

BEFORE THE ARKANSAS SECURITIES COMMISSIONER

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ARKANSAS SECURITIES DEPT.

IN THE MATTER OF:

ASD CASE NO. 08-013

GIROSOL OF KENTUCKY, CORP.

RESPONDENT

REQUEST FOR ORDER TO SHOW CAUSE

COMES NOW the Arkansas Securities Department (“Department”), by and through its attorney Shannon Underwood, and for its Request for Order to Show Cause, states as follows:

ADMINISTRATIVE AUTHORITY

1. This matter is in connection with the failure to obtain a money services license or the approval of the Arkansas Securities Commissioner (“Commissioner”) before engaging in money transmission in the State of Arkansas, as required by Ark. Code Ann. § 23-55-201, and is therefore properly before the Commissioner. Ark. Code Ann. § 23-55-807.

RESPONDENT

2. Girosol of Kentucky, Corp. (“Girosol”) is organized under the laws of Kentucky, with its principal office located at 16666 NE 19th Avenue, North Miami Beach, Florida 33162. According to records maintained by the Arkansas Secretary of State, Girosol is a foreign corporation authorized to do business in the State of Arkansas.

FACTS TO BE PRESENTED BY THE DEPARTMENT

3. Girosol holds itself out to the public on its Internet website, which is located at <http://www.girosol.com>, as a money transfer company that serves the Hispanic community throughout the United States.

4. In a routine investigation, the Department learned that an Arkansas person could use Girosol's money transfer services to transmit money to eighteen (18) different countries.

5. Girosol has not been licensed or applied to be licensed as a money transmitter or a currency exchanger in Arkansas.

6. The Department contacted Girosol at (800) 447-6765, a number listed on Girosol's Internet home page. A representative of Girosol informed the Department that an Arkansas person could transmit money to Mexico through its agent located in Little Rock. The representative indicated that the agent's name and address is La Guadalubana, 7000 Asher Avenue, Little Rock, Arkansas. The Affidavit of Kurt Sims, an examiner for the Department who spoke with a representative of Girosol on February 11, 2008, is attached hereto and identified as Exhibit "A."

7. The Department contacted La Guadalubana at (501) 562-8212. A representative of the business indicated that an Arkansas person could transmit money to Mexico if he could provide the name, address, and telephone number of the person to whom the money was to be sent. See Affidavit of Kurt Sims, Exhibit "A."

VIOLATIONS

8. “Money transmission” means selling or issuing payment instruments, stored value, or receiving money or monetary value for transmission. Ark. Code Ann. § 23-55-102(12).

9. Girosol has violated Ark. Code Ann. § 23-55-201(a), which provides “[a] person may not engage in the business of money transmission or advertise, solicit, or hold itself out as providing money transmission unless the person: (1) is licensed under this subchapter or approved to engage in money transmission under § 23-55-203; (2) is an authorized delegate of a person licensed under this subchapter; or (3) is an authorized delegate of a person approved to engage in money transmission under § 23-55-203.”

LEGAL AUTHORITY

10. The Commissioner may issue an order to show cause why an order to cease and desist should not issue requiring that Girosol cease and desist from the violation of Ark. Code Ann. §§ 23-55-201. Ark. Code Ann. § 23-55-807.

11. The Commissioner may assess a civil penalty against Girosol in an amount not to exceed \$1,000 per day for each day the violation is outstanding, plus the Department’s costs and expenses for the investigation and prosecution of the matter, including reasonable attorney’s fees. Ark. Code Ann. § 23-55-805.

SUMMARY

For the reasons set forth herein, the Department requests that an Order to Show Cause be issued requiring Girosol to show cause why it should not be ordered to cease and desist from advertising, soliciting, and holding itself out as providing money transmission in Arkansas until Girosol complies with the Arkansas Uniform Money

Services Act, Ark. Code Ann. § 23-55-101 *et seq.*; to cease and desist from doing business as a money transmitter in Arkansas until Girosol complies with the Arkansas Uniform Money Services Act, Ark. Code Ann. § 23-55-101 *et seq.*; and to show cause why Girosol should not be assessed a monetary penalty for such violation as provided in Ark. Code Ann. § 23-55-805.

Respectfully submitted,

Arkansas Securities Department
201 East Markham Street, Suite 300
Little Rock, Arkansas 72201
(501) 324-9260

By: Shannon Underwood
Shannon Underwood
Staff Attorney
Ark. Bar No. 05136

Date: 2/12/08

AFFIDAVIT OF KURT SIMS

COMES THE AFFIANT AND STATES UNDER OATH:

1. My name is Kurt Sims. I am an examiner for the Arkansas Securities Department.
2. On Monday, February 11, 2008, I telephoned Girosol at (800) 447-6765.
3. When a company representative answered, I told her that I wanted to transfer money to a friend in Mexico but that I was in Arkansas. She put me on hold and transferred me to a woman named Maria.
4. I told Maria that I wanted to transfer money to a friend in Mexico and that I was in Little Rock, Arkansas.
5. Maria said that Girosol had an agency in Little Rock, located at 7000 Asher Avenue. She said the name of the business was La Guadalubana. Maria said that the location accepted cash only and that I would need to know the beneficiary's name, address, and telephone number. I thanked Maria and ended our conversation.
6. I verified La Guadalubana's address and obtained its phone number by searching for "La Guadalubana Little Rock" on Google (www.google.com).
7. I called La Guadalubana at (501) 562-8212.
8. The man who answered the telephone indicated that I could transmit money to Mexico by coming into the store between the hours of 10:00 a.m. and 10:00 p.m. He said that I would need the name, address, and telephone number of the person to whom I wanted to send money.

DATED this 11th day of February, 2008.

Kurt Sims
KURT SIMS
Examiner

STATE OF ARKANSAS)
)
COUNTY OF PULASKI)

SUBSCRIBED AND SWORN TO before me, a Notary Public in and for the State and County aforesaid, on this 11th day of February, 2008.

Laura Skaggs
NOTARY PUBLIC

[SEAL]

My commissioner expires: *June 9, 2012*

