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

**TO:** Centralescrowinc.com  
17 East 94 Street  
New York, NY 10128

Karen Hewitt  
12886 St. John  
Pilot Point, TX 76258

**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. Centralescrowinc.com and Karen Hewitt have engaged in the business of an escrow agent by advertising escrow services over the Internet at [www.centralescrowinc.com](http://www.centralescrowinc.com), from 2004 to the present as follows:

a) Centralescrowinc.com represents on its website that the process works as follows: The buyer and seller agree to the terms of the transaction. The buyer pays Centralescrowinc.com, which verifies the payment. Centralescrowinc.com notifies the seller to ship its merchandise and then verifies that the buyer receives the shipment. The buyer accepts the goods. Centralescrowinc.com then pays the seller and the transaction is complete.

b) Centralescrowinc.com claims to protect both the buyer and the seller from fraud with this process.

c) Centralescrowinc.com and Karen Hewitt have represented themselves to be licensed escrow agents by advertising that the company is Central Escrow, Inc., located in Los Angeles, California, and that it holds Department of Corporations escrow agents' license number 963-1254. In fact, the Department of Corporations issued escrow license number 963-1254 to

1 Central Escrow, Inc., in Los Angeles, California, on April 23, 2001. Centralescrowinc.com is not a  
2 website of Central Escrow, Inc.

3 d) Centralescrowinc.com and Karen Hewitt have represented that the escrow services  
4 provided by Centralescrowinc.com are provided by Internet Escrow Services (IES), and that IES is  
5 “fully licensed and accredited as an escrow company and is subject to compliance with all applicable  
6 escrow regulations.” In fact, IES is an affiliate of Escrow.com and Centralescrowinc.com is not  
7 affiliated with either IES or Escrow.com.

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9 2. Neither Centralescrowinc.com nor Karen Hewitt has been issued a license from the  
10 Commissioner authorizing them to conduct business as an escrow agent, as required by California  
11 Financial Code section 17200.

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13 3. Neither Centralescrowinc.com nor Karen Hewitt is exempt from the licensing  
14 requirements of Section 17200.

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16 4. Neither Centralescrowinc.com nor Karen Hewitt has been issued a license from the  
17 Commissioner authorizing them to use words indicating that they are in the escrow business, as  
18 required by California Financial Code section 17403.

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20 5. Centralescrowinc.com and Karen Hewitt have disseminated or caused to be disseminated  
21 false, misleading and/or deceptive statements or representations which refer to  
22 Centralescrowinc.com’s affiliation with IES, when, in fact, Centralescrowinc.com is not affiliated  
23 with IES in any way.

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25 Based upon the foregoing findings, the California Corporations Commissioner is of the opinion that  
26 Centralescrowinc.com and Karen Hewitt and their officers, directors, partners, agents, employees  
27 and/or servants are in violation of California Financial Code sections 17200, 17210.2(a) and  
28 17403(a). Pursuant to California Financial Code section 17416, Centralescrowinc.com and Karen

1 Hewitt are hereby ordered to desist and refrain from engaging in the business of receiving escrows  
2 for deposit or delivery without first obtaining a license from the Commissioner. Pursuant to  
3 California Financial Code section 17403(b), Centralescrowinc.com and Karen Hewitt are further  
4 ordered to immediately desist and refrain from issuing, circulating, or publishing any advertisement  
5 by means of any communication, including any website, or making use of or circulating any  
6 letterheads, billheads, blank notes, blank receipts, blank escrow instructions, certificates, circulars, or  
7 any written or printed paper containing any fictitious or corporate name or other words indicating that  
8 they are in the escrow business. Pursuant to California Financial Code section 17210.2(c),  
9 Centralescrowinc.com and Karen Hewitt 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 which is false, misleading, or deceptive, or which omits to state material  
12 information, or which refers to the supervision of that agent by the State of California or any  
13 department or official thereof. Centralescrowinc.com and Karen Hewitt are further ordered to  
14 immediately desist and refrain from disseminating or causing or permitting to be disseminated, in any  
15 manner whatsoever, any statement or representation that Centralescrowinc.com is in any manner  
16 associated with IES.

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

21 Dated: July 12, 2005  
22 Sacramento, California

23 WAYNE STRUMPFER  
24 Acting California Corporations Commissioner

25  
26 By: \_\_\_\_\_  
27 ALAN S. WEINGER  
28 Acting Deputy Commissioner  
Enforcement Division