

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

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

TO: Inderpal S. Guglani
WEBSOFT, INC. d/b/a GURU.COM
d/b/a SAFEPAY ESCROW SERVICES
5001 Baum Blvd., Suite 760
Pittsburgh, PA 15213

DESIST AND REFRAIN ORDER
(For violations of Financial Code sections 17200 & 17403)

The California Corporations Commissioner finds that:

1. Websoft, Inc. d/b/a Guru.com (Guru.com); d/b/a SafePay Escrow Services (SafePay Escrow) and Inderpal S. Guglani (Guglani) have engaged in the business of an escrow agent by advertising escrow services over the Internet at <http://www.guru.com/> as follows:

a) Guru.com represents on its website that it is a privately-owned business, founded in 1997 by Guglani and presently located at 5001 Baum Blvd., Suite 760, Pittsburgh, PA 15213.

b) Beginning in at least April 2009 and continuing thereafter, Guru.com engaged in business as an Internet escrow agent by handling escrow transactions for sellers and buyers of freelance professional services through a process it calls SafePay Escrow Services

c) Through its website, Guru.com instructs the buyer of freelance services to establish an “Escrow Account” along with the seller (referred to as a “pro”) as follows: “After approving the Project Agreement, ask the pro to create an Escrow Request in the agreed-upon amount. Guru.com will send you an email prompting you to pay the amount to Guru.com, before the pro begins work. Guru.com holds this money in a secure, neutral Escrow Account. No money will be released to the pro until you confirm that the work has been completed to your satisfaction.”

1 d) Further, the Guru.com website describes the legal relationship of the
2 parties using SafePay Escrow as follows: “Guru.com acts as your agent based upon your
3 direction and your requirements to perform tasks on your behalf...you appoint Guru.com as your
4 agent to obtain the funds on your behalf and to transfer the funds to the recipient that you
5 designate....”

6 e) Guru.com promises “guaranteed transaction security” through SafePay
7 Escrow. Guru.com is offering its SafePay Escrow Services via its website without prohibiting
8 the use of its services to the residents of any particular state, including California.

9 2. Guglani, Guru.com, or SafePay Escrow have not been issued a license by the
10 Commissioner authorizing them to engage in business as an escrow agent under California
11 Financial Code section 17200.

12 3. Guglani, Guru.com, or SafePay Escrow is not exempt from the licensing
13 requirements of California Financial Code section 17200.

14 4. Guglani, Guru.com, or SafePay Escrow, have not been issued a license from the
15 Commissioner authorizing them to use words indicating that they are in the escrow business, as
16 required by California Financial Code section 17403.

17 California Financial Code section 17200 provides:

18 It shall be unlawful for any person to engage in business as an escrow agent
19 within this State except by means of a corporation duly organized for that purpose
20 licensed by the commissioner as an escrow agent.

21 California Financial Code section 17403 provides:

22 (a) No person subject to this division shall issue, circulate, or publish any
23 advertisement by any means of communication, or make use of or circulate any
24 letterheads, billheads, blank notes, blank receipts, blank escrow instructions,
25 certificates, circulars, or any written, printed, partially written or printed paper
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.

26 (b) If, in the opinion of the commissioner, any person, has violated this section, the
27 commissioner may order that person to desist and refrain from that violation. If,
28 within 30 days after the order is served, a request for a hearing is filed in writing and
the hearing is not held within 60 days thereafter, the order is rescinded.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

California Financial Code section 17416 provides:

Whenever in the opinion of the commissioner any person, except as named in Section 17006, is engaged, either actually or through subterfuge, in the business of receiving escrows for deposit or delivery as defined in this division, without a license from the commissioner, the commissioner may order that person to desist and refrain from engaging in that business. If, within 30 days after such an order is served, a request for a hearing is filed in writing and the hearing is not held within 60 days thereafter, the order is rescinded.

By reason of the foregoing, Guglani, Guru.Com, and Safepay Escrow and their officers, directors, partners, agents, employees and/or servants have engaged in an unlicensed escrow business in violation of Financial Code Section 17200 and have used words indicating that they are in the escrow business in violation of Financial Code Section 17403.

Pursuant to Financial Code sections 17403 and 17416, Inderpal S. Guglani, Websoft, Inc. d/b/a Guru.Com; d/b/a Safepay Escrow Services, are hereby ordered to desist and refrain from engaging in the business of receiving escrows for deposit or delivery without first obtaining a license from the Commissioner, or otherwise being exempt, and from issuing, circulating, or publishing any advertisement by any means of communication, or making use of or circulating any letterheads, billheads, blank notes, blank receipts, blank escrow instructions, certificates, circulars, or any written, printed, partially written or printed paper containing any name or other words indicating that any of them are in the escrow business.

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

Dated: April 14, 2011
Los Angeles, California

PRESTON DuFAUCHARD
California Corporations Commissioner

By _____
Alan S. Weinger
Deputy Commissioner
Enforcement Division