

\$750M sale of King of Prussia fintech company completed

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First Data Corp. on Thursday said it has completed its acquisition of King of Prussia-based payment processor CardConnect Corp.

Atlanta-based First Data (NYSE:FDC) purchased the outstanding shares of CardConnect stock for \$15 per share in cash. The \$750 million deal was a 10 percent premium over CardConnect's last closing price before the transaction was [announced on May 29](#).

CEO [Jeff Shanahan](#) will continue to lead CardConnect operations and will serve as an executive vice president and as a member of First Data's management committee.

CardConnect and First Data's merchant acquiring businesses will be consolidated in First Data's financial statements starting in the third quarter, but CardConnect will continue to operate under its own brand and will remain headquartered in King of Prussia.

CardConnect recorded \$589 million in sales last year but lost close to \$16 million. It processes about \$26 billion of volume annually from about 67,000 merchant customers and is one of the largest distribution partners for First Data.

In addition to the customer base, CardConnect is known for its integrated payment solutions that link to internal enterprise resource planning (ERP) systems. It enables clients to accept payments directly through any type of business management software. CardConnect serves many Fortune 500 clients.

CardConnect was founded in Cleveland in 2006 but moved to the Philadelphia region in 2012 because of its low cost of living and abundance of colleges. It was backed by a \$50 million investment from the San Francisco-based private equity firm FTV Capital in 2010.

The company went public last year when it agreed to merge with FinTech Acquisition Corp. for \$350 million of cash and common stock. FinTech was a blank check company run by banking veteran Betsy Z. Cohen.

In late 2015, CardConnect spent \$3 million to upgrade its 28,000-square-foot headquarters that originally could accommodate up to 125 employees. It now houses 140 of the company's total staff of 240 there. The rest are scattered across Cleveland, Denver, Kansas City, Mo., and Hawaii, plus a number of employees work remotely.

Shanahan said in [an interview after the deal was announced](#) that CardConnect was already planning to add 40 more jobs in King of Prussia in 2017. It has begun creating a stairwell in its cafe that will lead to another floor of office space that will be able to accommodate 50 more employees.