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

**TO:** Customescrow.com  
858 W. Armitage, #299  
Chicago, IL 60614  
  
15 Bath Road  
London, TW6 2AB  
United Kingdom  
  
Ladio Chavis  
4062 N. 15 Avenue, Apt. # 3  
Phoenix, AZ 85015

**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. Customescrow.com and Ladio Chavis have engaged in business as escrow agents by advertising escrow services over the Internet at [www.customescrow.com](http://www.customescrow.com), from 1994 to the present as follows:

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

b) Customescrow.com claims to protect both the buyer and the seller from fraud with this process.

1 c) Customescrow.com and Ladio Chavis have represented themselves to be licensed  
2 escrow agents by advertising that they hold Department of Corporations escrow agents' license  
3 number 963-1743. In fact, the Department of Corporations issued escrow license number 963-1743  
4 to Custom Escrow Services, in Monterey Park, California. However, Customescrow.com is not a  
5 website of Custom Escrow Services.

6 d) Customescrow.com and Ladio Chavis have represented that the "on-line"  
7 escrow services provided by Customescrow.com are provided by Internet Escrow Services (IES), and  
8 that IES is "fully licensed and accredited as an escrow company and is subject to compliance with all  
9 applicable escrow regulations." In fact, IES is an affiliate of Escrow.com, who is licensed by the  
10 Department of Corporations as an escrow agent authorized to conduct personal property escrows over  
11 the Internet, but Customescrow.com is not affiliated with either IES or Escrow.com.

12 2. Neither Customescrow.com nor Ladio Chavis has been issued a license from the  
13 Commissioner authorizing either to conduct business as an escrow agent, as required by California  
14 Financial Code section 17200.

15 3. Neither Customescrow.com nor Ladio Chavis is exempt from the licensing requirements of  
16 Section 17200.

17 4. Neither Customescrow.com nor Ladio Chavis has been issued a license from the  
18 Commissioner authorizing either to use words indicating that it is in the escrow business, as required  
19 by California Financial Code section 17403.

20 5. Customescrow.com and Ladio Chavis have disseminated or caused to be disseminated  
21 false, misleading and/or deceptive statements or representations that they are licensed by the  
22 Department of Corporations.

23 Based upon the foregoing findings, the California Corporations Commissioner is of the  
24 opinion that Customescrow.com and Ladio Chavis and their officers, directors, partners, agents,  
25 employees and/or servants are in violation of California Financial Code sections 17200, 17210.2(a)  
26 and 17403(a). Pursuant to California Financial Code section 17416, Customescrow.com and Ladio  
27 Chavis are hereby ordered to desist and refrain from engaging in the business of receiving escrows  
28 for deposit or delivery without first obtaining a license from the Commissioner. Pursuant to

1 California Financial Code section 17403(b), Customescrow.com and Ladio Chavis are further  
2 ordered to immediately desist and refrain from issuing, circulating, or publishing any advertisement  
3 by means of any communication, including any website, or making use of or circulating any  
4 letterheads, billheads, blank notes, blank receipts, blank escrow instructions, certificates, circulars, or  
5 any written or printed paper containing any fictitious or corporate name or other words indicating that  
6 it is in the escrow business. Pursuant to California Financial Code section 17210.2(c),  
7 Customescrow.com and Ladio Chavis are further ordered to immediately desist and refrain from  
8 disseminating, or causing or permitting to be disseminated, in any manner whatsoever, any statement  
9 or representation which is false, misleading, or deceptive, or which omits to state material  
10 information, or which refers to the supervision of that agent by the State of California or any  
11 department or official thereof.

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

15 Dated: June 22, 2006  
16 Sacramento, California

17 PRESTON DuFAUCHARD  
18 California Corporations Commissioner

19  
20 By: \_\_\_\_\_  
21 ALAN S. WEINGER  
22 Supervising Attorney  
23 Enforcement Division  
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