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**STATE OF CALIFORNIA**  
**BUSINESS, TRANSPORTATION AND HOUSING AGENCY**  
**DEPARTMENT OF CORPORATIONS**

**TO:** Legomescrow.com  
Gfex Escrow  
Max Walder  
1 Chamberlain Drive  
Newport, Maine 04953

**DESIST AND REFRAIN ORDER**  
**(For violations of sections 17200, 17210.2 and 17403 of the California Financial Code)**

The California Corporations Commissioner finds that:

1. Legomescrow.com, Gfex Escrow and Max Walder have engaged in the business of an escrow agent by advertising escrow services over the internet at [www.legomescrow.com](http://www.legomescrow.com), from 2004 to the present as follows:

a) Legomescrow.com represents on its website that the process works as follows: The buyer and seller agree to the terms of the transaction. The buyer pays Legomescrow.com, which verifies the payment. Legomescrow.com notifies the seller to ship its merchandise and then verifies that the buyer receives the shipment. The buyer accepts the goods. Legomescrow.com then pays the seller and the transaction is complete.

b) Legomescrow.com and Gfex Escrow claim to protect both the buyer and the seller from fraud with this process.

c) Legomescrow.com, Gfex Escrow and Max Walder have represented that the escrow services provided by Legomescrow.com and Gfex Escrow are provided by Internet Escrow Services (IES), a subsidiary of Gfex Escrow, and that Gfex Escrow is “fully licensed and accredited

1 as an escrow company and is subject to compliance with all applicable escrow regulations.” In fact,  
2 IES is an affiliate of Escrow.com and Legomescrow.com and Gfex Escrow are not affiliated with  
3 either IES or Escrow.com.

4 d) Legomescrow.com, Gfex Escrow and Max Walder have represented that  
5 Legomescrow.com and Gfex Escrow holds escrow license number 963-1167. In fact, California  
6 escrow license number 963-1167 was issued to Escrow Services of the Central Coast, Inc. The  
7 license was suspended on April 5, 1996, and surrendered on May 20, 1996.

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9 2. Neither Legomescrow.com, Gfex Escrow, nor Max Walder has been issued a license from  
10 the Commissioner authorizing them to conduct business as an escrow agent, as required by California  
11 Financial Code section 17200.

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13 3. Neither Legomescrow.com, Gfex Escrow, nor Max Walder is exempt from the licensing  
14 requirements of Section 17200.

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16 4. Neither Legomescrow.com, Gfex Escrow, nor Max Walder has been issued a license from  
17 the Commissioner authorizing them to use words indicating that they are in the escrow business, as  
18 required by California Financial Code section 17403.

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20 5. Legomescrow.com, Gfex Escrow, and Max Walder have disseminated or caused to be  
21 disseminated false, misleading and/or deceptive statements or representations which refer to  
22 Legomescrow.com’s and Gfex Escrow’s affiliation with IES, when, in fact, Legomescrow.com and  
23 Gfex Escrow are not affiliated with IES in any way.

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25 Based upon the foregoing findings, the California Corporations Commissioner is of the opinion that  
26 Legomescrow.com, Gfex Escrow, and Max Walder and their officers directors, partners, agents,  
27 employees and/or servants are in violation of California Financial Code sections 17200, 17210.2(a)  
28 and 17403(a). Pursuant to California Financial Code section 17416, Legomescrow.com, Gfex

1 Escrow, and Max Walder are hereby ordered to desist and refrain from engaging in the business of  
2 receiving escrows for deposit or delivery without first obtaining a license from the Commissioner.  
3 Pursuant to California Financial Code section 17403(b), Legomescrow.com, Gfex Escrow, and Max  
4 Walder are further ordered to immediately desist and refrain from issuing, circulating, or publishing  
5 any advertisement by means of any communication, including any website, or making use of or  
6 circulating any letterheads, billheads, blank notes, blank receipts, blank escrow instructions,  
7 certificates, circulars, or any written or printed paper containing any fictitious or corporate name or  
8 other words indicating that they are in the escrow business. Pursuant to California Financial Code  
9 section 17210.2(c), Legomescrow.com, Gfex Escrow, and Max Walder are further ordered to  
10 immediately desist and refrain from disseminating, or causing or permitting to be disseminated, in  
11 any manner whatsoever, any statement or representation which is false, misleading, or deceptive, or  
12 which omits to state material information, or which refers to the supervision of that agent by the State  
13 of California or any department or official thereof. Legomescrow.com, Gfex Escrow, and Max  
14 Walder are further ordered to immediately desist and refrain from disseminating or causing or  
15 permitting to be disseminated, in any manner whatsoever, any statement or representation that  
16 Legomescrow.com or Gfex Escrow is in any manner associated with IES.

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18 This Order is necessary, in the public interest, for the protection of investors and consistent with the  
19 purposes, policies and provisions of the California Escrow Law. This order shall remain in full force  
20 and effect until further order of the California Corporations Commissioner.

21  
22 Dated: April 13, 2005  
23 Sacramento, California

24 WAYNE STRUMPFER  
25 Acting California Corporations Commissioner

26 By: \_\_\_\_\_  
27 ALAN WEINGER  
28 Acting Deputy Commissioner  
Enforcement Division