

**Happy New Year** from the Shift4 family. We hope this newsletter finds you all happy and well, and recovering from what is typically the busiest time of year for our clients. We hope you'll take a moment to share our [Who is Shift4?](#) link with anyone in your organization that might be unsure exactly what we do for you and why you choose Shift4. Also, we've got a great [Executive Insight](#) article this month where our CEO will explain the real implications of Visa's announcement that EMV is coming to the United States.

### 2011: A Year in Review



Happy New Year and best wishes to all of our clients! We hope that you were able to enjoy the holidays with those most near and dear to you. We celebrated Christmas in Florida this year with our children and grandchildren, and had a wonderful time.

Looking back at 2011, we're happy to say the year was successful and one of great preparation for Shift4. We brought our new data center fully online, which more than doubled our processing capabilities (and it's currently operating at only half its designed capacity – meaning we can double again as demand requires it). More than 10,000 man hours have been invested into that project thus far, including installing and configuring more than 1,000 data switch ports and 100 servers, which required more than a mile of power cables and two miles of data cabling.

In addition to that monstrous project, we've also hired additional sales and partner-relations staff and are well positioned for growth and future expansion into new and exciting markets. (Including a potential partnership with a company whose products you likely use every day – we'll give you a hint, it starts with G.)

Currently we're optimistic about new growth in the e-Commerce arena. We've long been the largest independent card-present gateway, but new integrations to [Magento](#) and [ZenCart](#) (with several more integrations on the way) have positioned us as a strong player on the card-not-present side, as well.

If you're using Shift4 for your brick-and-mortar environment but not yet in your online transactions, now is a great time to make the switch, consolidate your service, and save yourself money. If there's a particular e-Commerce solution you'd like to see us integrate to, drop us a line at [OTNFeedback@shift4.com](mailto:OTNFeedback@shift4.com) and let us know.

This year we're going to continue with one of last year's main goals, which was to increase communication with you, our merchants. We live in an increasingly social society and Shift4 is working hard to stay at the forefront of communications technology. You can find us on [Facebook](#), [Twitter](#), and [LinkedIn](#), leave a comment on [our blog](#), send us an e-mail, or even pick up the phone and give us a call. We're happy to hear your suggestions, concerns, and compliments, or to answer any questions you might have.

We are grateful for your continued support of Shift4 and look forward to many more years together.

*Wishing you success and happiness in 2012.*

Dave and Kathy Oder  
Shift4 CEO and COO/Husband and Wife

## Helpful Hints for Working with Shift4 Support



While it's true that Shift4's Customer Support staff strive for one-call resolution (and achieve it more than 75% of the time), many of you know that some issues require more than one call – and more than one person – to remedy.

While we invest both substantial time and money into the training of our frontline Support staff and empower them to deal with the vast majority of issues without escalation, it is inevitable that a few requests will go beyond their technical capabilities or their security level. In these cases the requests are put through a very well-defined escalations policy.

Occasionally, the most effective way to solve more complicated issues is to break them into smaller pieces. (This is why you may sometimes receive a call from a Shift4 employee other than the one you originally spoke to.) We believe firmly in the power of specialization, which is why we have highly trained representatives with unique experience and skill sets assigned to a number of teams within our Support department. From Installations and Account Creation to Account Maintenance, Technical Services, and even liaisons to the Development department, we make sure that we are prepared to handle any request that comes to us.

Also, at every hour of the day – 365 days a year – there are supervisors, managers, directors, and even a member of the Shift4 executive team available to handle escalated support requests. It's all part of our commitment to world-class customer service – a tradition we were built upon and one we will never let go.

With the possibility of all these people handling your call, we have one request of you. That is, when you contact one of our representatives (or the Support Department in general), please be sure to provide us with your account number or case number. This is especially important if you are leaving a voicemail or contacting us via e-mail. While we wish we knew all of our customers on a first-name basis, it could be quite difficult considering we have 1,500 ladies named Barbara on our customer list (and that's not even the most popular one). Last names would be even more difficult – because 2,758 of you share the last name Patel!

So please, give us an easy way to figure out which Barbara we're trying to help and we promise to do all we can to resolve your issue in a timely and effective manner.

If you have any questions or open cases that need attention, give us a call at 702.598.2480, option 2, or drop us a line at [support@shift4.com](mailto:support@shift4.com). Just don't forget to have your account or case number handy! We look forward to assisting you.

We're looking forward to **NRF Retail's Big Show 2012** in New York January 15-18. If you're planning to attend, be sure to stop by booth 3202 and say hello.



## Be Sure You're Using Shift4-Certified Solutions



Recently we've received a number of calls from merchants experiencing issues with swipe devices and/or POS/PMS terminals that are not included in our list of certified devices. With that in mind, here's a friendly reminder: Just because a device appears to function properly when you plug it in, does not mean the device is supported by Shift4.

Likewise, just because you're able to process transactions through a new POS/PMS does not mean it is fully integrated with DOLLARS ON THE NET®.

Yes, many manufacturers make their products similar enough that basic functionality is the same, but until the device or program has been thoroughly tested and certified by Shift4, we cannot verify their compatibility with our system.

This also holds true for software or firmware build versions. Shift4 provides a [list of all POS/PMS/e-Commerce products](#) with certified integrations to DOLLARS ON THE NET, as well as [a list of currently certified devices](#). The device list represents what we consider to be the best devices for each of the industries we serve. We constantly analyze new devices and add to our list as new technologies or features warrant the additional development time.

We are happy to provide customer support to all of our clients – even those currently using a device or program not included in our lists. However, you should know in advance that if the issue extends beyond basic troubleshooting, we may be unable to escalate your concern to our technical services staff.

We understand that many devices appear similar and that POS/PMS salesmen looking to make a buck on an upgrade will “guarantee” their compatibility – but if you're planning to make a change, please check with us first and make sure that it will actually do all that it needs to do.

If there is a specific device or solution not on the list that you think Shift4 should support, feel free to submit your recommendation to [OTNFeedback@shift4.com](mailto:OTNFeedback@shift4.com). While we can't guarantee action on every request, each request will be carefully considered by Shift4.

As always, if you need additional assistance, Shift4 Support is available 24/7/365. Contact us at 702.598.2480, option 2, or e-mail [support@shift4.com](mailto:support@shift4.com).

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## Executive Insight: US EMV – A Necessary Evil?



**By Dave Oder, Shift4 Founder & CEO**

Those who have traveled to Europe in the past few years or to Canada within the last year or so, know there is a new payment process that uses a microchip on the card to communicate the payment capabilities of the card to the point of sale, and then uses a PIN (personal identification number) to authenticate the cardholder as the owner of the card. The nickname for this process is “Chip and PIN,” but its official name, “EMV,” tells us much more about the process' history.

EMV stands for Euro Pay, MasterCard, and Visa – the three organizations that initially promoted this payment method. They were looking for a methodology whereby they could control credit card capabilities and also confirm the user of the card all at the point of sale. Further, they wanted the card to be able to control the behavior of the point of sale in some cases to

facilitate things like faster micropayments (automatic approvals under the \$20 threshold) and to allow for payments where real-time telecommunication was not readily available (essentially having the chip confirm that it had sufficient balance to pay for the transaction even though the POS couldn't communicate with the processor to verify the information).

EMV payment transactions were also heralded to be more secure than swiped payment transactions (though the process was breached in Europe shortly after it was implemented). To be honest, with the use of technology like Shift4's TrueTokenization® and even some End-to-End encryption technologies, both cardholders and merchants are better protected against swiped cardholder information breaches than they would be with EMV and its PINs.

### **The Canadian Frontier**

Over the last few years, the Canadian Government has embraced EMV, mandating that all merchants implement it as a replacement for swiped cards and for their Interac debit process. Canadian merchants will be allowed to support swipe and Interac only until 2015 (remember that date, it will come up again later). This is so that Canadian merchants can continue to do business with travelers from the United States and other countries that still use credit cards with magnetic strips.

The trouble with this mandatory implementation is that EMV requires specially programmed terminals or specially programmed devices connected to point of sale systems. These terminals and devices have to go through a rigorous certification process before they can be made available to merchants. First, there are processor-specific certifications, and once they pass the processor certification, they must also pass individual certifications for both MasterCard and Visa. (While American Express was a late adopter of EMV, to date no American Express certification is required.)

Like terminals, middleware and/or gateways must go through a similar set of certifications. Each of these certifications must be performed with a specific terminal. That means if we plan to support five terminals on five processors we have to go through 25 certifications with processors, 25 certification with MasterCard, and 25 certifications with Visa. Oh, and add to that the fact that (at least for now) each POS must go through a beta testing with each terminal it is to support. *"Red Tape, thy name is EMV."*

If someone asked us to rate the complexity of EMV using a scale of 1 to 100, swiped credit cards would be a 1, PINned Debit (US Style) would be a 4, PINned Debit (Canadian Interac) would be a 10, and EMV would be 100.

That being said, and especially when we consider the amount of work relative to the market size of Canada (only 11% of the US market), it is understandable that the adoption rate of EMV (Chip and PIN) among US companies remains very low. To put it in perspective, when we complain to the processors we are interfacing to for EMV that they are taking too long to return certification results, we are told that it is not financially feasible – based on the size of the Canadian marketplace – to increase their staff sufficiently to accommodate the number of certifications that they are currently doing.

### **Closer to Home**

Given that the EMV process was originally developed for Europe, and that although Visa and MasterCard are larger organizations, Euro Pay is named first in the EMV acronym, we have to assume it was mostly an European initiative. It is seems quite remarkable that the United States, the country that led the way in the credit and debit card development, would become a follower with EMV. But that is exactly what's happened.

Recently, though, Visa made a unilateral statement announcing EMV in the United States and announcing a deadline of 2015 (that date sound familiar?). Can you imagine the amount of programming that will have to be done to implement this? Think how slow it is going now, in a market 89% smaller than the US market; and then think how many more processors, terminals, and POS companies will support EMV in the US. It's going to be a mess.

Also, Visa has said that if merchants process 75% of their transactions via Chip cards, they will not be required to go through PCI-DSS validation. (How they can authorize that without collaboration from MasterCard and the other brands remains to be seen.) And they have decided that US EMV will be Chip only, not Chip and PIN. (Yes, merchants will be able to use the less secure Chip-only solution, and then put their own reputations on the line because they didn't validate their security.)

The whole situation sounds like an exercise in futility, doesn't it?

### **The Good News**

Luckily, there is a light at the end of the tunnel. Because of Shift4's unique Universal Transaction Gateway (UTG) capability, POS application providers that now support US Debit can support Canadian Debit, Canadian EMV, and will be able to support US EMV without making any significant changes to their software. Basically, those with certified interfaces to Shift4 will be able to do 1/20th of the work to gain 100% of the capability. Merchants that use software interfaced to Shift4's DOLLARS ON THE NET® will get US EMV support as a part of their existing agreement; no new fees, no new rates. Also, because Shift4's solution will continue to use TrueTokenization for security, merchants can rest assured that they remain secure.

To guarantee that you are ready for US EMV, make sure you are using Shift4's DOLLARS ON THE NET and that the POS/PMS software you are using is interfaced to DOLLARS ON THE NET. Also, make sure that you don't purchase EMV devices without checking with Shift4 (remember each device must be independently certified).

One last thing, don't purchase an end-to-end solution from anyone other than Shift4 as there is no guarantee the terminals or devices that currently support end-to-end will be viable for US EMV.

Don't worry. We'll be ready, and we'll make sure you're ready, too – no matter what they throw at us.

