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

TO: Ca-trading.net
Michel Tochtermann
72 Av Eugene-Lance
Grand-Lancy, Geneve 1212, Switzerland

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

The California Corporations Commissioner finds that:

1. Ca-trading.net and Michel Tochtermann have engaged in the business of an escrow agent by advertising escrow services over the internet at www.ca-trading.net from 2002 to the present as follows:

a) Ca-trading.net represents on its website that the process works as follows: The buyer pays Ca-trading.net the amount of the purchase price of the goods, plus any shipping and escrow fees. The seller ships the goods. Once the buyer has received the goods and is satisfied, Ca-trading.net pays the seller the transaction price, less its fee.

b) Ca-trading.net claims on its website that both buyers and sellers are protected from fraud with this process.

c) Ca-trading.net and Michel Tochtermann have represented themselves to be licensed escrow agents by claiming that the company is a branch office of California Escrow Service, Inc., located at 618 S. Serrano Avenue, Second Floor, Los Angeles, California, 90005, license number 9631948.

1 d) In fact, the Department of Corporations issued escrow agent's license number 963-
2 1948 to California Escrow Service, Inc., located at the above-referenced Serrano Avenue address on
3 June 25, 2002. Ca-trading.net is not a website of California Escrow Service, Inc., and California
4 Escrow Service, Inc., does not process escrows involving personal property over the internet.

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6 2. Neither Ca-trading.net nor Michel Tochtermann has been issued a license from the
7 Commissioner authorizing them to conduct business as an escrow agent, as required by California
8 Financial Code section 17200.

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10 3. Neither Ca-trading.net nor Michel Tochtermann is exempt from the licensing requirements
11 of Section 17200.

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13 4. Neither Ca-trading.net nor Michel Tochtermann has been issued a license from the
14 Commissioner authorizing them to use words indicating that they are in the escrow business, as
15 required by California Financial Code section 17403.

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17 Based upon the foregoing findings, the California Corporations Commissioner is of the opinion that
18 Ca-trading.net and Michel Tochtermann and their officers directors, partners, agents, employees
19 and/or servants are in violation of California Financial Code sections 17200 and 17403(a). Pursuant
20 to California Financial Code section 17416, Ca-trading.net and Michel Tochtermann are hereby
21 ordered to desist and refrain from engaging in the business of receiving escrows for deposit or
22 delivery without first obtaining a license from the Commissioner. Pursuant to California Financial
23 Code section 17403(b), Ca-trading.net and Michel Tochtermann are further ordered to immediately
24 desist and refrain from issuing, circulating, or publishing any advertisement by means of any
25 communication, including any website, or making use of or circulating any letterheads, billheads,
26 blank notes, blank receipts, blank escrow instructions, certificates, circulars, or any written or printed
27 paper containing any fictitious or corporate name or other words indicating that they are in the
28 escrow business. This Order is necessary, in the public interest, for the protection of investors and

1 consistent with the purposes, policies and provisions of the California Escrow Law. This order shall
2 remain in full force and effect until further order of the California Corporations Commissioner.

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Dated: June 7, 2004
Sacramento, California

WILLIAM P. WOOD
California Corporations Commissioner

By: _____
VIRGINIA JO DUNLAP
Deputy Commissioner
Enforcement and Legal Services