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STATE OF CALIFORNIA
BUSINESS, CONSUMER SERVICES AND HOUSING AGENCY
DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION

TO: Escrocket.net
www.escrocket.net

DESIST AND REFRAIN ORDER

(For violations of Financial Code sections 17200, 17210.2, and 17403)

The Commissioner of Financial Protection and Innovation finds that:

1. Escrocket.net is a business entity of unknown type with an unknown principal place of business. Escrocket.net maintains a public website at www.escrocket.net.
2. The domain name for Escrocket.net’s website is registered by Namecheap, Inc., a Delaware corporation with its principal place of business at 4600 East Washington Street, Suite 305, Phoenix, Arizona 85034. Namecheap, Inc., also hosts the website’s content.
3. The Commissioner has jurisdiction over the licensing and regulation of persons and entities engaged in the business of receiving escrows for deposit or delivery under the Escrow Law (Fin. Code, § 17000 et seq.).
4. It is “unlawful for any person to engage in business as an escrow agent within this state except by means of a corporation duly organized for that purpose licensed by the commissioner as an escrow agent.” (Fin. Code, § 17200.) “Escrow agent” includes persons engaged in the business of receiving escrows for deposit or delivery over the internet. (§§ 17004.5, 17005.6.)
5. No person undertaking the performance of escrow agent services may “issue, circulate, or publish any advertisement by any means of communication . . . containing any fictitious or corporate name or other words indicating that the person is in the escrow business, unless the person is a licensed escrow agent.” (Fin. Code, § 17403, subd. (a); see § 17005.4.)
6. In addition, no escrow agent “shall disseminate, or cause or permit to be disseminated, in any manner whatsoever, any statement or representation which is false, misleading, or deceptive, or which omits to state material information, or which refers to the supervision of that agent by the

1 State of California or any department or official thereof.” (Fin. Code, § 17210.2, subd. (a).)

2 7. Escroket.net has engaged in the business of an escrow agent over the internet and
3 advertised that it is in the escrow business by offering the following services on its website:

4 a. Escroket.net offers a “Wide Range of Escrow Products,” including “Goods
5 Escrow, “Services Escrow,” and “Cryptocurrency Escrow.”

6 b. Escroket.net offers to facilitate transactions in the following manner: the buyer
7 and seller agree on terms for the sale of goods or services, the buyer sends payment to Escroket.net,
8 the seller delivers the goods or service to the buyer, the buyer “approves” the goods or service, and
9 Escroket.net “releases payment to seller.”

10 8. Escroket.net states on its website that it is “[h]eadquartered in California, . . . licensed,
11 bonded and regularly audited.” Escroket.net also states that it is “fully compliant with all applicable
12 laws and regulations.”

13 9. Escroket.net has not been issued a license by the Commissioner under the Escrow Law
14 and is not authorized to engage in business as an escrow agent in California. Escroket.net is not
15 exempt from the licensing requirements of Financial Code sections 17200 and 17403.

16 10. Under Financial Code section 17416, if, in the opinion of the Commissioner, a person
17 “is engaged, either actually or through subterfuge, in the business of receiving escrows for deposit or
18 delivery” without a license from the Commissioner, the Commissioner “may order that person to
19 desist and to refrain from engaging in that business.”

20 11. Under Financial Code section 17403, subdivision (b), if, in the opinion of the
21 Commissioner, a person has violated section 17403, the Commissioner “may order that person to
22 desist and refrain from that violation.”

23 12. Under Financial Code section 17210.2, subdivision (c), the Commissioner “may order
24 any person to desist from any conduct which the commissioner finds to be a violation” of section
25 17210.2.

26 Based on the foregoing, the Commissioner is of the opinion that Escroket.net has engaged in
27 the business of receiving escrows for deposit or delivery in California without first obtaining a license
28 in violation of Financial Code section 17200.

1 The Commissioner is also of the opinion that Escroket.net has advertised that it is in the
2 escrow business without being a licensed escrow agent in violation of Financial Code section 17403,
3 subdivision (a).

4 The Commissioner is also of the opinion that Escroket.net has disseminated or caused or
5 permitted to be disseminated any statement or representation which is false, misleading, or deceptive,
6 or which omits to state material information, or which refers to the supervision of that agent by the
7 State of California or any department or official thereof in violation of Financial Code section
8 17210.2, subdivision (a).

9 Accordingly, under Financial Code section 17416, Escroket.net is ordered to desist and refrain
10 from engaging in the business of receiving escrows for deposit or delivery in California without first
11 obtaining a license from the Commissioner.

12 Further, under Financial Code section 17403, subdivision (b), Escroket.net is ordered to desist
13 and refrain from issuing, circulating, and publishing any advertisement by any means of
14 communication containing any fictitious or corporate name or other words indicating that it is in the
15 escrow business without first obtaining a license from the Commissioner.

16 Further, under Financial Code section 17210.2, subdivision (c), Escroket.net is ordered to
17 desist from disseminating or causing or permitting to be disseminated any statement or representation
18 which is false, misleading, or deceptive, or which omits to state material information, or which refers
19 to the supervision of that agent by the State of California or any department or official thereof.

20 This Order is necessary, in the public interest, for the protection of consumers, and consistent
21 with the purposes, policies, and provisions of the Escrow Law. This Order shall remain in full force
22 and effect until further order of the Commissioner.

23 Dated: November 12 , 2021
24 Los Angeles, California



25 CHRISTOPHER S. SHULTZ
26 Acting Commissioner of Financial Protection and Innovation

27 By _____
28 MARY ANN SMITH
Deputy Commissioner
Enforcement Division