An Interview with Jared Isaacman
CEO, United Bank Card, Inc.

It's been ten years since you first started UBC; has the company exceeded your initial expectations?

I don't think even the largest imagination could have anticipated the level of success United Bank Card would eventually achieve. I still remember back to the days in Far Hills, NJ when we celebrated our 100th deal and again when we first reached 50 new contracts per month. These were key moments in our company's history. It is amazing when I think back to our first computer and our first phone. I remember Brendan Lauber and I purchasing the parts for that computer at a local fair and then assembling it in the basement. We commented that some day we would tell people what it was like when we had just a single phone and computer. Those were exciting times when things were first coming together, but that excitement is eclipsed by the things we are working on today. It was nice to think small in those days but in the United Bank Card world of today, we really get to dream big. I know we could not have achieved any of this without the support of our many loyal ISO partners, our professional staff and extremely dedicated management team.

What have been your proudest achievements of these past ten years?

I believe that our greatest moments are achieved at some of the worst times. In the summer of 2005, United Bank Card faced the greatest challenge in our company's history. Our main processor, Cardsystems Solutions of Tucson, AZ, suffered one of the largest credit card security breaches in history. This was the catalyst that led to the implementation of PCIDSS and other security protocols. At that time, Visa and MasterCard wanted every ISO and processing organization to move all of their merchants off Cardsystems in less than a few months. Never before in history had there been a mandate to move over 100,000 merchants from a processor in such a small window of time. Further, all past conversions had been done under favorable circumstances and not a hostile environment like Cardsystems was faced with. Despite the fact that United Bank Card had nothing to do with the security breach, there was a considerable amount of concern from our ISO partners, our merchants and our own staff and management team. Many other companies that had been using Cardsystems went bankrupt. Some were never able to recover from the negative image of being associated with Cardsystems. Not United Bank Card. We overcame this immense adversity and moved all of our merchants to a premium processor (Paymentech) and a strong, reputable bank (First National Bank of Omaha). While other companies collapsed in the wake of the Cardsystems disaster, the United Bank Card family surmounted this great obstacle and emerged as a stronger and more resilient organization. I think it was our finest moment to date.

What have been the toughest obstacles along the way?

Besides the Cardsystems fiasco that I just described, I think that United Bank Card's toughest obstacle has always been a constant battle of perception. Our company has consistently looked at innovative ways to change things in the industry for the better. For example, in 1999 and 2000 we were trying to explain to the ISO community how 50/50 revenue share programs were more lucrative than buy-rate programs. There was an ISO community perception that 100% of something is better than 50% of everything. Now buy-rate programs are all but extinct and revenue share has been adopted across the industry. In 2004, we launched our free terminal initiative that took the industry by storm. Initially, there was a lot of skepticism which had to be overcome. Our competitors made statements saying that it would never work, that there is no such thing as a "free lunch", but before you knew it, every major processor, super ISO and even banks had launched their own free terminal programs. It wasn't our belief that all terminals should be given away free to merchants, just that all of our ISO partners should have the option to do so. In our present environment, we are trying to battle the perception that POS systems can only be sold by experienced POS dealers and that POS systems are only meant for big, high-end restaurants and retailers instead of everyday "mom and pop" merchants. That is the perception, but the reality is that Harbortouch is the new generation of POS systems. This generational change will allow our ISO partners to sell thousands of Harbortouch units to the small and mid-sized merchant community while making unprecedented equipment commissions.

What do you think have been the most important factors in UBC's continued success?

There are several key elements, but nothing is more notable than the continued loyalty of our ISO partners. So many of the sales representatives that were signing deals with us back in the "basement years" continue to submit business today. That type of loyalty and dedication from our ISO partners is the single most important factor in our ongoing success. I am also fortunate to have such a knowledgeable and professional staff and management team that keeps the wheels turning at United Bank Card. Another contributing factor is our unwavering belief in our founding principles. These principles include a dedication to technology, innovation, education and simplicity. These factors go into every product or service we launch and they've been instrumental in continuing our growth as an organization.

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Advances in Check Services Help Merchants and ISOs Alike

Article contributed by Steven Wilson
4Access Communications, Inc.

With the continuing credit crunch, banks are cancelling credit cards and lowering credit limits for many thousands of cardholders, putting a noticeable dent in the volume of credit card payments. Consumers nonetheless continue to buy the products and services they need and want but instead pay by debit card, check or cash when credit cards no longer do the job. Merchants obviously wish to make it possible for all customers to pay for their purchases and therefore are showing a growing interest in accepting checks as a form of payment.

Checks? Yes, checks. Once thought by some to be an archaic form of payment destined for a slow but inevitable demise, checks have changed. From their origins in the 1100’s until a few years ago, checks were paper documents physically transported through the banking system. Now checks are more like one time debit card transactions, converted to electronic form and cleared electronically. Check processing services like CrossCheck have advanced the state of the art, offering a product that is attractive to merchants as well as ISOs. The feature that is of highest interest to merchants is check guarantee. Guarantee virtually eliminates merchant concerns about bad check losses, especially important during these difficult economic times. Guarantee reduces the occurrence of bad check problems because checks are authorized before being accepted. This screening prevents many potentially bad checks from crossing the counter. A declined check authorization gives the merchant a chance to obtain another form of payment before the goods walk out the door, preventing a collection problem and potential loss. Check guarantee also extends to business checks, making guarantee a feature with high value to merchants that have a strong B2B customer base, such as building supply businesses.

Check authorization occurs at the point of sale and the Orion payment terminal from 4Access makes this process fast and simple. These advanced terminals accept both checks and cards, reading and imaging the checks at the point-of-sale. Cashiers can process all forms of non-cash payments in a single device, simplifying training and minimizing the countertop footprint with a compact device that connects over dial or IP.

The reliable all-in-one Orion eliminates the cabling and deployment hassles often encountered with combo set-ups.

By offering this service to your merchants, you can help merchants maximize their sales opportunities while controlling the risk of check related losses. Check guarantee plus card processing is a complete payment processing package that is appealing and valuable to merchants facing business challenges. By expanding the types of payments that can be accepted, the ISO also expands its revenue stream with residuals that include check authorization and guarantee revenue. Furthermore, providing a broader array of services to your merchants helps reduce attrition, also resulting in larger future revenue streams.

Contact your Relationship Manager or National Sales Manager to discuss these opportunities available with the advanced Orion terminal.

An Interview with Jared Isaacman continued from page 1

Where do you see the company in another ten years?

I think the combination of technology and simplicity will go to an entirely new level in the next ten years. I believe we are going to see a virtually universal adoption of POS and software based systems for processing credit card transactions. The logic behind the credit card terminal has expired. There is no point having a device that only runs credit card transactions when you can have a system that runs an entire business. Once this transition takes place, I think that we will also see tremendous advancements in closed loop loyalty and gift card acceptance at virtually all retailers and restaurants.

Where do you see UBC in the near future, say a year from now?

I would hope that we will be a lot closer to launching many of the products and services behind the ten year vision listed above. As always, we want to constantly refine our practices at United Bank Card to improve our operational efficiency and the overall quality of our work.

What aspect of the company are you most excited about at this point?

I think that we are on the verge of some truly substantial, industry-changing breakthroughs. Never before in our history have we worked on so many major initiatives simultaneously. It is an immense challenge for our entire team, but I think that the satisfaction we will obtain when these projects finally come to market will be worth all the effort. There is a tremendous rush experienced from taking an idea and making it become reality. Right now we are juggling many such concepts that will soon come to fruition.

What advice do you have for the ISO community?

It is clearly a tough market this year. The country is in a recession and we are all feeling that in the decline of processing volumes which directly correlates to our residual streams. Despite the economic hardships that are being felt around the country, we must always keep our heads held high. Many great opportunities have been born out of unfavorable circumstances as can be seen by the examples I mentioned earlier. When things are going well, we seldom take the time to evaluate our business model, solicit feedback from our customers, brainstorm new ideas or improve our business. We have the opportunity to do that now. When times are tough, merchants are going to be trying to save money. We can accomplish that through lower processing fees (as we have always done) or through business efficiencies that the Harbortouch POS System creates. Or perhaps you can spark some interest from merchants by introducing them to gift cards as a way to increase customer loyalty or to use them as a marketing initiative? We have many products and services as well as our own salesmanship that can help drive new merchant relationships even in these trying times. Despite all that is going on in the world, I genuinely believe that United Bank Card and our ISO partners are on the verge of our best years yet.
My Experience with Harbortouch

Contributed by Richard Dorsey
ISO

Over the past three years, I have observed a trend among many of my better customers. In growing numbers, my most progressive merchants were switching from traditional cash registers and credit card terminals to the more advanced point of sale (POS) systems available on the market. As I watched this trend continue to increase, I could see that this was going to be the future of the industry. At first, the thought of entering a new market was intimidating, but I knew that this is where the profit would be.

As soon as Harbortouch became available, I decided that it would be the perfect opportunity to start wading into the POS system market. From the industry trends I had observed, I knew that it was the best business decision I could make.

I sold my first unit to the owner of a popular Thai restaurant in the area. He was impressed by Harbortouch’s features and the comparatively low cost ended up being the deciding factor. A useful tool to help illustrate comparatively low cost ended up being the system on that first installation has been extremely valuable in my subsequent sales. My second Harbortouch installation was right across the street from my first one. This merchant had recently paid $35,000 for a competitive POS system at another one of his restaurant locations so when she heard my price of $17,500, it was easy to seal the deal. For this sale, I also had the added advantage of positive feedback from the Thai restaurant. It was priceless to be able to take her across the street to see the first installation and let her hear about the manager’s exceptional experience. I don’t think that the importance of testimonials can be stated enough. Harbortouch has also recently set up a site of positive feedback from the Thai restaurant. For this sale, I also had the added advantage of testimonials from other merchants that I think will be a great selling tool.

My third sale was a pizza parlor in close proximity to the first two restaurants. When I first approached the merchant, he told me he had seen another POS system at a trade show and was about to write them a check, but he agreed to speak with me first. He then sat with David Robertson and I for an online demo with his managers. David answered all of their questions and provided all the information that they needed. The demos that David offers are another extremely valuable sales tool. After the demo, the owner was convinced that Harbortouch was a better option than the system he had previously been considering. We worked out a price of about $9,500 for two systems, providing me a profit of over $5,000.

Now when I approach other restaurant owners, I can take them out to one of these locations and they can see for themselves how well the system works for those merchants. From my experience so far, each sale is easier than the last.

One of the things I like best about selling Harbortouch is that it allows me to build a stronger relationship with each merchant. Through the setup process, I am able to get a better understanding of each client’s business needs. By addressing their concerns with Harbortouch, I become more of a partner to them instead of just another salesperson. Not only am I saving them money with credit card processing, but I am empowering them to manage, control and even enjoy their business.

Although I have only sold five units so far, this is only because I have purposely taken it slow in order to learn more about the system. I currently have many more deals lined up and my short term goal is to move at least a hundred of them this year. That is an additional $150,000 of income in 2009! I think that it is a very achievable goal and I am looking forward to the rewards that it will bring for me and my family.

New and Improved Free Terminal Program!

After transforming the entire payment processing industry with the launch of the first free credit card terminal program in 2004, United Bank Card has once again broken new ground with the expansion of this program. This new initiative gives UBC the most diversified selection of free terminal options available from any processor.

With the exception of the Nurit 8020 wireless device, all of these terminals can be sold, leased or placed for free with absolutely no charge to the ISO. The Nurit 8020 can only be placed free of charge. Isaacman states that "because of this expanded initiative, there is never a reason to pay for a terminal or have to reprogram a terminal again.”
Steve Skrzenski  
Operations Manager, United Cash Solutions

As United Bank Card’s ATM division, United Cash Solutions operates as a virtually independent business. Because of this arrangement, the division requires the same operational framework and support as any other company. While UCS president Stephanie DeLeve handles sales and strategic development, most of the day to day functions of the ATM division are managed by Steve Skrzenski. As Operations Manager, he has myriad responsibilities, from approving new deals, processing invoices and merchant billing to hiring and training employees, quality control and ISO/vendor relations, among countless others.

Steve started with UBC in 2004 and joined UCS in April 2008. Before joining United Bank Card, he was a full time Graphic Design Instructor at Allentown Business School (formally Lehigh Valley College). He began at United Bank Card as one of three technical support representatives. “Having built several computers for friends and myself, making the transition from the graphic design industry to the tech field was an easy one.” After a period of immense growth at UBC, Steve was promoted to Technical Support Supervisor, overseeing the department which had quickly expanded to over 20 employees.

When UBC’s Customer Service department was moved from the AZ office to the corporate headquarters in NJ, Steve became the new Customer Service Supervisor before being promoted to Operations Manager of United Cash Solutions in April 2008. For the first five months in his new position, he commuted between UBC’s corporate headquarters in NJ and the UCS office in Beverly, MA before the division was finally moved to NJ in October 2008.

Now that he has settled into his new role, Steve has “found that there is no such thing as a typical day in the payment processing industry. This is what I enjoy the most about this industry; each day brings a different set of challenges. This is what makes working for UBC so exciting. You never know what new and innovating programs Jared is going to dream up and it’s up to us, the employees, to make his dreams become reality. I enjoy being presented with a task that may seem to be impossible and then, through hard work, dedication and extensive planning, see it through to the very end. It really does give you a great sense of accomplishment when you make the impossible possible.”

As far as the company as a whole, “The thing I like the most about working for UBC/UCS is the family atmosphere. We are a family owned and operated business. The Isaacmans do a fantastic job at making us all feel like we are members of one big happy family. Even though we have gone through quite a lot of growth within the last 5 years of my employment, Jared always makes an effort to say hello to all of his employees. Unlike other large companies, we are more than just a number in a crowd.”

And he knows that as part of UBC’s tight knit family, United Cash Solutions will have a bright future. “I am very excited about the future of UCS. I strongly believe that with the move to our corporate headquarters in NJ, our resources are now limitless. In the short time that I have worked for this company, we have made some drastic changes in our day to day operations and have overcome some serious obstacles along the way. With Jared’s innovative ideas and the leadership of our president, Stephanie DeLeve, I can say with confidence that no matter what the future may bring, we will be quite successful.”

From his perspective as UCS Operations Manager, Steve offers some words of wisdom to the ISO community: “I feel that most in the ISOs have a phobia when it comes to dealing with ATMs. Most are under the misconception that ATMs are more complex and more difficult to work with than your standard credit card terminal. This couldn’t be any farther from the truth. ATMs are in fact designed to be operated by the untrained consumer, where as a credit card terminal requires some training to operate.”

“Other than the original investment of purchasing or leasing an ATM, the cost to operate the unit is minimal. Unlike a standard credit card transaction, your merchants have a chance to earn interchange instead of paying it!”

“With the economy in the state that it’s in, more and more consumers are reverting to cash payments in place of credit cards. Why not place an ATM at your merchant’s location to give the customers the option to use either method?”

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ISO Spotlight
David Brewer

How did you get your start in the payment processing business?
Eleven years ago I began working with a friend who was in the business and two years later I opened my own office.

How long have you been with United Bank Card and why did you choose the company as your payment processing partner?
About three years ago, after looking at several other companies and evaluating what they had to offer, it was very apparent that UBC has the best package available by far. When you break down the hype and get to the “real deal” from the competitors, they just use gimmicks to lure people. UBC has a formula that will help anyone become successful.

How has United Bank Card helped your office grow?
When I started in the business, my main income was from leasing terminals. With the introduction of free terminals to the industry, we are able to reach merchants who may not want to spend money on purchasing equipment or lock into a long term lease. The program has made it easier to reach a variety of merchants. The customer support from UBC is also helpful as they handle most of our merchants’ problems, which allows us to focus on building business.

How large is your sales office at this point?
I have a very fortunate situation. When I first established our office I hired telemarketers, sales people, office personnel, and rented a nice office in town. At that time we were signing accounts mostly around Atlanta and visiting each customer. I realized after a couple of years that the overhead was unnecessary and the business model could be much more efficient. I moved the office into my basement and downsized my staff. My business now relies on referrals and Internet leads, so the additional personnel are unnecessary. My wife and I handle everything ourselves. Expenses have been significantly reduced and sales have increased since we made the change.

What do the day to day operations of your office entail?
I usually get started around 8:30 every morning by checking emails and ACH deposits. I like the fact that people are putting money into my accounts while I am sleeping. That is a very good thing. Pretty much all of our business comes to me through the Internet so I spend a lot of time sending information to merchants and answering their questions.

What obstacles have you had to overcome to reach your level of success?
I can compete with any merchant service provider that is truthful and honest. My biggest obstacle is competing against a liar. There are people in our industry that will sell their soul for a $50 commission. That is very sad but true. I truly believe there is enough business out there for everybody without having to resort to dishonesty. On the other hand, sometimes my competition is my best asset because merchants aren’t crazy. They usually know that if something sounds too good to be true it usually is.

What do you attribute your success to?
I provide a service to people and I approach each opportunity from a consulting stance. I gather as much information as I can about the person’s business and then repeat back what they have told me along with suggestions to provide the best solution for their unique situation. I try to emphasize the importance of a mutually beneficial long-term relationship.

What advice can you offer to other ISO/MSPs?
I believe that everyone should try to do business like they would if that customer was their mother. Everyone is in business for a profit but you have to have moderation. I tell my customers that in order for us to have a long partnership, three things have to happen. I have to make a profit and they have to get good service and good value. If those three things happen we will be together a long time. We as ISOs spend a lot of time and money to get these customers so we need to treat them right and they will stay with us. It is far more cost effective to keep a merchant than to try to get a replacement.

Where do you see UBC and your own office in 5 years?
With Jared at the helm, we are headed into the future with an excitement and motivation that has never been seen before. If anyone reading this has not had an opportunity to meet Jared, you owe it to yourself to come to the next UBC conference and do so. He is an amazing young man. When you are around someone with his intellect and way of forward thinking you can only move forward yourself. I have no doubt that five years from now UBC will be the #1 provider of merchant accounts in the country. Of that I am certain. With the introduction of Harbortouch we are moving into an area that has not been traveled by merchant service providers before. That opens up a whole new revenue stream. As far as myself, I just turned 50 and I am looking forward to retiring. The problem is I don’t know what I would retire from. I work when I want to, go where I want to go and have a beautiful wife to share things with. How can it get any better? Four years from now my youngest son will be in college and probably out of the house. At that time Rebecca and I do plan to travel across America and enjoy this great country. The cool thing about the way I do business is that I can do it from anywhere. As long as I have the Internet and a printer I am in business. So in five years I will be sending out apps from the Grand Canyon one week and the Statue of Liberty the next. Life is good.