

**BEFORE THE ARKANSAS SECURITIES COMMISSIONER
CASE NO C-11-0220
ORDER NO C-11-0220-11-OR01**

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ARKANSAS SECURITIES DEPT.

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

RESPONDENTS

CEASE AND DESIST ORDER

On February 4, 2011, the Staff of the Arkansas Securities Department (“Staff”) filed a Request for a Cease and Desist Order (“Request”), stating that it has information and certain evidence in its possession that indicates 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”). The Arkansas Securities Commissioner (“Commissioner”) has reviewed the Request, and based upon representations made therein, finds that:

FINDINGS OF FACT

The Staff’s Request asserts the following representations 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 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.”

4. 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.

5. AR1 has tried repeatedly to contact GPal in an effort to have his money returned to him. Dispute 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.

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 the Act, 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. 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. 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

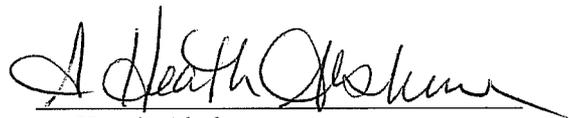
9. GPal and Cannon are ordered to cease and desist from all money transmission activity in Arkansas until such time as GPal has been properly licensed under the Act and Rules.

10. A hearing on this Cease and Desist Order shall be held, if requested by GPal and/or Cannon in writing within thirty days of the date of the entry of this Cease and Desist Order, or if otherwise ordered by the Commissioner. Such request should be addressed to the Commissioner and submitted to the following address:

Arkansas Securities Commissioner
201 East Markham, Suite 300
Little Rock, Arkansas 72201

If no hearing is requested and none is ordered by the Commissioner, this Order will remain in effect until it is modified or vacated by the Commissioner. Ark. Code Ann. § 23-39-514(d).

Dated: February 4, 2011



A. Heath Abshure
Arkansas Securities Commissioner