

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

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ARKANSAS SECURITIES DEPT.

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

RESPONDENTS

REQUEST FOR CEASE AND DESIST ORDER

The Staff of the Arkansas Securities Department (“Staff”) received information and has in its possession certain evidence that indicates the GPal, Inc. (“GPal”) and Benjamin P. Cannon (“Cannon”) have violated provisions of the Arkansas Money Services Act (“Act”), Ark. Code Ann. §§ 23-55-101 through 23-55-1005 and the Money Services Rules (“Rules”).

Administrative Authority

1. This matter is brought in connection with violations of sections of the Act and Rules and is therefore properly before the Arkansas Securities Commissioner (“Commissioner”) in accordance with Ark. Code Ann. § 23-55-803.

Respondents

2. 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.

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

Facts Supporting Request for Cease and Desist Order

4. The home page for GPal’s website indicates that GPal engages in the business of money transmission. The website provides 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.”

5. On September 21, 2010, Arkansas resident one (“AR1”) initiated a transfer of \$304.46 from his GPal account. The money had been transferred into AR1’s GPal account from an auction website. The money was never transferred by GPal from AR1’s GPal account to AR1’s bank account.

6. AR1 has 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 has failed and refused to transfer or provide AR1 with access to any of AR1’s money.

7. 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.

Applicable Law

8. Ark. Code Ann. § 23-55-102(12)(A) defines money transmission as receiving money or monetary value for transmission.

9. Rule 102(10)(A) includes a bill payer service in the definition of money transmission.

10. 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.

11. Ark. Code Ann. § 23-55-807(a)(2) states that if as a result of an investigation the 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.

Conclusions of Law

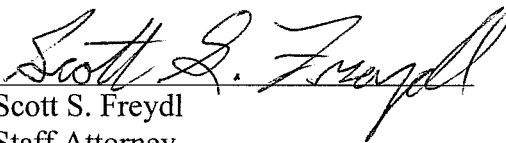
12. As detailed in paragraphs four through seven, GPal and Cannon violated Ark. Code Ann. § 23-55-201(a) when GPal engaged in money transmission activities with AR1 without first being licensed under the Act.

13. 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.

Prayer for Relief

WHEREFORE, the Staff respectfully requests that the Commissioner order GPal and Cannon to immediately CEASE AND DESIST from engaging or attempting to engage in money transmission activities in the State of Arkansas until GPal is properly licensed under the Act; and, for all other relief to which the Staff may be entitled.

Respectfully submitted,


Scott S. Freydl
Staff Attorney
Arkansas Securities Department

2/2/11
Date