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

TO: Whyescrow.org
Sawyers Lawn 3
London W13 0-JP
United Kingdom

Derek Bonikowski
4523 Avenue C
Austin, Texas 78751

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. Whyescrow.org and Derek Bonikowski have engaged in the business of an escrow agent by advertising escrow services over the Internet at www.whyescrow.org from 2005 to the present as follows:

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

b) Whyescrow.org and Derek Bonikowski represent on the Whyescrow.org website that their process protects both the buyer and the seller from fraud.

c) Whyescrow.org and Derek Bonikowski have represented themselves to be licensed escrow agents by advertising that the company holds Department of Corporations escrow agents’

1 license number 963-2215. In fact, the Department of Corporations issued escrow license number
2 963-2215 to Why Escrow Co., in Los Angeles, California, on April 21, 2005. Whyescrow.org is not
3 a website of Why Escrow Co.

4 d) Whyescrow.org and Derek Bonikowski have represented that Whyescrow.org is
5 affiliated with Internet Escrow Services (IES). In fact, IES is an affiliate of Escrow.com and
6 Whyescrow.org is not affiliated with either IES or Escrow.com.

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8 2. Neither Whyescrow.org nor Derek Bonikowski has been issued a license from the
9 Commissioner authorizing them to conduct business as an escrow agent, as required by California
10 Financial Code section 17200.

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12 3. Neither Whyescrow.org nor Derek Bonikowski is exempt from the licensing requirements
13 of Section 17200.

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15 4. Neither Whyescrow.org nor Derek Bonikowski has been issued a license from the
16 Commissioner authorizing them to use words indicating that they are in the escrow business, as
17 required by California Financial Code section 17403.

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19 5. Whyescrow.org and Derek Bonikowski have disseminated or caused to be disseminated
20 false, misleading and/or deceptive statements or representations which refer to Whyescrow.org's
21 affiliation with IES, when, in fact, Whyescrow.org is not affiliated with IES or Escrow.com.

22
23 Based upon the foregoing findings, the California Corporations Commissioner is of the opinion that
24 Whyescrow.org and Derek Bonikowski, and their officers, directors, partners, agents, employees
25 and/or servants are in violation of California Financial Code sections 17200, 17210.2(a) and
26 17403(a). Pursuant to California Financial Code section 17416, Whyescrow.org and Derek
27 Bonikowski are hereby ordered to desist and refrain from engaging in the business of receiving
28 escrows for deposit or delivery without first obtaining a license from the Commissioner. Pursuant to

1 California Financial Code section 17403(b), Whyescrow.org and Derek Bonikowski are further
 2 ordered to immediately desist and refrain from issuing, circulating, or publishing any advertisement
 3 by means of any communication, including any website, or making use of or circulating any
 4 letterheads, billheads, blank notes, blank receipts, blank escrow instructions, certificates, circulars, or
 5 any written or printed paper containing any fictitious or corporate name or other words indicating that
 6 they are in the escrow business. Pursuant to California Financial Code section 17210.2(c),
 7 Whyescrow.org and Derek Bonikowski are further ordered to immediately desist and refrain from
 8 disseminating, or causing or permitting to be disseminated, in any manner whatsoever, any statement
 9 or representation which is false, misleading, or deceptive, or which omits to state material
 10 information, or which refers to the supervision of that agent by the State of California or any
 11 department or official thereof. Whyescrow.org and Derek Bonikowski are further ordered to
 12 immediately desist and refrain from disseminating or causing or permitting to be disseminated, in any
 13 manner whatsoever, any statement or representation that Whyescrow.org is in any manner associated
 14 with IES.

15
 16 This Order is necessary, in the public interest, for the protection of investors and consistent with the
 17 purposes, policies and provisions of the California Escrow Law. This order shall remain in full force
 18 and effect until further order of the California Corporations Commissioner.

19 Dated: May 2, 2005
 20 Sacramento, California

21 WAYNE STRUMPFER
 22 Acting California Corporations Commissioner

23
 24 By: _____
 25 ALAN WEINGER
 26 Acting Deputy Commissioner
 27 Enforcement Division
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