

News Publishing Business  
Summit

“All Things Advertising &  
Audience”

*OPI Eliminated All Credit Card  
Fees in Landmark Partnership with  
A Marketing Resource (AMR)*

Aaron Kotarek, SVP  
Oahu Publications, Inc. (OPI)  
Honolulu, Hawaii



Oahu Publications Inc.  
*Hawaii's Largest Media Company*



ABOUT US

Through Oahu Publication's longstanding relationship with A Marketing Resource (AMR), a patented and industry leading CASH DISCOUNT PROGRAM was implemented to completely.....

... **ELIMINATE 100% of our Credit Card Processing Fees**



# WHAT IS THE CASH DISCOUNT PROGRAM?

**AMR's CASH DISCOUNT PROGRAM...**is a way for Publishers to eliminate all of the costs of accepting credit/debit cards. Subscribers and Advertisers who pay with cash, check, money order or bank draft avoid service fees while others will see a service fee line item on their receipt.

**HOW IT WORKS...**a nominal 3.99% service charge is applied to all credit/debit card sales. A discount is automatically applied when customers pay with cash, check, money order or bank draft. No discount is given for payments via debit card or credit card.

*AMR's proprietary and patented Cash Discount program, which is NAVIGA integrated, automatically determines all discounts and/or fees based on payment type.*

**WHO PAYS INTERCHANGE RATES AND FEES...**the service fees are retained in an independent account held by CHFS to pay the interchange fees at the end of the month. OPI receives a deposit of the total amount of the sales, after daily settlement (every 24 hours), without being imposed interchange or discount fees, therefore eliminating all costs.

*OPI's certified payment processor who handles all payments is now powered by CHFS.*





WHO IS AMR?

## A Marketing Resource

- AMR was established by CEO Ed Spagnola, in 2001 as a marketing agency for newspapers, cable, utilities, environmental services, and for call center marketing and sales programs.
- AMR and its 6500 employees have worked with over 400 newspapers since 2001, and 41 of the top 50 metro newspapers in the country on dozens of innovative programs.
- AMR's capabilities include audience retention and sales programs, customer service, classified & retail advertising sales, digital marketing, social media marketing, direct mail, email marketing, waste & recycling, and consulting.
- For OPI, AMR specializes in Call Center Services, Cash Discount Programs, Fulfillment & Procurement, and Digital Marketing Solutions.
- Joe Cooper, Area President of the Cash Discount Initiative

WHO IS C&H?

## C&H FINANCIAL SERVICES

- › C&H is an award-winning U.S. Merchant Acquirer providing credit & debit card processing services, PCI Compliance, POS Systems & Payment Gateways, ACH programs.
- › Named the Most Outstanding Payment Processing Provider of 2018 by Corporate Vision Magazine
- › #3 Top Financial Services company in the U.S. by *Inc.* Magazine
- › C&H Financial Services, Inc. maintains an A+ BBB rating
- › Anthony Holder, CEO, has been named CEO of the Year by *Acquisition International* and currently serves on the Forbes Finance Council.

## ABOUT US

### **AMR in concert with C&H Financial Services now provides leading FinTech solutions and Merchant Services to Publishers....**

The Durbin Amendment (part of the 2010 Dodd-Frank law), created an opportunity which allows a business to offer a discount to customers as an incentive to encourage payment by alternative methods other than credit cards.

OPI recently applied this law to circulation and advertising invoicing - "completely eliminating the expense of accepting and processing credit cards."

Thus, a strategic partnership was formed with AMR.

AMR now offers this accredited Cash Discount Program to newspapers and publishing groups providing them significant savings every month in merchant processing fees.



## WHAT IS REQUIRED?

Publishers are required to disclose compliance verbiage regarding the Service Fees on all invoices, payment portals and marketing collateral.

**CASH DISCOUNT** verbiage will be placed on every invoice and receipt to be compliant with all card brand rules.

CHFS credit card terminals, Gateway services, and Virtual Terminals..





## MARKETING & COMMUNICATION

- ✓ All Subscribers and Advertisers were notified with a letter outlining the changes taking place 30 days prior launch.
- ✓ Credit/Debit EzPay subscribers were given notice 30 days in advance regarding the service fee. Invoices also have the service fee pricing and verbiage included.
- ✓ Advertisers and Subscriber notification letters both detailed how to avoid paying the service fee.
- ✓ All payment portals, landing pages, sales & marketing collateral, and customer care scripting includes Cash Discount compliance language.



**MARKETING & COMPLIANCE VERBIAGE EXAMPLES**

**Star Advertiser**  
4545 Kapolei Parkway Kapolei HI 96707

**Account Summary**

For Delivery To: ELIZABETH TAKISHITA  
2055 HOOHAI ST  
Delivery Address: PEARL CITY, HI 96782-1424  
Account Number: 0742853  
Expiration Date: 10/30/2020  
Subscription Type: Monday – Friday, Sunday


**Renewal Period**

**Credit Card Renewal Period**  
Save today by paying with check or bank draft

	Full Price	Cash Discount
EZPay Per Month:	\$17.13	\$16.47
3 MONTHS:	\$51.38	\$49.41
6 MONTHS:	\$102.76	\$98.82
12 MONTHS:	\$205.53	\$197.64

**5 REASONS TO READ THE PRINT REPLICA ONLINE!**

- CONVENIENT** Available at 4am.
- EASY** Read the paper exactly how it appears in print!
- SEARCHABLE** Find stories and advertisements that interest you the most!
- SHAREABLE** Easy to share, email and print articles!
- COMPLETE** One click access to the newspaper for the past 30 days.



**Welcome Message**

**Star Advertiser**  
Digital Access  
Including Print Replica is  
**Included In Every Subscription!**



Go to  
**www.staradvertiser.com/activate**  
to activate your digital access  
**OR call 808-538-6397**  
to speak with a customer service representative.

As an incentive for customers we provide a discount to pay with cash by giving a 3.99% discount on the service fee for this transaction. Pay by cash, check, money order or bank draft and save! U.S. Patented -US 8131619 B1, US 8478689 B1, US 8425439 B1. In the event the subscriber miscalculates service fees or other items, subscriber authorizes merchant to modify amount(s) and apply any adjustment.

**West Hawaii Today**  
75-5580 Kuakini Highway | Kailua-Kona, HI 96740  
808.329.9311 | fax 808. 329.4860 | westhawaiitoday.com

October 1, 2020

John EZPay  
1234 Oak Street  
Anytown, HI ZIP

John,

First and foremost, I hope you are safe and well in these most difficult and unprecedented times. Our 58 journalists have been working tirelessly to bring you the most up-to-date and local health information and guidance as it pertains to COVID-19. Educating our readers on how to protect themselves and their families is our top priority.

Unfortunately, local news publishers all across the nation are now facing a financial crisis, including the Honolulu Star-Advertiser, due to the continued shut down of the local economy. The Star-Advertiser relies heavily on local advertising and with so many businesses shut down our profitability has been severely impacted.

Beginning November, subscribers who utilize credit/debit cards to pay for their subscriptions will be charged a service fee of 3.99%. If you would like to avoid the fee, you can transition your payment method to bank draft and continue paying for your subscription through easy and convenient monthly bank account deductions.

Below you will find a Bank Draft Recurring Payment Authorization Form that can be filled out and returned to us via mail at Star-Advertiser, 4545 Kapolei Parkway, Kapolei, Hawaii, 96707. You may also visit [www.staradvertiser.com/myaccount](http://www.staradvertiser.com/myaccount) and change your payment to ACH by clicking on the "Payment" tile.

Our commitment to you is still unwavering; to provide our readers with the most comprehensive, relevant, local and differentiated content throughout the Covid-19 crisis and beyond.

If you have any questions or concerns, please do not hesitate to reach out to us at (808) 538-NEWS.

Mahalo nui loa,  
*Aaron J. Kotarek*

Aaron J. Kotarek  
SVP, Audience & Operations  
\* As an incentive for customers we provide a discount to pay via cash, check or ACH by giving a 3.99% discount on the service fee for this transaction. U.S. Patented -US 8131619 B1, US 8478689 B1, US 8425439 B1.

**RECURRING BANK DRAFT PAYMENT AUTHORIZATION FORM**  
Please return this form OR attach a voided check. A charge will appear on your bank statement each month. Delivery will continue until The Star-Advertiser is notified otherwise.

Name: \_\_\_\_\_ Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Bank Name/Financial Institution: \_\_\_\_\_ Sub Acct #: XXXXXXXXXXXXXXX

Routing Number: \_\_\_\_\_ Checking Account Number: \_\_\_\_\_



## MARKETING & COMPLIANCE VERBIAGE EXAMPLES

<p>* As an incentive for customers we provide a discount to pay with cash by giving a 3.99% discount on the service fee for this transaction. Pay by cash and save!</p> <p>U.S. Patented -US 8131619 B1, US 8478689 B1, US 8423439 B1.</p>	<b>Total Due</b>	\$104.71
	<b>Service Fee 3.99%</b>	\$4.18
	<b>Check/Bank Draft Discount *</b>	-\$4.18
	<b>Payment Amount by Check/Bank Draft * [23]</b>	\$104.71
	<b>Payment Amount by Credit Card</b>	\$108.89
	<b>23 TOTAL AMOUNT DUE</b>	
		\$104.71

Go to  
**[www.staradvertiser.com/activate](http://www.staradvertiser.com/activate)**  
 to activate your digital access  
**OR call 808-538-6397**  
 to speak with a customer service representative.

As an incentive for customers we provide a discount to pay with cash by giving a 3.99% discount on the service fee for this transaction. Pay by cash, check, money order or bank draft and save! U.S. Patented -US 8131619 B1, US 8478689 B1, US 8423439 B1. In the event the subscriber miscalculates service fees or other items, subscriber authorizes merchant to modify amount(s) and apply any adjustment.



Select a payment option.

### Pay by Credit Card

Pay your bill online conveniently using your credit card.

### Pay by ACH EZPay

Setup automatic payment with your bank or credit union — payment deducted each month.

### Pay by Credit Card

User  
Name





We accept: VISA, MasterCard, American Express, Discover

Save

Notes

- As an incentive for customers we provide a discount to pay with cash by giving a 3.99% discount on the service fee for this transaction. Pay by cash, check, money order or bank draft and save! U.S. Patented -US 8131619 B1, US 8478689 B1, US 8423439 B1.
- Subscription payments will be automatically charged recurringly to your credit or debit card. You will be notified in advance of any pricing changes.
- Payment will be made if account balance is zero or account is in arrears.

# The OPI “Success Story”

- ✓ Beta Site for AMR’s “Cash Discount Program” that launched on January 1, 2021
- ✓ Will save over \$1.2MM in annualized inter-change fees right to our bottom line
- ✓ Transitioned over 7,000 EZ Pay subscribers to Bank Draft/ACH (18K in total)
  - Bank Accounts do not have expiration dates
- ✓ Implemented Bank Draft payment option on our “Manage My Account” portal
- ✓ Customers enjoy discounts on products & services based on payment method
- ✓ Streamlined payment methods by Provider, diverting all credit card processing to C&H while maintaining a strong local banking relationship(s)
- ✓ Continue to assist local SMB’s with Merchant Services in order to improve their bottom lines
- ✓ Our implementation of this innovation and subsequent success enables us the opportunity to demonstrate to Publishing peers how to utilize the patented Cash Discount Program
- ✓ OPI now acts as AMR’s Cash Discount Program testimonial to assist in marketing the Cash Discount Program to other publishing peers.

Hawaii Consolidated All Divisions STATEMENT OF REVENUE AND EXPENSE For the Period Ending February 28, 2021		
	February 2021 Actual	February 2020 Actual
Bank Charges	<u>11,596</u>	129,537

Hawaii Consolidated All Divisions STATEMENT OF REVENUE AND EXPENSE For the Period Ending March 31, 2021		
	March 2021 Actual	March 2020 Actual
Bank Charges	<u>5,379</u>	93,183

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# WHY DON'T PUBLISHERS IMPLEMENT THIS THEMSELVES?

## **Cash Discount is NOT a surcharge:**

Cash Discount is not a *surcharge* program as surcharges have been deemed illegal in numerous states. Surcharges have to be implemented across the board, and not in a segmented manner, and will be perceived as a price increase by your consumers.

## **Specific equipment required:**

Only certain terminals or POS systems are set up to handle surcharging because the equipment needs to be able to recognize what type of card is being used. A Cash Discount terminal, and both the Advertising and Circulation systems, automatically calculate the service fee ONLY IF applicable.

## **You cannot surcharge on a credit card not present:**

Any credit card payments taken over the phone or online are exempt from ANY surcharge program by law.

## **Statements are more complex:**

Your statements and invoices will not reflect which transactions have been surcharged, and which have not, rendering reconciliation extremely difficult.

## **Surcharges only work on credit cards:**

Pre-paid cards or debit cards cannot be surcharged because banks consider these as CASH.

## **A merchant cannot surcharge an amount greater than one's processing rate:**

## **You're 18-24 months from launch:**

Without partners well versed in the FinTech space one would be hard pressed to launch an arduous initiative such as this especially in an expeditious manner. AMR's program is turnkey with a launch within 90 days of commencement.



**The patented technology automatically splits and retains the service fee amount, therefore you don't have to account as revenue, pay taxes on this, etc.**

# **SELL** **Merchant Services to SMB's** **IN LOCAL MARKET**

***Create a New Revenue Stream!***


*We have 78 local merchants on the program to date!*



# How it Works

A small service charge (either a fixed amount or percentage) is applied to all sales. A discount is automatically applied when customers pay with cash.

No discount is given when paying by debit card or credit card. The patented software automatically determines all discounts and actions based on payment type.

<b>Merchant ABC</b> 1129 Northern Blvd Suite 303 Manhasset, NY 11030		
02/10/2017	15:31	
<b>Sale</b>		
Trans: #4	Batch: #1	
American Express *****1105	CHIP **/**	
AMOUNT:	\$56.64	 Custom Fee is added to the Base Amount
FEE:	\$1.50	
TOTAL AMT:	\$58.14	
Resp:	Approved	
Code:	1234567890	
App Name:	American Express	
AID:	A00000025010801	
TVR:	000008000	
TSI:	E800	
Thank You!		
CUSTOMER COPY		

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.....
DEJAVOO
1129 NORTHERN BLVD
STE 303
MANHASSET, NY 11030
877-358-6797
-----
CR/DB Settle Daily Batch
-----
07/27/2017      12:46
-----
Terminal Number:
                    SPINPROXYTES
Merchant           1
Batch Number:     7
Status:           GB
Host Rsp:         GB00007 ACCEPTED
-----
Trn Crd Tp Acct $Amount
                    Tip
*****
1 VIS SL 9420      126.00
                    104.00 22.00
2 VIS SL 9420      26.80
                    20.80 6.00
*****
Records:          2
Total:            152.80
Total tip:        28.00
Total w/o tip:    124.80
Service Fee Total: 4.80
TOTAL w/o Service Fee
                    148.00
Total w/o fee/tip:
                    120.00
-----
End of Report
-----
  
```





## What is Required?

Merchants are required to place signage disclosing the Service Fee on their front door/window and by the cash register.



A Dejavoo Z series terminal is required to process the transaction.



*"This program provides our customers with the most competitive price points possible by utilizing convenient and compliant payment methods and we are excited to be the industry beta site form this initiative*



*Completely eliminating our exorbitant credit card fees allows OPI to reinvest capital back into our core competency of gathering and producing comprehensive and differentiated journalism along with the creation of a new revenue stream by selling merchant services to local SMB's."*

**Dennis E. Francis**  
 President & Publisher  
 Oahu Publications, Inc. (OPI)

**CASH DISCOUNT PROGRAM REFERRALS  
 ELIMINATE PROCESSING FEES**

by offering your customers a discount when paying by cash

**JUST ASK US!**

**BallPark Pub**  
 Rich Rogulich  
 312-735-3296



**Cicci's Pizza**  
 Quinn Newhal  
 720-244-1173



**Dairy Queen**  
 Joe Ellering  
 530-748-9099



**Carl's Jr.**  
 Mike Borchard  
 760-471-2494



**KFC**  
 Isreal Diaz  
 323-591-4395



**CA Embroidery  
 & Design**  
 Brandon or Jeanee  
 209-224-8853





## Contact Us to Learn More About Completely Eliminating Your Credit Card Fees!



PHONE & EMAIL

**Aaron Kotarek**

[akotarek@staradvertiser.com](mailto:akotarek@staradvertiser.com)

808-294-8528



PHONE & EMAIL

**Joe Cooper**

[jcooper@starmERCHANTservices.net](mailto:jcooper@starmERCHANTservices.net)

808-348-3766

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