

**BEFORE THE ARKANSAS SECURITIES COMMISSIONER
CASE NO C-11-0220
ORDER NO C-11-0220-11-OR03**

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ARKANSAS SECURITIES DEPT.

**IN THE MATTER OF:
GPAL, INC. AND BENJAMIN P. CANNON**

RESPONDENTS

**ORDER AFFIRMING
CEASE AND DESIST ORDER**

On February 4, 2011, the Arkansas Securities Commissioner (“Commissioner”), A. Heath Abshire, entered a Cease and Desist Order based on the Request for Cease and Desist Order filed by the Staff of the Arkansas Securities Department (“Staff”) against GPal, Inc. (“GPal”) and Benjamin P. Cannon (“Cannon”) for violations of provisions of the Arkansas Money Services Act (“Act”), Ark. Code Ann. §§ 23-55-101 through 23-55-1005. On June 23, 2011, the Commissioner held an initial hearing upon the written request of Cannon. Mr. Cannon appeared at this hearing via telephone. On July 21, 2011, the Commissioner held the final hearing concerning the Cease and Desist Order. Although Respondent Cannon had been duly and properly notified of the date and time of the final hearing, Cannon failed to appear at the hearing in person or via telephone.

FINDINGS OF FACT

From the pleadings, testimony of witnesses, documentary evidence, and all other matters properly before the Commissioner, the Commissioner does make the following findings of fact:

1. GPal is a business entity that is incorporated under the laws of the State of California. GPal has its main office in Healdsburg, California. GPal has never been licensed in Arkansas under the Act in any capacity.

2. Cannon is the chairman and chief executive officer of GPal. Cannon has never been licensed in Arkansas under the Act in any capacity.

3. The home page for GPal's website formerly indicated that GPal engages in the business of money transmission. The website previously provided the following answers to the question, "What is GPal? Send money to anyone with an email address. Easily pay for anything using the web. GPal is an alternative to PayPal, Google Checkout and OfferPal." In addition, GPal's website has not and does not contain a disclaimer list of states where GPal is or is not licensed to engage in money services business.

4. On September 21, 2010, Arkansas resident one ("AR1") initiated a transfer of \$304.00 from his GPal account. The money had been transferred into AR1's GPal account from an auction website. The money was not transferred by GPal from AR1's GPal account to AR1's bank account until April 9, 2011.

5. AR1 tried repeatedly to contact GPal in an effort to have his money returned to him. Despite AR1's requests for a return or transfer of his money GPal, failed and refused to transfer or provide AR1 with access to any of AR1's money until April 9, 2011, which was after the entry of the Cease and Desist Order.

6. As the chairman and chief executive officer of GPal, Cannon is responsible for directing and controlling the actions of GPal. Therefore, Cannon is responsible for the actions of GPal concerning any violations of the Act.

CONCLUSIONS OF LAW

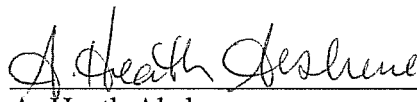
7. Ark. Code Ann. § 23-55-201(a) states that a person may not engage in the business of money transmission or advertise, solicit, or hold itself out as providing money transmission unless the person is licensed or approved to engage in money transmission under § 23-55-203, an authorized delegate of a person licensed under this subchapter, an authorized delegate of a person approved to engage in money transmission under § 23-55-203, or excluded under § 23-55-103. As detailed in paragraphs three through six, GPal and Cannon violated Ark. Code Ann. § 23-55-201(a) when GPal engaged in money transmission activities with AR1 without first being licensed under the Act.

8. Rule 201(a)(2) of the Rules of the Money Services Act states “persons engaging in the business of money transmission shall be presumed to solicit, advertise, or hold itself out as a person that engages in the business of money transmission in this state if the person fails to provide a disclaimer listing either the states in which it is licensed or approved to do business or the states in which it is not licensed or approved to do business.” As detailed in paragraph three, it is presumed that GPal and Cannon violated Ark. Code Ann. § 23-55-201(a) when GPal’s website did not contain a disclaimer listing the states where GPal is or is not licensed to engage in money transmission business.

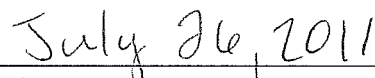
9. Ark. Code Ann. § 23-55-807(a)(2) states that if, as a result of an investigation, the Securities Commissioner finds that a person has engaged or is about to engage in an act or practice constituting a violation of this chapter or a rule or order under this chapter, the commissioner may summarily issue a cease and desist order under § 23-55-803, or enter an order to prohibit the person from continuing to engage in providing money services. The conduct, acts, and practices of GPal and Cannon threaten immediate and irreparable public harm. A cease and desist order is in the public interest and is appropriate pursuant to Ark. Code Ann. § 23-55-807.

ORDER

From the pleadings, testimony of witnesses, documentary evidence, and all other matters properly before the Commissioner, the Commissioner does order that the Cease and Desist Order entered herein on February 4, 2011, against the GPal, Inc. and Benjamin P. Cannon should be and hereby is affirmed in all respects and for all purposes.



A. Heath Abshure
Arkansas Securities Commissioner



Date

Order prepared by Scott Freydl, staff attorney