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

TO: Kar Globe Escrow Services
Karglobe.com
83 McGowen Street
Houston, TX 77002

319 Matheson Blvd. E
Toronto, ON M8V 1G5
Canada

Peter Johnson
2048 Manor Drive
Lexington, KY 40502

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

The California Corporations Commissioner (“Commissioner”) finds that:

1. Kar Globe Escrow Services, Karglobe.com and Peter Johnson have engaged in business as escrow agents by advertising escrow services over the Internet at www.karglobe.com, from 2001 to the present as follows:

a) Karglobe.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 Karglobe.com, which verifies the payment. Karglobe.com notifies the seller to ship its merchandise and then verifies that the buyer receives the shipment. The buyer accepts the goods. Karglobe.com then pays the seller and the transaction is complete.

b) Kar Globe Escrow Services claims to protect both the buyer and the seller from fraud with this process.

1 c) Kar Globe Escrow Services, Karglobe.com and Peter Johnson have represented
2 themselves to be licensed escrow agents by advertising that they hold Department of Corporations
3 escrow agents' license number 1053-2441.

4 2. Neither , Kar Globe Escrow Services, Karglobe.com nor Peter Johnson has been issued a
5 license from the Commissioner authorizing either to conduct business as an escrow agent, as required
6 by California Financial Code section 17200.

7 3. Neither Kar Globe Escrow Services, Karglobe.com nor Peter Johnson is exempt from the
8 licensing requirements of Section 17200.

9 4. Neither Kar Globe Escrow Services, Karglobe.com nor Peter Johnson has been issued a
10 license from the Commissioner authorizing either to use words indicating that it is in the escrow
11 business, as required by California Financial Code section 17403.

12 5. Kar Globe Escrow Services, Karglobe.com and Peter Johnson have disseminated or caused
13 to be disseminated false, misleading and/or deceptive statements or representations that they hold
14 license number 1053-2441, a license issued by the Department of Corporations.

15 Based upon the foregoing findings, the California Corporations Commissioner is of the
16 opinion that Kar Globe Escrow Services, Karglobe.com and Peter Johnson, and their officers,
17 directors, partners, agents, employees and/or servants are in violation of California Financial Code
18 sections 17200, 17210.2(a) and 17403(a). Pursuant to California Financial Code section 17416, Kar
19 Globe Escrow Services, Karglobe.com and Peter Johnson are hereby ordered to desist and refrain
20 from engaging in the business of receiving escrows for deposit or delivery without first obtaining a
21 license from the Commissioner. Pursuant to California Financial Code section 17403(b), Kar Globe
22 Escrow Services, Karglobe.com and Peter Johnson are further ordered to immediately desist and
23 refrain from issuing, circulating, or publishing any advertisement by means of any communication,
24 including any website, or making use of or circulating any letterheads, billheads, blank notes, blank
25 receipts, blank escrow instructions, certificates, circulars, or any written or printed paper containing
26 any fictitious or corporate name or other words indicating that it is in the escrow business. Pursuant
27 to California Financial Code section 17210.2(c), Kar Globe Escrow Services, Karglobe.com and
28 Peter Johnson are further ordered to immediately desist and refrain from disseminating, or causing or

1 permitting to be disseminated, in any manner whatsoever, any statement or representation which is
2 false, misleading, or deceptive, or which omits to state material information, or which refers to the
3 supervision of that agent by the State of California or any department or official thereof.

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

7 Dated: March 2, 2007
8 Sacramento, California

9 PRESTON DuFAUCHARD
10 California Corporations Commissioner

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12 By: _____
13 SHARON A. LUERAS
14 Lead Corporations Counsel
15 Enforcement Division
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