

Cover Story



1st MOVERS & SHAKERS AWARDS

Past, Present and Future

by Lisa Dowling

Movers and shakers. Makers and breakers. Major players. Visionaries. Innovators. No matter what the moniker, the meaning is the same. It's all about remarkable achievements, positive contributions and significant impact. Over the years, great strides have been made in the payment processing industry. In recognition of those advancements, Transaction World is pleased to present the "First Annual Movers and Shakers Awards" highlighting men and women who have truly enriched the merchant services marketplace.

The challenge in putting together this article is that we are an industry made up of overachievers, entrepreneurs who have excelled and made meaningful differences in one way or another. Even starting with such a high bar, there were many people who qualified for inclusion in this piece. In order to present the most objective view, we surveyed our readership. We put the call out to the field, asking for nominations of individuals who have made significant contributions as well as those who are currently reshaping and cultivating the future of the industry.

The response was overwhelming with many compelling stories. Set forth below are the individuals for whom we received the most nominations, together with the reasons given by their peers. Simply the fact of not being included in this piece does not in any way lessen the daily, often Herculean contributions of many industry members<but space does not permit showcasing each and every one. Congratulations to all movers and shakers in our industry.

Nominated as one of the most influential, yet unknown, "movers and shakers" in the industry is **Ed Labry**, President of Concord EFS. Ed has always led the way in areas that few saw as logical and rational. When he pushed Concord into the grocery arena back in the early 90's, most people thought he

was a bit crazy. Little did the industry know that so many consumers would convert to plastic from checks and cash. Another vision Ed acted on was shaping and driving the mainstreaming and consolidation of PIN secure debit purchases. Ed believed there was a large segment of the American population that would rather pay with funds in their bank account than use a credit vehicle. And when he pushed the acquisition of the STAR network, he had a huge impact on the branding of the STAR name. In doing so, STAR began to have the same name recognition of a Visa or MasterCard brand, thus increasing the consumer's comfort with using it. His nominees went on and on--ATM expansion, movement into petroleum with pay-at-the-pump and EBT for the food industry. A true mover and shaker, Ed has always seen not only down the road to where electronic processing was headed, but around the corners. It would appear that in the recent First Data/Concord EFS acquisition, the greatest asset FDC acquired is Ed Labry.

His nominees sing his praises in one unified voice. They talk about his openness, his integrity, his dedication. They are talking about **Bob Carr**. As Chairman and CEO of Heartland Payment Systems, Bob is credited with helping countless professionals in this industry understand the dynamics of the bankcard marketplace. A true entrepreneur, Bob grew a small St. Louis ISO into a powerhouse, processing billions in bankcard volume, as evidenced by Inc. Magazine naming Heartland Payments to its 2002 Fastest 500 Private Companies in America. Called a truly great guy and a wonderful customer by colleagues, Bob raises the integrity of the industry through his tireless education and advocacy activities. In addition to founding Heartland and leveraging it into the largest privately held ISO in the industry through a dedication to fair and open pricing, Bob was one of the founders of the old BSA, now known as the ETA. It is safe to say his voice will continue to be heard for years to come.

To take a start-up processor to Nova's current rankings is nothing short of amazing. The man who achieved this feat is **Ed Grzedzinski**, current President/CEO of Nova. Ten years ago, Nova was a concept on a piece of paper. Through vision, dedication and talented leadership, Ed led Nova to the admirable position of the third largest processor in America. Extremely focused, his nominees praise his polish, fairness and professionalism in everything he does. At a time when corporate turmoil and unprecedented upheavals are the norm, Ed remains steadfast in his focus and keeps his organization on a clear and profitable path.

One nominee described **Bill Healy**, President of LFG (division of CIT), as the model in the BASF commercial—he's not the guy that runs the businesses you know, but he's the guy that's

making everything possible for many ISOs and MSPs in the industry. Other nominees say much more. They praise his honesty, ethics, intelligence and even looks. Many consider him a leader in providing not only the financial resources but also strategic guidance necessary to run an ISO, be a successful MSP or succeed as an independent sales agent. Bill is the first person called when sound leasing advice or solid financing is needed. Everyone in this industry has great ideas and plans. The problem is that you cannot execute these plans without money or, in many cases, without Bill Healy in your camp.

An inspiration leader. Charismatic. Well respected. These adjectives were used to describe **Joe Natoli**, Executive Senior Vice President and Director of Retriever Payment Systems. He has been part of Retriever's stellar reputation since 1994 and considered by many as an industry innovator. With over 15 years in the business, Joe's entrepreneurship has brought many firsts in the industry such as being the driving force behind the Discover external sales agent program. He is extremely talented at leading organizations to the next level by anticipating top-level changes. He understands the importance of strategic decisions made today and their impact on tomorrow's business. But perhaps what all his colleagues unanimously raved about was his care and concern towards his co-workers, his customers and the industry as a whole. He is known to treat sales groups, employees and strategic partners like family. He leads by example and this is evident by a strong work ethic and hands-on approach with the human touch. Joe understands that we are in a people business and relationships are what allow individuals and organizations to be successful.

When one walks into a lion's den, one never knows what to expect. When **Mary Dees** walked through the doors at Certified Merchant Services, she entered with a belief that she could make a difference and she did. As part of the receivership team, Mary brought the utmost integrity and the highest degree of ethics to the table, resolving to take ownership of the situation and resolve it. Her nominees state not only did she get to the root of CMS's problems and fix them, she provided an unprecedented element of education for the company as well as the entire industry. Her invaluable work on association panels is as well documented as her well-respected position as an industry team player. Her wealth of experience and expertise has significantly impacted many sales professionals. In terms of education of legal processes as well as general understanding of ISO relationships and different aspects of card associations, Mary is unparalleled in her drive and commitment to improving the marketplace. As one nominating colleague said, "When you talk in terms of high standards, high quality and professionalism, you talk about Mary Dees." There can be no higher praise for her accomplishments than CMS asking the

FTC to make Ms. Dees their permanent leader in their final journey. She was their blessing in disguise.

In the ten years since **Mony Zenou** acted on his vision to expand Israeli-based Lipman Electronic Engineering into the United States, the company has grown from a one-man show, operating out of Mony's apartment, to one of the country's leading providers of POS equipment and solutions. Using his independent sales organizational skills, Mony targeted and conquered the ISO market and introduced one of the country's first successful wireless POS terminals. Today Lipman is a market leader in wireless due to the creativity, intuitiveness and dedication of its leader. Truly a visionary, Mony has been able to cumulatively double the company's sales in each of the last five years, and his sales tactics and marketing initiatives are widely replicated. A former ETA board member and widely respected industry pioneer, Mony's nominees praise his fairness and willingness to go the distance for his colleagues and customers.

He had a unique vision and brought it to life. That vision was Card Service International and the man behind it was **Chuck Burtzloff**. Chuck represents the quintessential charismatic entrepreneur. He established Cardservice International in 1988 with an unprecedented concept that focused on opportunity in the high-risk marketplace. At that time, high-risk merchants had virtually no place to turn for their transaction processing. Chuck filled that void and created a strong presence in the merchant services industry. He attracted sales agents and employees who flourished under his leadership and marketing spontaneity. Chuck's personality and professionalism inspired incredible loyalty among employees and agents, many of who are still with the company after 15 years.

Pam Patsley has spent nearly 20 years in the merchant processing business. For much of that time, she was instrumental in building what today is one of the largest payment processors for merchants in the United States -- Paymentech. Pam was on the ground floor and contributed her knowledge of the business and her creative thinking abilities to grow Paymentech from a division of First USA to the nation's second largest merchant acquirer based on transactions. Most people who have worked with Pam appreciate her unending energy and enthusiasm for the merchant processing business. Today, Pam is once again building a business from the ground up as she leads First Data International in establishing merchant processing and card issuing services for clients around the world.

Another pioneer in the payment processing arena is **Hatim Tyabji**, the first CEO of VeriFone. He believed electronic

authorization was an important piece of the credit card puzzle, and his vision that a POS terminal could be used for electronic authorization as well as multiple other services resulted in the evolution of one of the largest and leading hardware and software providers in the industry. While Hatim did an extraordinary job perpetuating VeriFone around the world, credit must also go to Bill Melton who invented the point-of-sale terminal and subsequently founded VeriFone as the first hardware provider. All other manufacturers followed his lead.

Interestingly, *Transaction World* received a number of nominations for a team, namely **Greg Daly** and **Rich Roberts**. Two creative entrepreneurs joined forces way back in the late '80s and started an ISO, PMT, that would prove to become one of the most successful of all times. Theirs is an achievement not often seen<they guided their dream all the way to the finish line. They were the first to take an ISO public and in doing so, introduced Wall Street to the profitable world of independent sales organizations. Daly and Roberts were instrumental in bringing venture capital money to the payment processing arena. And they are steadfast in their continued belief in that arena. After Nova acquired their organization in the late '90s, Daly opened doors on another ISO, ipayments, that successfully went public last month. Roberts also created his own unique entity, a new ISO named Vertus. Both will undoubtedly continue to move the industry.

Before Card Payment Systems merged with Concord, it was helmed by a man that set the standard. As President of Card Payment Systems, **Larry Stone** was instrumental in revenue sharing becoming mainstreamed throughout the industry. Larry's hands-on approach to service and efficiency is emulated by others but will surely never be surpassed. His nominees are still amazed how quickly he returned emails and voice messages. Stone built an empire on a business philosophy of ethics, trust and respect. A brilliant businessman, Larry was a role model for everyone whom came into contact with him. As successful as he became, Larry still was a "normal" hardworking guy, never letting success go to his head. He worked hard and kept a clean shop in an industry where it's tough to run a business along those lines. Larry rarely lost an employee and treated everyone from mail workers to vice presidents, from the small one-man offices to the big ISO's exactly the same with the utmost respect. He made them all feel as though they were the only ones who mattered. Larry truly was an asset to the payment industry and there are many companies that even today are trying to follow in his footsteps.

As founding President of the largest PIN-secured network in the country, **Ron Congemi** received his fair share of deserving nominations. Star Systems was the originating secure debit

payment structure by which merchants were able to expand payment acceptance. Ron grew that network into a nationally accepted program that became so profitable Concord EFS subsequently acquired it. Ron's positive guidance of and unwavering commitment to his organization exemplifies what this survey of recognition is all about.

There is no denying the positive impact one woman in particular has had on the industry. As President/CEO of Post Integration and current President of the ETA, **Mary Gerdts** has worked tirelessly on promoting not only a successful business but also the image of the industry in general. Through her long hours of "volunteer" work on behalf of ETA, she has taken it to the next level of support, education and inspiration. Many predict the industry will see great changes in the coming years due to Mary's dedication and commitment.

He is one of the originators. He is a visionary who sees possibilities and acts on them. He is **George Wallner**, the founder of Hypercom. Recognized as one of the principal architects behind the development of today's electronic transaction technologies, George's insight and knowledge of technology and the marketplace have contributed significantly to the evolution of the industry as well as propelling Hypercom's offerings to the forefront. Like other leaders in this movement, George's vision, skill and tenacity have helped define, shape and advance the merchant services industry. Under his leadership, Hypercom has created, driven and consistently set electronic payment standards that today enable tens of millions of consumers to conduct billions of dollars of transactions for major financial institutions, payment processors and retailers worldwide.

Never accepting the status quo, **Joe Kaplan**, President/ CEO of Innovative Merchant Services, continues to push the envelope and challenge the norm in the industry. To accomplish this, Joe has made it his mission for the past two decades to become involved with various industry associations and committees. His nominees state he listens to the ideas of both his customers and his peers to drive the change he seeks. Using this information and combining it with his passion for providing quality customer service, Joe's standards have redefined service within the bankcard industry and been a benchmark for other acquirers over the years. His enthusiasm for change and concern for standards and security within the industry is memorialized through his grass roots efforts to foster such organizations as the MAC council, his work with the ETA as well as advisory committee membership for VeriFone and CrossCheck. When it comes to accomplishing goals to the betterment of the industry, this "no holds bared" guy lobbies for important issues with Visa and MasterCard, and has created

change with processors such as FDC through continuous efforts to seek improvement. This mover and shaker takes the bankcard acquiring industry to heart.

Under **Mike Duffy's** leadership, Paymentech has become one of the largest processors of electronic payments in the marketplace. Named President and CEO in 2000, following three years as Chief Operating Officer, Mike effectively oversees technology and network services and sales. He was responsible for guiding the company's progression toward an integrated, enterprise-wide infrastructure. Considered a visionary leader by his colleagues, Mike works to keep Paymentech ahead of the competition in the key growth markets such as ecommerce, utilities, telephony and insurance by delivering innovative product solutions. He also places great importance on Paymentech's role as an advocate for all merchants. Through association board participation and proactive campaigning to MasterCard and Visa, Mike has helped define policies that protect and benefit merchants. His nominees say here is a mover and shaker who inspires thousands of employees and partners to think beyond servicing the needs of merchants today. He challenges them to pioneer solutions for the electronic transactions world of tomorrow.

Perhaps a controversial nomination but one that got considerable mention is **Jim Elliott**. He is credited as being a co-creator of the ISO community. Many years ago, Jim founded one of the industry's first ISOs, namely Cherry Payment Systems. In terms of the industry's family tree, Cherry Payments is one of the big taproots. Many say had Jim not pushed business practice boundaries as he did and crossed corporate lines, Cherry Payments would still be a force to be reckoned with in today's marketplace. Even so, many of our major players can trace their beginnings back to Cherry Payments and Jim Elliott.

Another pioneer in the credit card industry is **Joyce Cook**, CEO of International CyberTrans. In 1985, she started one of the earliest ISOs, IMA Payments, growing it from a card table in her home to a corporate boardroom. Under her guidance eight years later, IMA Payments went national and merged as a subsidiary of a publicly held NASDAQ corporation. Her employees consider her a great boss, constantly reminded how much she values them regardless of their position. Certainly one of Joyce's most significant contributions was the impact felt when she teamed up with four other dedicated industry members in 1990 to form a small association, namely the BSA which today is the mega entity, ETA. Joyce even provided personal funds to help seed the premier association committed to the advancement of ISOs. She served as a two-term president of ETA in 1994 and 1995 and sat on the Board from

1990 to 1998. As President of ETA, Joyce negotiated with Visa to lower the annual renewal fee from \$2500 to \$1500 and initiated the first ISO meeting with senior management of Visa. She also started the Certification Program, which is currently known as ETA University.

The 800 lb gorilla in the room is arguably First Data. As one of its early players and current CEO, **Rick Duques** deserves praise as overseeing the largest market share processor in the industry. Undoubtedly there are other executives at First Data that make a difference as well, but if you had to pick just one, Rick would garner the most votes. He has been the driver at the wheel of one of the biggest conglomerates in the payment processing industry. Rick recognized that scale was paramount and has positioned First Data as a counterweight to the card associations themselves. Many have felt the ground shake through the unwavering efforts of this empowering executive.

From 1983 to 1993, **Dick Draper** held the exclusive distributorship for VeriFone in 10 midwestern states. During that time, he was very influential in getting VeriFone equipment widely sold to such major players as Sears Payment Systems, Cherry Payment Systems, Discover, Harris Bank and virtually every other Midwest bank and ISO. When VeriFone went public, Dick made a tidy sum and very generously shared it with quite a few of his staff. He then founded Peripheron, a major supplier of POS printers and other peripherals. A former Navy seal, he is considered by many to be one of the most interesting and honorable movers and shakers in the industry. Though now retired and living in Canada, Dick's impact on the industry can still be felt today.

Future Movers & Shakers

This next section focuses on individuals who are currently making their presence felt and are quickly becoming future "movers and shakers." Some have achieved notoriety through their company growth. Others are championing regional ISO organizations and associations to improve our industry's image. Many are instrumental in offering acquiring networking opportunities. All are positively impacting the marketplace:

Considered by many to be the one of kings of payments, **Steve Elefant** has seen it all, done it all and is doing it again. A true visionary, Steve saw the potential for the application of technology in the small payments genre and acted on it. It's one thing to dream about something, it is another to do something with that dream. Steve identified opportunities in small payments and realized his dream with the unprecedented success of ICVerify. Now Steve has brought his knowledge, expertise and exceptional talent to Yaga, an advanced payment service. As its President, Steve is helping create new

technology and turning it into success. His colleagues enjoy working with him. They praise his endless source of energy, his knack in finding the deal that works for everybody and his sense of humor. One nominee described him as a 99.999% reliable processing system that is always up and running.

Enthusiastic. Fair. Honest. Forward thinking. Supportive. A general nice guy. These are the words nominees used to describe **Steve Pavent**, Founder and President of Business Payment Systems. A real zealot in an industry where passion is not always paramount, Steve is a stellar example of what's good about the ISO arena. Practicing what he preaches, Steve volunteers his time to give educational seminars at chamber groups and business development organizations as well as authoring informative articles for numerous publications. His commitment to helping small offices and independent agents achieve success results in positive contributions to customers and colleagues alike. Just ask the people who are lucky enough to be associated with Steve. He is a true advocate.

Another up and coming dynamic force among ISOs is **Penny Baker**, President/CEO of National Bankcard Systems. Penny has built his business the right way, as evidenced by Inc. Magazine ranking it #27 this year on its Fastest Growing Private Companies survey. He provides a positive, hardworking, ethical face to the ISO community by showing one can successfully create a strong ISO business through true commitment to service and customers. Penny is proof-positive that our business is still strong and growing and ready for the future.

Another individual who is making his mark on behalf of hundreds of professionals is **Mark Dunn**. His work with the MWAA (Midwest Acquirers Association) is well documented and well received. Together with his colleagues, Mark is introducing new ideas and new formulas to bring sales agents and vendors together in hopes of improving merchant services in the payment processing arena. He is putting a new twist on the MWAA by highlighting people who are making a difference through achievement awards at the MWAA conferences. Through his efforts, the MWAA is focusing on topics that are of great importance to ISOs. Kudos to him for taking steps in the right direction and creating excitement.

In addition to being the respected President/CEO of U.S. Merchant Services, **Steve Norell** is also the driving force behind the newly formed NAPP (National Association of Payment Professionals). This visionary took his desire to change the image of the ISO community and acted on it. Simply put, Steve put his money where his mouth was. Through NAPP, he is dedicated to getting professionals

throughout the industry to work ethically and properly. He is dedicated to educating the merchant level salesperson and helping each and every one understand what payment processing is truly about. And since his nominees praise his sales ability, it would appear Steve is the man for the job. He is considered by many to be a consummate consultant, rather than a salesman. He sets the bar by making his clients feel they are being taught, rather than sold. And Steve is constantly exploring new product avenues with no fear of taking them to the street and making people think about their future and the future of merchant services.

Sharer of knowledge. Facilitator. Strategic Liaison. Builder of businesses. **Ed Freedman**, President/CEO of Total Merchant wears all these hats and more. What doesn't change, no matter what role he assumes, is his fair and ethical treatment of all he comes into contact with and his unwavering commitment to an industry he loves. He speaks publicly about it. He writes about it, but perhaps his most positive contributions have been in the area of sales education and training. Since 1997, Ed has made sales training conferences and educational seminars a staple of his agents' support. In addition to providing free airfare, hotels, meals and sales materials, as well as access to leading vendors, Ed talks to sales agents like partners, offering information on actual costs and where the money is being made on merchant bankcard processing activity. He lays it all out for his sales reps and that strategy is positively impacting the hundreds of agents he touches, as well as the industry in general. Not resting on his accomplishments, Ed continues to set the bar with innovative compensation and bonus programs. He is changing the way sales partners are being paid and being treated.

He saw an organization that needed new blood, new life. He offered his. The organization was the NEAA (North East Acquirers Association) and the man is **Alan Forgione**, Vice President of Sales at Card Systems. He recognized the need for a forum to educate and reach the professionals on the street who are unable to attend national shows, whether they represent ISOs, MSPs, sales agents, sub-agents, sub-processors or vendors. NEAA is that forum and Alan has been the driving force behind it since 1997. His commitment to NEAA results in hundreds of professionals staying on top of industry issues while staying alive in the trenches. That is a significant impact. That is the payoff to outstanding professionals like Alan.

In the competitive ISO arena, one woman's outlook is translating to success not only for her customers but for the ISO community as well. As President of Advanced Payment Systems, **Jennifer Brinkman's** unique approach is a model for how to build a successful ISO. Her nominees praise her professionalism and personal interest in all her clients, always

going the extra mile to insure their needs are met. They compliment her high energy, her friendliness towards all and her true passion for the business. This outstanding professional never misses an opportunity to further cement a relationship with a merchant and is always looking for new products and services to enhance her merchants. At a time when the ISO image is in question, here is an industry leader that represents all that is admirable.

When FDC fully acquired Cardservice International at the end of 2001, **John Burtzloff** stepped up to assume tremendous responsibility for new sales opportunities. His leadership and maturity inspire long-term agents and employees and they trust him with their future. He solidifies and ensures long-term relationships with these valuable assets. His colleagues look at John as the future of the industry. He's already carving out new market niches to stay on the cutting edge. His nominees credit John's individual and unique magnetic qualities that enable him to capitalize on creative concepts and develop them into fully formed, implementable strategic opportunities. Keep your eye on John because he is on a very fast track.

By far, one of the most unusual nominations we received was for a family - the **McCormick** clan. Thirty years ago, patriarch John McCormick founded General Credit Forms, a company that many consider to be one of the last true supply manufacturers and providers dedicated to the bankcard industry. Sons, John and Jim, continue in their father's footsteps, making their own significant impact not only at GCF but also in the area of association support. John's tireless efforts with the SEAA earn him a place in this survey, as does the dedication of his brother, Jim, to the MWAA. Many feel this family's contributions to the merchant community need to be recognized. *Transaction World* agrees.

And finally, *Transaction World* is proud to list alphabetically the following industry leaders who each received several nominations and deserve a very honorable mention:

Gary Ang, SDC

Dave Beck, President of Universal Savings Bank

Vince Bianco, CEO of The Return Exchange, Inc

Ron Chaisson, President and Co-Founder, Tasq

Wayne Damron, Senior VP, Sales, Lynk Systems, Inc.

Bill Farris, Program Manager, Paymentech

Philip Fayer, Founder and CEO of Paysystems, Inc.

Dave Hardy - Access ATM

Bill Higgins, Founder of Retriever Payment Systems

Pamela Joseph, President, Nova Corporation

Bill Kinard, Founder of Nova

Ken Kirby, CEO of Legal Age Software

Don Neff, Tellan
J. David. Oder, President/CEO of Shift4Corporation
George Reich, CEO of eChex
Claude Ricks, President of Everything PrePaid
Chris Schneider - Access ATM

Lastly, but in no way least, is Lloyd Constantine, Esq. As a renowned attorney and lead counsel in the Visa/MasterCard - Wal-Mart lawsuit, he was instrumental in getting Visa and MasterCard to acknowledge some of their faults and recompense them. Lloyd definitely helped to shake up the industry and definitely moved these super powers to a more admirable position.

** Please direct your comments and feedback regarding TW's Movers & Shakers Awards to the Editor-in-Chief, Cynthia Dorrill at editorinchief@transactionworld.net.*

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