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

TO: Insideescrow.net
Charles Powers
384 Dorothy Street
Plainwell, MS 49080

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. Insideescrow.net and Charles Powers have engaged in the business of an escrow agent by advertising escrow services over the internet at www.insideescrow.net, from 2003 to the present as follows:
 - a) Insideescrow.net represents on its website that the process works as follows: The buyer and seller agree to the terms of the transaction. The buyer pays Insideescrow.net, which verifies the payment. Insideescrow.net notifies the seller to ship its merchandise and then verifies that the buyer receives the shipment. The buyer accepts the goods. Insideescrow.net then pays the seller and the transaction is complete.
 - b) Insideescrow.net and Charles Powers claim to protect both the buyer and the seller from fraud with this process.
 - c) Insideescrow.net and Charles Powers have represented that the escrow services provided by Insideescrow.net are affiliated with Internet Escrow Services (IES). In fact, IES is an affiliate of Escrow.com and Insideescrow.net is not affiliated with either IES or Escrow.com.

1 d) Insideescrow.net and Charles Powers have further represented that Insideescrow.net
2 is located at 16275 Laguna Canyon Road, Suite 250, Irvine, California 92618-3603, which is, in fact,
3 the address of Escrow.com
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5 2. Neither Insideescrow.net nor Charles Powers has been issued a license from the
6 Commissioner authorizing them to conduct business as an escrow agent, as required by California
7 Financial Code section 17200.
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9 3. Neither Insideescrow.net nor Charles Powers is exempt from the licensing requirements of
10 Section 17200.
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12 4. Neither Insideescrow.net nor Charles Powers has been issued a license from the
13 Commissioner authorizing them to use words indicating that they are in the escrow business, as
14 required by California Financial Code section 17403.
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16 5. Insideescrow.net and Charles Powers have disseminated or caused to be disseminated
17 false, misleading and/or deceptive statements or representations which refer to Insideescrow.net's
18 affiliation with IES and Escrow.com, when, in fact, Insideescrow.net is not affiliated with either IES
19 or Escrow.com in any way.
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21 Based upon the foregoing findings, the California Corporations Commissioner is of the opinion that
22 Insideescrow.net and Charles Powers and their officers, directors, partners, agents, employees and/or
23 servants are in violation of California Financial Code sections 17200, 17210.2(a) and 17403(a).
24 Pursuant to California Financial Code section 17416, Insideescrow.net and Charles Powers are
25 hereby ordered to desist and refrain from engaging in the business of receiving escrows for deposit or
26 delivery without first obtaining a license from the Commissioner. Pursuant to California Financial
27 Code section 17403(b), Insideescrow.net and Charles Powers are further ordered to immediately
28 desist and refrain from issuing, circulating, or publishing any advertisement by means of any

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

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

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18 Dated: May 2, 2005
19 Sacramento, California

20 WAYNE STRUMPFER
21 Acting California Corporations Commissioner

22 By: _____
23 ALAN WEINGER
24 Acting Deputy Commissioner
25 Enforcement Division
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