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

**TO:** Hemetescrowcompany.com  
Hemetescrowinc.net  
1453 W. Coral Avenue  
Ridgecrest, CA 93555

Via Gioberti 30  
00185 Rome  
Italy

John Kimball  
46-078 Emepela Place, #L-100  
Kaneohe, HI 96744

Skip Merritt  
P.O. Box 99800  
Emeryville, CA 94662

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

The California Corporations Commissioner finds that:

1. Hemetescrowcompany.com, Hemetescrowinc.net, John Kimball and Skip Merritt have engaged in the business of an escrow agent by advertising escrow services over the Internet at [www.hemetescrowcompany.com](http://www.hemetescrowcompany.com) and [www.hemetescrowinc.net](http://www.hemetescrowinc.net) from 2005 to the present as follows:
  - a) Hemetescrowcompany.com and Hemetescrowinc.net represent on their websites that the process works as follows: The buyer and seller agree to the terms of the transaction. The buyer submits a payment to Hemetescrowcompany.com or Hemetescrowinc.net, which verifies the payment. Hemetescrowcompany.com or Hemetescrowinc.net notifies the seller to ship its merchandise and then verifies that the buyer receives the shipment. The buyer accepts the goods.

1 Hemetescrowcompany.com or Hemetescrowinc.net then pays the seller and the transaction is  
2 complete.

3           b) Hemetescrowcompany.com and Hemetescrowinc.net claim to protect both the  
4 buyer and the seller from fraud with this process.

5           c) Hemetescrowcompany.com, Hemetescrowinc.net, John Kimball and Skip Merritt  
6 have represented themselves to be licensed escrow agents by advertising that they are Hemet Escrow  
7 Company, Inc. which holds license number 963-1698 issued by the Department of Corporations.  
8 However, neither Hemetescrowcompany.com nor Hemetescrowinc.net is a website of Hemet Escrow  
9 Company, Inc., and John Kimball and Skip Merritt are not otherwise affiliated with Hemet Escrow  
10 Company, Inc.

11           2. Neither Hemetescrowcompany.com, Hemetescrowinc.net, John Kimball nor Skip Merritt  
12 have been issued a license from the Commissioner authorizing either to conduct business as an  
13 escrow agent, as required by California Financial Code section 17200.

14           3. Neither Hemetescrowcompany.com, Hemetescrowinc.net, John Kimball nor Skip Merritt  
15 is exempt from the licensing requirements of Section 17200.

16           4. Neither Hemetescrowcompany.com, Hemetescrowinc.net, John Kimball nor Skip Merritt  
17 has been issued a license from the Commissioner authorizing either to use words indicating that it is  
18 in the escrow business, as required by California Financial Code section 17403.

19           Based upon the foregoing findings, the California Corporations Commissioner is of the  
20 opinion that Hemetescrowcompany.com, Hemetescrowinc.net, John Kimball and Skip Merritt and  
21 their officers, directors, partners, agents, employees and/or servants are in violation of California  
22 Financial Code sections 17200 and 17403(a). Pursuant to California Financial Code section 17416,  
23 Hemetescrowcompany.com, Hemetescrowinc.net, John Kimball and Skip Merritt are hereby ordered  
24 to desist and refrain from engaging in the business of receiving escrows for deposit or delivery  
25 without first obtaining a license from the Commissioner. Pursuant to California Financial Code  
26 section 17403(b), Hemetescrowcompany.com, Hemetescrowinc.net, John Kimball and Skip Merritt  
27 are further ordered to immediately desist and refrain from issuing, circulating, or publishing any  
28 advertisement by means of any communication, including any website, or making use of or

1 circulating any letterheads, billheads, blank notes, blank receipts, blank escrow instructions,  
2 certificates, circulars, or any written or printed paper containing any fictitious or corporate name or  
3 other words indicating that it is in the escrow business. Pursuant to California Financial Code section  
4 17210.2(c), Hemetescrowcompany.com, Hemetescrowinc.net, John Kimball and Skip Merritt are  
5 further ordered to immediately desist and refrain from disseminating, or causing or permitting to be  
6 disseminated, in any manner whatsoever, any statement or representation which is false, misleading,  
7 or deceptive, or which omits to state material information, or which refers to the supervision of that  
8 agent by the State of California or any department or official thereof.

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

12 Dated: May 3, 2006  
13 Sacramento, California

14 WAYNE STRUMPFER  
15 Acting California Corporations Commissioner

16  
17 By: \_\_\_\_\_  
18 ALAN S. WEINGER  
19 Acting Deputy Commissioner  
20 Enforcement Division  
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