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



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.....

### ... <u>ELIMINATE</u> 100% of our Credit Card Processing Fees

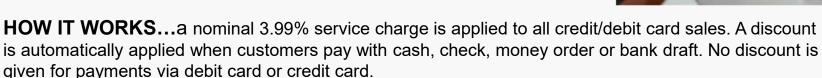




#### THE PROGRAM

## 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.



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.

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



WHO IS AMR?

Cash Discount Program

### **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?

Cash Discount Program

### **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

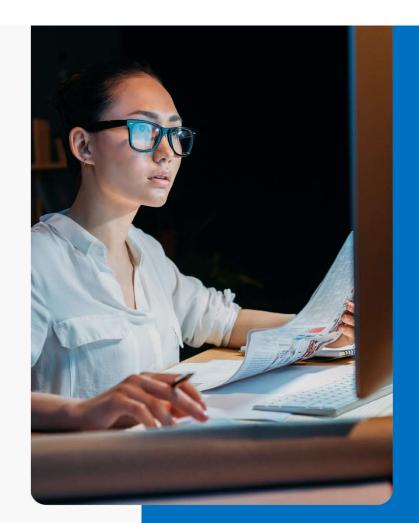
AMR in concert with C&H Financial Services now provides leading FinTech solutions and Merchant Services to Publishers....

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.



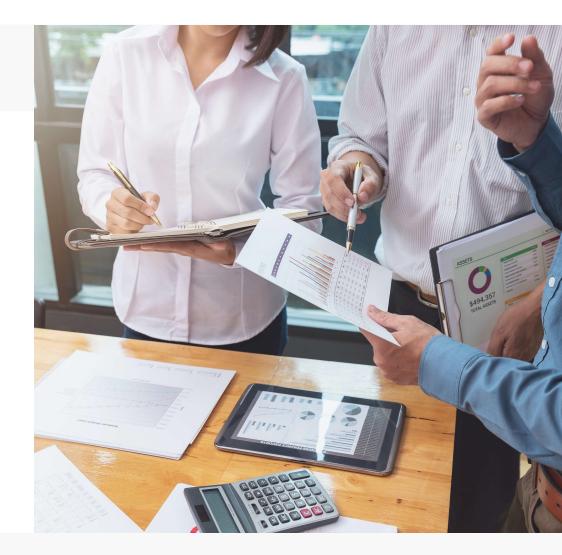


#### WHAT IS REQUIRED?

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

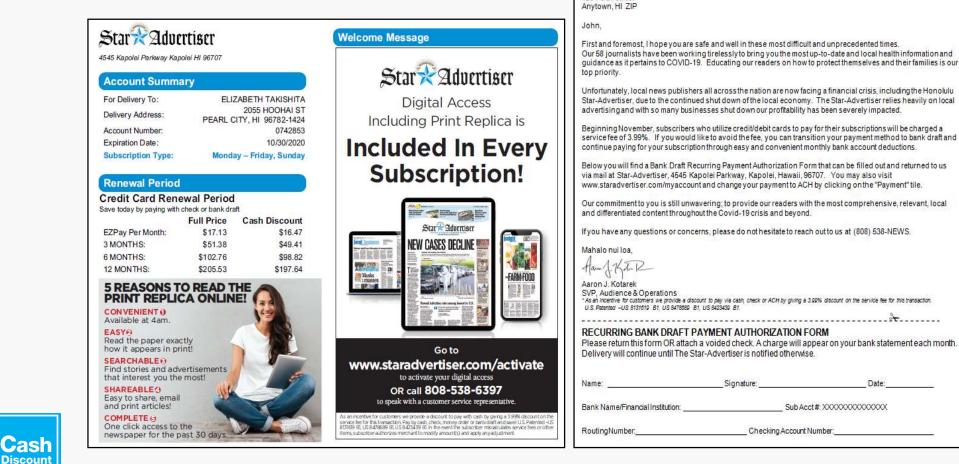
All Subscribers and Advertisers were notified with a letter outlining the changes taking place 30 days prior launch.

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**



John EZPay 1234 Oak Street

Program

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75-5580 Kuakini Highway | Kailua-Kona, HI 96740 808.329.9311 | fax 808.329.4860 | westhawaiitoday.com

West Hawaii Today

October 1, 2020

#### MARKETING & COMPLIANCE VERBIAGE EXAMPLES

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

### 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 savel U.S. Patented -U.S. 8131619 BJ, US 8478689 BJ, US 8423439 BJ. In the event the subscriber miscalculates service fees or other items, subscriber authorizes merchant to modify amount(s) and apply any adjustment.

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<ul> <li>Subscription payments will be automatically notified in advance of any pricing changes.</li> </ul>		o your credit or d	lebit card. You will be
Payment will be made if account balance is	zero or account is in a	arrears.	

Pay by ACH EZPay

Setup automatic payment with

your bank or credit union -

Select a payment option.

Pay by Credit Card

using your credit card.

Pay your bill online conveniently



# 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)

- o 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
- $\checkmark$ 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
- $\checkmark$  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 ATEMENT OF REVENUE AND EXPENSE or the Period Ending February 28, 2021	
	February 2021 Actual	February 2020 Actual
Bank Charges	<u>11,596</u>	129,537
	Hawaii Consolidated All Divisions ATEMENT 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



Oahu Publications Inc.



### 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.



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# SELL Merchant Services to SMB's

**IN LOCAL MARKET** 

Create a New Revenue Stream!

We have 78 local merchants on the program to date!



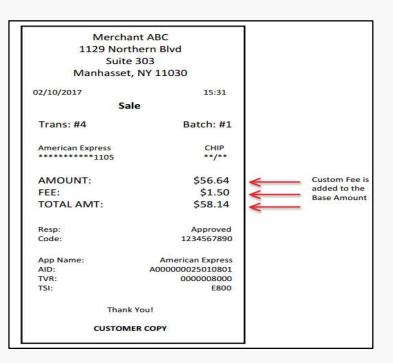


### STAR MERCHANT SERVICES

# 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.



DEJAVOO	
1129 NORTHERN	BLVD
STE 303	
MANHASSET, NY	
877-358-67	197
CR/DB Settle Dai	ly Batch
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Cerminal Number:	
	NPROXYTES
ferchant	1
Batch Number:	7
Status:	GB
lost Rsp:	
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Tip 1 VIS SL 9420 104.00 22. 2 VIS SL 9420 20.80 6.0 Records:	126.00 00 26.80 00 ********
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Tip 1 VIS SL 9420 104.00 22. 2 VIS SL 9420 20.80 6.0 Records: Total: Total tip: Total w/o tip:	126.00 00 26.80 00 ********* 152.80 28.00 124.80
Tip 1 VIS SL 9420 104.00 22. 2 VIS SL 9420 20.80 6.0 Records: Total: Total tip: Total tip: Total w/o tip: Service Fee Total	126.00 00 26.80 00 152.80 28.00 124.80 1: 4.80
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# 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.

#### TESTIMONIALS

"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



Cash Discount Program 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! **Dairy Queen** BallPark Pub Cicci's Pizza Joe Ellering **Rich Rogulich** Quinn Newhal 530-748-9099 312-735-3296 720-244-1173 Cici's Pizza KFC **CA Embroidery** Carl's Jr. Isreal Diaz & Design Mike Borchard 323-591-4395 Brandon or Jeanee 760-471-2494 209-224-8853 KFC CALIFORNIA

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

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