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A. HEATH ABSHURE
COMMISSIONER



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ARKANSAS SECURITIES DEPARTMENT

April 21, 2010

Donald J. Mosher
Schulte, Roth & Zabel, LLP
919 Third Avenue
New York, NY 10022

RE: Green Dot Corporation
Legal Opinion Letter No. 10-43333-CS

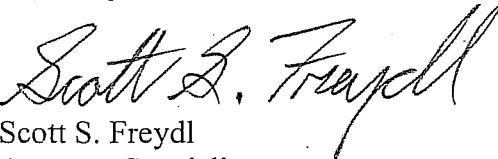
Dear Mr. Mosher:

The Staff of the Arkansas Securities Department ("Staff") is in receipt of your letter dated March 10, 2010, requesting that the Staff issue a legal opinion letter concerning the applicability of Ark Code Ann. § 23-55-604(f) to the proposed public offering of shares of Green Dot Corporation ("Green Dot"). A copy of your request letter is attached for your reference.

Based on the specific facts contained in your request letter, at the present time, the Staff is of the opinion that Green Dot can rely on Ark Code Ann. § 23-55-604(f) for the proposed public offering of shares of Green Dot Corporation and any change of control requirements under the Uniform Money Services Act as codified at Ark Code Ann. § 23-55-101 et seq.

Please note that the position of the Staff is based solely upon the representations made in your request letter and applies only to the facts as set out therein. Different facts or circumstances might and often would require a different response or opinion from the Staff.

Sincerely,


Scott S. Freydl
Attorney Specialist

Enclosure

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March 10, 2010

VIA FEDERAL EXPRESS

Mr. A. Heath Abshure, Commissioner
Arkansas Securities Department
Heritage West Building, Suite 300
201 E. Markham
Little Rock, Arkansas 72201-1669

Re: Proposed Public Offering of Shares of Green Dot Corporation (License #12014)

Dear Mr. Abshure:

On behalf of Green Dot Corporation ("Green Dot"), a Delaware corporation licensed as a money transmitter in Arkansas under the Arkansas Uniform Money Services Act (Ark. Code Ann. §§ 23-55-101, *et seq.*) (the "Law"), we are writing to provide the Arkansas Securities Department (the "Department") with notice and details regarding the structure and effect of Green Dot's proposed initial offering (the "Offering") of its shares (the "Shares") of Class A common stock, par value \$0.001 per share ("Class A Common Stock"), for sale to the general public.¹ Upon completion of the Offering, Green Dot will be a publicly traded company and will continue in existence as a distinct legal entity that is a licensee in Arkansas and other jurisdictions in which it holds a license. As further discussed below, it is currently expected that the Offering will result in certain changes to the capitalization of Green Dot, however, as also discussed below, no new single or affiliated group of persons is expected to become a 25% or greater holder of a class of voting securities or voting interests of Green Dot as a result of the Offering.

Subject to the satisfaction or waiver of certain conditions precedent, including any required regulatory notices and approvals, and market conditions, Green Dot currently intends to complete the Offering late in the second quarter or early in the third quarter of 2010, although there can be no assurance as of the date hereof with respect to when, if ever, the Offering will be completed. As a result of the Offering, Green Dot will become subject to the information and reporting requirements of the Securities Exchange Act of 1934 and will file periodic reports, proxy statements and other information with the Securities and Exchange Commission ("SEC").

¹ As of the date hereof, neither Green Dot, nor the Selling Stockholders (as defined herein), have determined the number of Shares that will be sold or the price per share at which such Shares will be sold.

I. BACKGROUND

General

Green Dot is licensed as a money transmitter in thirty-nine (39) U.S. jurisdictions and was founded in 1999. Green Dot is a leading prepaid financial services company providing simple, low-cost, and convenient money management solutions to a broad base of U.S. consumers. Green Dot believes it is the leading provider of general purpose reloadable prepaid debit cards in the United States and owns and operates the Green Dot Network, which it believes is the leading prepaid reload network in the United States. Green Dot sells its cards and offers its reload services nationwide at approximately 50,000 retail stores, which provide consumers convenient access to Green Dot products and services. Green Dot's proprietary technology platform, Green PlaNET, enables real-time transactions in a secure environment. The combination of Green Dot's innovative products, broad retail distribution and proprietary technology creates powerful network effects, which Green Dot believes enhance the value it delivers to its customers, retail distributors and other participants in Green Dot's network. Green Dot operates its primary website through www.greendot.com.

For the fiscal years ended July 31, 2007, 2008 and 2009 and the three months ended October 31, 2009, Green Dot's total operating revenues were \$83.6 million, \$168.1 million, \$234.8 million and \$66.3 million, respectively. In the same periods, Green Dot generated operating income of \$1.2 million, \$29.2 million, \$63.7 million and \$17.9 million, respectively.

On February 26, 2010, Green Dot filed its initial Form S-1 Registration Statement (the "Form S-1") under the Securities Act of 1933 with the SEC, a copy of which is included as EXHIBIT 1 hereto, to register the Shares for sale by Green Dot and certain stockholders of Green Dot listed in the section of the Form S-1 captioned "Principal and Selling Stockholders" (*see* page 98 of the Form S-1, the "Selling Stockholders"). Certain information relating to the Offering, including the number of Shares to be offered, the identities of the Selling Stockholders and the per share public offering price, will not be determined until immediately prior to the pricing of the Offering, however, no new single or affiliated group of persons is expected to become a holder of 25% or more of a class of voting securities or voting interests of Green Dot as a result of the Offering.² A copy of the press release announcing the Offering is attached hereto as EXHIBIT 2.

As further described in the Form S-1, in February 2010, Green Dot entered into a definitive agreement to acquire a bank holding company and its subsidiary commercial bank, and filed applications with the appropriate federal and state regulators seeking approvals for the acquisition.³ Consummation of the acquisition is currently expected in the first half of 2010 and is subject to standard closing conditions, including regulatory approval. If the pending bank acquisition is completed, Green Dot will become a "bank holding company" under the Bank Holding Company Act of 1956 (BHCA), and

² Moreover, as discussed herein, as a result of certain changes to be made to Green Dot's Certificate of Incorporation, the largest existing single or affiliated group of persons holding Green Dot stock will have its voting power reduced to well below the control threshold under the Law.

³ As further described in the Form S-1, the purpose of the acquisition is to, among other things, increase the efficiency with which Green Dot introduces and manages potential new products and services, reduce the risk that a change in the business practices of the banks that issue Green Dot cards will negatively impact Green Dot, reduce the sponsorship and service fees and other expenses that Green Dot pays, and further vertically integrate Green Dot's operations.

its entire business would be subject to the comprehensive, consolidated supervision and examination of the Federal Reserve Board and increased regulatory and compliance requirements.⁴ Moreover, Green Dot's new bank subsidiary would be subject to regulation and examination by a state banking regulator and the Federal Deposit Insurance Corporation. The acquisition would involve the integration of the acquired institutions' employees into the Green Dot organization, as well as the integration of the acquired institutions' accounting, information management, human resource and other administrative systems and operations generally with those of Green Dot.

Currently under Green Dot's Certificate of Incorporation, there is a single class of common stock and several series of preferred stock. A chart showing the complete ownership of Green Dot common stock and preferred stock as of February 28, 2010 is included as **CONFIDENTIAL EXHIBIT A** hereto. Later this month, amendments to the Certificate of Incorporation are planned to create two classes of common stock. The shares of Class B common stock, par value \$0.001 per share ("Class B Common Stock") will have the right to ten votes per share and the Class A Common Stock (described above) will have the right to one vote per share.⁵ Green Dot's Certificate of Incorporation will also be amended to limit any holder of more than 24.9% of common and preferred stock (collectively, "Voting Stock"), based on the number of votes entitled to be cast by the shares of Voting Stock, to voting no more than 14.9% of the total outstanding Voting Stock.

Please see **EXHIBIT 3** for a chart showing the Green Dot stockholders that currently hold ten percent (10%) or more of the outstanding equity interests or voting power in Green Dot. As indicated on **EXHIBIT 3**, other than certain funds affiliated with Sequoia Capital ("Sequoia"), a venture capital firm headquartered in Menlo Park, CA., there is no single or affiliated group of persons that currently hold, in the aggregate, in excess of 24.9% (Indeed, the next largest holders of Green Dot stock are the Steven W. Streit Family Trust and TTP Fund, LP ("TTP"), which hold 11.39% and 10.85% of the outstanding equity interests of Green Dot, respectively).⁶ Accordingly, the only stockholders of Green Dot currently expected to have their existing voting power reduced as a result of the amendments to the Certificate of Incorporation are the Sequoia funds. The reduction of the Sequoia funds combined voting power to 14.9% is an important component in ensuring that the Sequoia funds do not "control" Green Dot for federal banking law purposes.

II. DESCRIPTION OF THE OFFERING

As noted above, Green Dot filed the Form S-1 on February 26, 2010, which specifies the principal terms and conditions of the Offering that are known or have been determined as of the date hereof. The approximate date of commencement of the proposed sale of the Shares to the public is as

⁴ For example, as a bank holding company, Green Dot would, among other things, be subject to the Federal Reserve Board's risk-based and leverage capital requirements and activity limitations.

⁵ As further described herein under "**II. DESCRIPTION OF THE OFFERING**", the Shares to be offered to the public in the Offering are Class A Common Stock, while shares to be retained by existing stockholders of Green Dot are Class B Common Stock. The dual class structure, with the higher voting shares in the hands of the existing Green Dot stockholders, is intended to ensure that the control of Green Dot remains with the existing stockholders. For purposes of this letter, when referring to Class B Common Stock we generally assume the filing of the amendments to the Green Dot Certificate of Incorporation to create such class of shares.

⁶ We respectfully request that the Department refer to information currently on file for Sequoia, the Streit Family Trust and TTP (to the extent such information is required by the Law).

soon as practicable after the effective date of the Form S-1, which is currently expected to be late in the second quarter or early in the third quarter of 2010, although there can be no assurance as of the date hereof with respect to when, if ever, the Offering will be completed.⁷

Class A Common Stock will be the only class of stock being sold in the Offering and will be the only class that will be publicly traded as a result of the Offering.⁸

While the total number of Shares to be issued and sold by Green Dot (*i.e.*, newly issued Class A Common Stock to be sold in the Offering) and sold by the Selling Stockholders (*i.e.*, shares of Class B Common Stock converted to Class A Common Stock to be sold in the Offering) will not be determined until immediately prior to the pricing of the Offering, no new single or affiliated group of persons is expected to become a holder of 25% or more of a class of voting securities or voting interests of Green Dot as a result of the Offering. Further, because of Green Dot's dual class structure, holders of Green Dot's Class B Common Stock (*i.e.*, current shareholders of Green Dot) will continue to be able to control matters requiring stockholder approval, including the election of directors and approval of significant corporate transactions.⁹

III. POST OFFERING BUSINESSES

General

There are no material changes currently contemplated with respect to the business plan, primary activities or operations of Green Dot as a result of the Offering, subject to additional obligations that Green Dot will have as a public company.¹⁰ After the Offering, Green Dot will remain as a distinct

⁷ Subject to the provisions of Rule 144 or Rule 701, additional shares of Class A Common Stock will become eligible for sale in the public market after the Offering.

⁸ Green Dot Class A common stock is not convertible into any other shares of Green Dot capital stock. Each share of Green Dot Class B common stock is convertible at any time at the option of the holder into one share of Green Dot Class A common stock. In addition, each share of Green Dot Class B common stock will convert automatically into one share of Green Dot Class A common stock upon any transfer, whether or not for value, except for certain transfers described in Green Dot certificate of incorporation. Once transferred and converted into Class A common stock, the Class B common stock may not be reissued.

⁹ As described in the Form S-1, it is intended that holders of shares of Class A Common Stock and Class B Common Stock will vote together as a single class on all matters (including the election of directors) submitted to a vote of stockholders, unless otherwise required by law.

¹⁰ For example, as a public company, Green Dot will be subject to additional financial and other reporting and corporate governance requirements. Specifically, Green Dot will need to file with the SEC, annual and quarterly information and other reports that are specified in the Securities Exchange Act of 1934. Green Dot will also become subject to other reporting and corporate governance requirements, including the listing standards of the New York Stock Exchange (NYSE) and the provisions of the Sarbanes-Oxley Act of 2002 (SOX Act). As a public company, Green Dot will be required, among other things, to: prepare and distribute periodic reports and other stockholder communications in compliance with Green Dot obligations under the federal securities laws and the NYSE rules; define and expand the roles and the duties of Green Dot board of directors and its committees; institute more comprehensive compliance, investor relations and internal audit functions; evaluate and maintain Green Dot's system of internal control over financial reporting, and report on management's assessment thereof, in compliance with the requirements of Section 404 of the SOX Act and the Public Company Accounting Oversight Board. These changes may require commitment of additional resources and management oversight by Green Dot.

legal entity in the business of prepaid financial services and remain a licensed entity in Arkansas and other jurisdictions in which it holds a license.

Organizational Documents

Immediately following the completion of the Offering, Green Dot will file a restated certificate of incorporation with the State of Delaware and restate its bylaws.

Financial Information

The Form S-1 contains financial information regarding Green Dot and Green Dot post-Offering, including audited Green Dot consolidated financial statements at July 31, 2008 and 2009, and for each of the three fiscal years in the period ended July 31, 2009.

Officers and Directors of Green Dot After the Offering

As noted above and set forth in the Form S-1, there are no current plans to change the existing key officers or directors of Green Dot in connection with the Offering. Accordingly, information relating to key officers on file at your office should not change as a result of the Offering. Green Dot respectfully request that the Department refer to information currently on file for the existing key officers and directors of Green Dot.

IV. REQUEST FOR CONFIRMATION

We have considered whether application under the Law's change of control provision should be required to complete the Offering. The Law's change of control provision expressly exempts "a public offering of securities" from the application and approval requirements of Ark. Code Ann. § 23-55-604(a). See Ark. Code Ann. § 23-55-604(f). Further, although there will be additional holders of Green Dot common stock (*i.e.*, the purchasers of the Class A Common Stock) as a result of the Offering, no new single or affiliated group of persons is expected to "control" Green Dot as a result of the Offering.¹¹

Under the Law, "*control*" means any of the following: *a*) Ownership of, or the power to vote, directly or indirectly, at least 25% of a class of voting securities or voting interests of a licensee or person in control of a licensee, *b*) Power to elect a majority of executive officers, managers, directors ... of a licensee or person in control of a licensee or *c*) The power to exercise, directly or indirectly, a controlling influence over the management or policies of a licensee or person in control of a licensee. See Ark. Code Ann. § 23-55-102(5). By its own terms, the Law applies when a licensee may undergo a "*change of control*." See Ark. Code Ann. § 23-55-604 (*emphasis added*) (providing that "A licensee shall: (1) give the commissioner notice in a record of a proposed change of control within 15 days after learning of the proposed change of control; (2) request approval of the acquisition ...). Based on the definition of "*control*" in the Law, no new single or affiliated group of persons is expected to hold a

¹¹ We note that the Offering will require certain events precedent on the part of Green Dot and the Selling Stockholders immediately prior to the completion of Offering, including the conversion by the selling stockholders of certain shares of Class B common stock into Green Dot Class A common stock. As with the Offering, although the pre-Offering conversions may constitute a recapitalization of Green Dot, application under the Law's change of control provision should not be required to complete any pre-Offering conversions as they will not result in a new person in control of Green Dot.

"controlling" interest in Green Dot as a result of the Offering. Specifically, no new single or affiliated group of shareholders is expected to, as a result of the Offering, be able to do any of the following (directly or indirectly) so as to qualify that person as a person in control of Green Dot under the Law: (1) hold or have the power to vote 25% or more of Green Dot (or a party controlling Green Dot); (2) elect a majority of executive officers or directors of Green Dot (or a party controlling Green Dot); or (3) exercise a controlling influence over the management or policies of Green Dot (or a party controlling Green Dot). Further, as discussed above, all equity interests in Green Dot to be sold under the Offering will be in the form of Green Dot Class A Common Stock while all Class B common stock will remain with the Selling Stockholders. Because of Green Dot's dual class structure, holders of Green Dot Class B common stock will continue to be able to control all matters submitted to Green Dot stockholders for approval and no party or parties acquiring shares in the Offering will, as a result, have the power to exercise a controlling influence over Green Dot for purposes of the Law.

We respectfully request the Department to confirm its concurrence with the foregoing analysis and conclusion that the Offering will not result in a change of control of Green Dot and provide a letter or enter an order to that effect pursuant to Ark. Code Ann. § 23-55-604(g). In the alternative, if the Department determines that the Offering will result in a change of control of Green Dot under the Law, we respectfully request that, pursuant to Ark. Code Ann. § 23-55-604(e), the Department grant Green Dot an exemption from the change of control filing procedure under Ark. Code Ann. § 23-55-604(f) (exemptions for a public offering of securities) and advise us of any filings, additional notices or conditions required in connection with such exemption. If, however, the Department determines that an application is necessary, please accept this notice as the formal application filing, and please let us know if you require any additional information.

As noted above, subject to the satisfaction or waiver of certain conditions precedent, including required regulatory approvals, and market conditions, the Offering is currently expected to occur late in the second quarter or early in the third quarter of 2010, although there can be no assurance as of the date hereof with respect to when, if ever, the Offering will be completed. To meet this timeline, Green Dot would need to complete the regulatory notice and approval process by May 28, 2010. Accordingly, we respectfully request that you provide as soon as possible, and in any event before April 9, 2010, the above-requested confirmation or exemption, or advise us if an application or additional filings are required, so as to allow time for us to provide you with any additional information that you may need prior to May 28, 2010. We will endeavor to respond as quickly as possible to any questions or informational requests to facilitate this timing. If you foresee any potential issues in meeting this timing, please let us know at your earliest convenience. As always, your time and consideration is greatly appreciated.

V. REQUEST FOR CONFIDENTIAL TREATMENT

As noted above, we respectfully request confidential treatment of the CONFIDENTIAL EXHIBIT hereto pursuant to the Arkansas Freedom of Information Act of 1967 (Ark. Code Ann. § 25-19-101, *et seq.*) (the "FOIA") and § 23-55-607 of the Law. The information and materials contained in the CONFIDENTIAL EXHIBIT hereto (which is clearly marked "CONFIDENTIAL") constitute managerial, financial or commercial information, proprietary in nature. Disclosure of this information to the public, including competitors of Green Dot, would provide such competitors and others with (or could be used by competitors and others to obtain) information about the future business and operations of Green Dot. From this information, competitors could make inferences about the operations and competitive strategies of Green Dot that could potentially result in the alteration of its competitive strategies and relationships. Accordingly, disclosure of this information to competitors would likely

Mr. A. Heath Abshire

March 10, 2010

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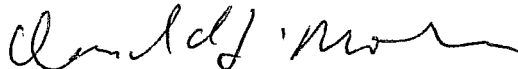
cause substantial harm to the competitive position of Green Dot and therefore this information should be exempt from disclosure under both § 25-19-105(b)(14) of FOIA and § 23-55-607(b)(1), (5), (6)(A)-(C) and (7) of the Law.

If, notwithstanding the foregoing, you should determine preliminarily to make available to the public any of the information contained in the CONFIDENTIAL EXHIBIT attached hereto, please inform the undersigned prior to doing so.

* * * * *

If you require any further information or have any questions regarding this letter or the proposed Offering, please contact me at 212-756-2187. Please acknowledge receipt of the enclosed materials by stamping the enclosed copy of this letter and returning it to us in the enclosed postage-paid envelope.

Very truly yours,



Donald J. Mosher

cc: John Ricci, General Counsel, Green Dot Corporation
Karen Hicks, Chief Examiner, Arkansas Securities Department