begin accepting those cards.

Visa and MasterCard brands and holograms are displayed on the front of 54% or 116.8 million financial-institution-issued debit cards, meaning they can be used at Visa and MasterCard merchants worldwide who verify the cardholder's identity by comparing the signature on their sales slip with the signature that appears on the back of the card. In the United States, Visa and MasterCard debit cards look exactly like credit cards, and many of the largest financial institutions that have ownership positions in Visa and/or MasterCard, also have major equity positions in one or more of the shared regional EFT systems.

How each debit card transaction is authorized, cleared, and settled is determined by whether or not the merchant requires, or a customer chooses to use, a PIN-pad, and by data encoded in the magnetic stripe. Transactions secured by signatures are routed to the card issuer through the Visa or MasterCard networks. Transactions secured by PINs are routed through shared regional/national networks. □

Shared Systems (from page 1) ... electronic funds transfer systems in the United States totalled 2.31 billion last year, up 21% from 1.91 billion in 1998. These PIN-based debit card transactions generated total volume of \$84.91 billion in cash and purchases, up 31% from the prior year. Purchases accounted for 83% of total volume.

SHARED REGIONAL & NATIONAL EFT DEBIT CARD SYSTEMS — U.S., RANKED BY PIN-BASED TRANSACTIONS AT THE POINT OF SALE — 1999

Rank '99/'98	Brand/ Headquarters	Point-of-Sale Transactions (mil.)	Chg.	Point-of-Sale Volume (mil.)	Chg.	Cards (000)	Terminals	Outlets
1	STAR SYSTEMS Florida	1,034.00	+80%	\$37,224.00	+79%	80,000	1,500,000	400,000
2	3 Interlink Calif	224.68	+21%	\$7,545.22	+36%	50,000	1,659,774	502,962
3	5 NYCE New Jersey	219.00	+62%	\$10,162.40	+63%	45,100	520,000	208,000
4	4 MAC Delaware	195.76	+33%	\$9,155.6	+34%	42,000	530,000	300,000
5	6 Pulse Pay Texas	179.52	+27%	\$5,362.39	+22%	30,000	229,745	166,569
6	7 Accel Washington	61.50	-18%	\$2,029.50	-18%	12,600	88,430	14,200
7	9 Cash Station Illinois	36.74	+50%	\$1,499.0	+53%	6,600	21,000	60,000
8	10 X-Press 24 Mass	29.53	+31%	\$1,367.75	+25%	1,723	28,100	3,200
9	13 AFFN Florida	27.82	+133%	\$1,107.15	+133%	26,000	18,000	4,700
10	12 SHAZAM Iowa	21.29	+45%	\$690.01	+52%	4,059	23,367	16,226
11	11 TYME Wisconsin	19.70	+9%	\$729.00	+9%	3,300	22,450	5,312
12	— Credit Union 24 Florida	15.00	+28%	\$720.00	+28%	4,000	60,000	20,000
13	14 Money Station Ohio	11.62	+87%	\$463.51	+155%	7,000	58,000	3,100
14	15 Jeanie Ohio	4.80	+15%	\$192.00	+15%	5,500	55,269	8,284
15	16 Alaska Option Alaska	4.53	+15%	\$181.30	+15%	390	1,503	700
16	17 MPact Texas	3.71	+6%	\$100.97	+18%	2,650	3,700	1,250
17	18 Money/Handbank N.M.	2.66	+36%	\$24.95	+0%	1,149	2,681	917
18	18 NetWorks Nebraska	2.30	+3%	\$85.00	+7%	1,600	1,900	1,050
19	20 TX Massachusetts	1.34	+3%	\$30.29	+8%	1,000	3,000	1,500
20	22 Isepay Hawaii	0.58	+19%	\$21.87	+1%	371	380	76
21	24 Money Center 24 Ill.	0.10	-25%	\$3.22	-25%	291	1,218	356
22	25 Express Teller Minnesota	0.06	-17%	\$2.75	-20%	100	600	32
	Other 1	215.69	+23%	\$6,208.65	+22%			
TOTALS 2		2,311.93 2	+21%	\$84,906.54 4	+31%	216,700	3,000,000	1,035,000

1. OTHER includes smaller systems such as Presto in Florida, Maestro (nationwide), Cartel in New York, and Link in Indiana. It also includes "on-us" transactions captured before they reach the switch by a financial institution that issues cards and operates terminals including Wells Fargo, Bank of America, Texas Commerce, First Union, Riggs Bank, SunTrust, First Virginia, Citibank, Mellon Bank, Nat'l Bank of Alaska, Zions, Bank One, U.S. Bancorp, Key Bank, First Security, and Michigan National. Cards, terminals, and outlets are counted with figures supplied by the shared system to which they belong. 2. Removed duplication from cards, terminals, and outlets. 3. Includes 2.1% of transactions that were cash only (no goods/services were purchased). 4. Includes \$14.56 bil. in cash back.

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The market share of the top five shared systems based on transactions at merchant outlets were affected by two mergers. **Star Systems**, already the largest shared regional, improved its share of total transactions to 44.7% from 30.2% due largely to its merger with Honor, ranked second largest in 1998. **Interlink** (owned by Visa) took over as the second largest EFT system. Its transaction volume increased by 21%, although its share dipped slightly to 9.7% from 9.8%. **Nyce** moved into third place, due ... (turn to page 9)

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TRITON TO DOVER INDUSTRIES The largest manufacturer of cash dispensers for the U.S. market, Triton Systems, has been acquired by Dover Industries. DI is one of four operating groups within Dover Corporation, owner of nearly 50 different industrial and electrical manufacturing interests. Dover Corporation, with \$4.50 billion in annual revenues and operating income in the 17% range, will provide Triton the capital it needs to continue its global expansion. Triton will continue to be headed by its current management. The company's products include the 9600 Series of cash dispensers, software for ATM management, Mako cash dispensers for low-volume locations, and VendMate, which dispenses media including tickets, certificates, and phone cards. By the end of last year, Triton had shipped more than 35,000 terminals to clients in 15 countries. Ernest Burdette is President at Triton Systems in Long Beach, Mississippi, (228) 868-1317, fax (228) 868-0437. □

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DISCOVER CARD PARENT RETESTS VISA BYLAW For the second time in nine years, the parent company of Discover Card has tried unsuccessfully to become a member of Visa. The first time occurred in 1991 in the United States when Dean Witter acquired a small thrift in Utah that issued Visa cards. In that case, Visa successfully defended its bylaw prohibiting operators of competing systems from joining its association. The U.S. Supreme Court declined to review a Federal Appeals Court verdict favoring Visa in 1996. The recent challenge involves an attempt by Discover Card's current parent, Morgan Stanley Dean Witter & Co., to buy Visa card portfolios outside the U.S. The seller, First USA, agreed to sell the portfolios (in the U.K. and Canada) contingent on Visa approval. Visa advised First USA, the largest Visa issuer in the world, that no exception would be made. If Morgan Stanley merely wanted to expand its bank card presence in the U.K., it could have grown the MasterCard portfolio it already owns there (see issue 698) by purchasing the First USA accounts and converting them to MasterCard. Prior issues: 698, 597, 590, 585, 582, 580, 560, 493 □

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Billpoint (from page 1) ... year. Settlement between buyers and sellers brought together by eBay has been largely limited to money orders and checks. It now includes credit and debit card payments that go through Billpoint, a joint venture of eBay and card payment acquirer Wells Fargo Bank. Billpoint requires sellers to give their bank deposit-account numbers and bank-routing data before participating in an auction. Winning bidders give Billpoint their Visa, MasterCard, or Discover card data which goes to Wells Fargo for authorization. If approved, Billpoint notifies the seller and initiates a credit to their deposit account through the automated clearing house. Janet Crane is CEO at Billpoint Inc. in San Jose, California, (408) 626-4919, fax (408) 626-4901.



Wells Fargo, the ninth largest U.S. acquirer of merchant card business, has a processing and customer service contract with Billpoint and has just received regulatory approval to acquire a 35% stake in the company owned by eBay since May 1999. Wells will handle eBay auction business in much the same way it handles mail order and Internet merchant businesses. eBay sellers pay merchant discount fees ranging from a high of 3.5% of the transaction amount plus 35¢, to a low of 35¢ per transaction when sales are under \$10. Debra Rossi is Manager of Business Internet Services and Executive VP at Wells Fargo Bank in Walnut Creek, California, (925) 746-4120, fax (925) 295-1213. □

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March 15, 2000

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