

ORDER NO. 2011-015

IN THE MATTER OF:	§	BEFORE THE BANKING
	§	
GPAL, INC.	§	
AND	§	
BENJAMIN P. CANNON,	§	COMMISSIONER OF TEXAS
CHIEF EXECUTIVE OFFICER	§	
	§	
	§	
HEALDSBURG, CALIFORNIA	§	AUSTIN, TRAVIS COUNTY, TEXAS

ORDER TO CEASE AND DESIST

On this day, the matter of GPal, Inc., located in Healdsburg, California, and Benjamin P. Cannon, Chief Executive Officer (collectively, Respondents) was submitted to me, Charles G. Cooper, Banking Commissioner of the State of Texas (Commissioner), for consideration and action.

I. Finding of Fact

1. GPal, Inc. currently operates its business at 1083 Vine St., #215, Healdsburg, CA 94558, and on the Internet through its webpage located at <https://www.gpal.net>.
2. The Texas Department of Banking (Department) has not licensed Respondents to engage in the business of money transmission or advertise, solicit, or hold itself out as a person who engages in money transmission.
3. Respondents registered GPal, Inc. as a money transmitter with the U.S. Department of the Treasury on August 11, 2010.
4. GPal's website claims that "GPal, Inc. is a financial payment processing engine that allows its users to pay anyone with an email address."
5. The GPal User Agreement, available at <https://www.gpal.net/?req=useragreement>, states, "Our Service enables you to transmit to and receive payment from anyone with an [sic] GPal Account using Internet or mobile based services and applications."
6. The GPal User Agreement also states that customers "may make payments to any person who (a) has a valid e-mail address or SMS-enabled phone for mobile phone payments, and (b) has a Payment Account or establishes one with us."
7. Because the GPal User Agreement only requires a customer to be 18 years old and have a valid e-mail address to establish an account, both GPal's sending and receiving money transmission

services are available to Texas residents through the www.GPal.net transactional website. To create such an account a customer is required to enter only four pieces of information: his or her first name, last name, e-mail address, and state of residence. Texas appears on the list from which the customer must choose his or her state of residence.

8. On October 17, 2010, the Department received a consumer complaint regarding two money transmission transactions conducted through www.GPal.net.
9. On October 26, 2010, the Department sent Respondents a letter regarding money transmission activities for persons in Texas. Receiving no response, the Department sent a second letter on November 15, 2010. Respondents also ignored that letter.
10. GPal, Inc. has not applied for a money transmission license.

II. Conclusions of Law

1. Respondents are engaging in the business of money transmission in Texas without a license, in violation of Texas Finance Code § 151.302.
2. The Commissioner is authorized by Texas Finance Code § 151.702 to issue a cease and desist order to a person whom the Commissioner believes is engaging or is likely engaging in an activity for which a license is required by Chapter 151.
3. Pursuant to Texas Finance Code § 151.709, an order takes effect after notice and opportunity for hearing.
4. The credible evidence of the violations of the Texas Finance Code described above is sufficient cause for issuance of a cease and desist order to Respondents under Texas Finance Code § 151.702.

III. Order

In accordance with Texas Finance Code §§ 151.302 and 151.702, Respondents are ORDERED to cease and desist from engaging in the unauthorized business of a money services business in Texas, including advertising to and the solicitation of persons in Texas, whether conducted through Respondents' activities or through those of others.

IV. Effective Dates

Pursuant to Texas Finance Code § 151.709, this Order to Cease and Desist money services business activity will take effect on the 21st day after the date the order is mailed. Respondents have the right to request a hearing in writing before the 20th day after the date this Order is mailed to Respondents. If the Commissioner receives no written request for a hearing from Respondents within that time, this Order becomes effective on the 21st day after the date the Order is mailed, and may not be appealed by Respondents.

Signed on this 23rd day of March, 2011.

/s/ Charles G. Cooper
Charles G. Cooper
Banking Commissioner of the State of Texas