

BEFORE THE ARKANSAS SECURITIES COMMISSIONER

CASE NO. C-08-070

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ARKANSAS SECURITIES DEPT.

IN THE MATTER OF

DARTMOUTH CAPITAL, LLC
d/b/a SAFEDINAR.COM

REQUEST FOR ORDER TO SHOW CAUSE

COMES NOW the Staff of the Arkansas Securities Department (“Staff”), 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 currency exchange in the State of Arkansas, as required by Ark. Code Ann. § 23-55-401, and is therefore properly before the Commissioner. ARK. CODE ANN. § 23-55-807.

RESPONDENT

2. Dartmouth Capital, LLC (“Dartmouth”) is organized under the laws of Massachusetts, with its principal office located at 329 Commonwealth Avenue, Apartment 1, Boston, Massachusetts 02115. Dartmouth operates a website located at www.safedinar.com. On said website, Dartmouth lists its address as 198 Tremont Street #444, Boston, Massachusetts 02116. According to records maintained by the Arkansas Secretary of State, Dartmouth is not authorized as a foreign entity to do business in Arkansas. Bryan A. Canavan is the President of Dartmouth.

FACTS TO BE PRESENTED BY THE STAFF

3. On October 1, 2008, an Arkansas person ("AR1") contacted the Staff regarding an investment involving the Iraqi dinar. Through AR1's attendance at an El Dorado, Arkansas church, AR1 learned of the website www.safedinar.com. AR1 indicated to the Staff that the pastor of the church stated that he had been purchasing Iraqi dinar through www.safedinar.com for over a year and that the pastor encouraged the church members to take advantage of the opportunity to purchase the dinars.

4. Through the assistance of an Arkansas person ("AR2"), who had already purchased Iraqi dinars through www.safedinar.com, AR1 transacted with Dartmouth at www.safedinar.com to purchase Iraqi dinars for \$789. Upon confirmation of AR1's order, Dartmouth was to deliver the dinars to AR1 via Federal Express, cash on delivery.

5. Dartmouth called AR1 to complete her Internet order for the dinars. In response to AR1's questions, a representative of Dartmouth stated that Dartmouth would send authentic money, that the dinar cost less than a U.S. dollar now but could go up to US\$2 within the time period of one month to three years, and that Dartmouth would buy back any purchased dinar less US\$100.

6. AR1 investigated the current market for Iraqi dinars by calling two national banks. Neither bank offered AR1 a currency exchange service for the Iraqi dinar. In a telephone conversation with a representative of Dartmouth, AR1 expressed concern that no bank would exchange the Iraqi dinars into U.S. dollars. The representative assured AR1 that Dartmouth would "buy them back."

7. When AR1 failed to confirm the order, a representative of Dartmouth telephoned AR1 at home and aggressively inquired as to why AR1 had not completed the transaction "because FedEx was ready to deliver the package upon receipt of her address."

8. Dartmouth holds itself out to the public on its website as a currency exchange company that serves the entire United States.

9. Dartmouth is registered as a money services company with the Department of Treasury and implied to AR1 that the Department of Treasury registration authorized the company to conduct business in Arkansas.

10. AR1 told the Staff that “there was a lot of people down here” who had utilized www.safedinar.com to purchase Iraqi dinars. AR1 reported to the Staff that she had seen the purported dinars in the possession of her acquaintances.

11. Records of the Department indicate Dartmouth has not been licensed or applied to be licensed as a money transmitter or a currency exchanger in Arkansas.

VIOLATIONS

12. Dartmouth has violated Ark. Code Ann. § 23-55-401(a), which provides “[a] person may not engage in currency exchange or advertise, solicit, or hold itself out as providing currency exchange for which the person receives revenues equal or greater than five percent of total revenues unless the person: (1) is licensed under this subchapter; (2) is licensed for money transmission under § 23-55-201 et seq., or approved to engage in money transmission under § 23-55-203; (3) is an authorized delegate of a person licensed under § 23-55-201 et seq.; or (4) is an authorized delegate of a person approved to engage in money transmission under § 23-55-203.”

13. “Currency exchange” means receipt of revenues from the exchange of money of one government for money of another government. ARK. CODE ANN. § 23-55-102(6).

LEGAL AUTHORITY

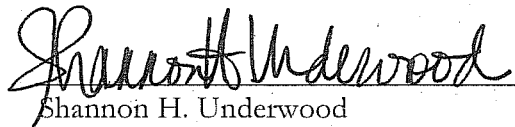
14. The Commissioner may issue an order to show cause why an order to cease and desist should not be issued requiring Dartmouth to cease and desist from the violation of Ark. Code Ann. § 23-55-401. ARK. CODE ANN. § 23-55-807.

15. The Commissioner may assess a civil penalty against Dartmouth 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 Staff requests that an Order to Show Cause be issued requiring Dartmouth to show cause why it should not be ordered to cease and desist from advertising, soliciting, and holding itself out as providing currency exchange in Arkansas until Dartmouth complies with the Arkansas Uniform Money Services Act, Ark. Code Ann. §§ 23-55-101 through 1005; to cease and desist from doing business as a currency exchanger in Arkansas until Dartmouth complies with the Arkansas Uniform Money Services Act, Ark. Code Ann. §§ 23-55-101 through 1005; and to show cause why Dartmouth should not be assessed a monetary penalty for such violation as provided in Ark. Code Ann. § 23-55-805.

Respectfully submitted,



Shannon H. Underwood
Staff Attorney
Arkansas Securities Department