

1 PRESTON DuFAUCHARD  
 California Corporations Commissioner  
 2 WAYNE STRUMPFER  
 Deputy Commissioner  
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 Lead Corporations Counsel  
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 Senior Corporations Counsel  
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 7 Attorneys for Complainant

8  
 9 BEFORE THE DEPARTMENT OF CORPORATIONS  
 10 OF THE STATE OF CALIFORNIA

11 In the Matter of THE CALIFORNIA	)	File No.: 963-2177
12 CORPORATIONS COMMISSIONER,	)	
	)	ORDER TO DISCONTINUE ESCROW
13 Complainant,	)	ACTIVITIES PURSUANT TO CALIFORNIA
	)	FINANCIAL CODE SECTION 17415
14 vs.	)	
	)	
15 TOP ESCROW, INC.,	)	
	)	
17 Respondent.	)	

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 19 TO: TOP ESCROW, INC.  
 14252 Culver Drive, #D  
 20 Irvine, California 92604

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 22 THE CALIFORNIA CORPORATIONS COMMISSIONER FINDS THAT:  
 23 TOP ESCROW, INC. does not have a person stationed at its licensed location that meets the  
 24 experience requirements of Financial Code section 17200.8;  
 25 TOP ESCROW, INC. has failed to maintain at all times the tangible net worth requirement of  
 26 Financial Code section 17210, subsection (a).  
 27 TOP ESCROW, INC. has failed to maintain books and records in accordance with the Escrow  
 28 Law (California Financial Code sections 17000 et seq.) as follows:

1           1.     TOP ESCROW, INC. has not reconciled its trust account since its licensure on  
2 December 23, 2005 in violation of Financial Code section 17404 and California Code of Regulations,  
3 title 10, sections 1732 and 1732.2.

4           2.     TOP ESCROW, INC. has failed to prepare monthly escrow liability reports since its  
5 licensure on December 23, 2005 in violation of Financial Code section 17404 and California Code of  
6 Regulations, title 10, sections 1732 and 1732.2.

7           3.     TOP ESCROW, INC. has failed to prepare general ledgers and general account bank  
8 reconciliation since its licensure on December 23, 2005 in violation of Financial Code section 17404  
9 and California Code of Regulations, title 10, sections 1732 and 1732.3.

10          4.     TOP ESCROW, INC. has failed to prepare a manual control since its licensure on  
11 December 23, 2005 in violation of Financial Code section 17404 and California Code of Regulations,  
12 title 10, sections 1732 and 1732.2.

13          5.     TOP ESCROW, INC. failed to timely file its 2006 fiscal year annual audit report  
14 (“Audit Report”), due April 16, 2007, in violation of Financial Code section 17406, subsection (a).  
15 TOP ESCROW, INC. was given an extension to file the Audit Report until April 30, 2007. TOP  
16 ESCROW, INC., however, did not file the Audit Report until May 24, 2007 and it contained many  
17 deficiencies. Moreover, TOP ESCROW INC.’s filing of the Audit Report was not in conformity with  
18 Financial Code section 17406, subsection (j).

19           As a result of TOP ESCROW, INC.’s failure to maintain proper books and records, the  
20 Commissioner has been unable to determine whether a shortage exists in the trust account of TOP  
21 ESCROW, INC.

22           Based upon the foregoing, TOP ESCROW, INC. is conducting escrow business in such an  
23 unsafe and injurious manner as to render further operations hazardous to the public or to customers.

24           NOW, BASED ON THE FOREGOING, AND GOOD CAUSE APPEARING THEREFORE,  
25 it is hereby ORDERED, under the provisions of California Financial Code section 17415, that TOP  
26 ESCROW, INC. immediately discontinue acceptance of any new escrow or joint control business,  
27 and of money, documents or other property in connection therewith.  
28

1 This order is to remain in full force and effect until further order of the California  
2 Corporations Commissioner.

3 California Financial Code section 17415 provides as follows:

4 (a) If the commissioner, as a result of any examination or from any  
5 report made to him or her, shall find that any person subject to this  
6 division is in an insolvent condition, is conducting escrow business in  
7 such an unsafe or injurious manner as to render further operations  
8 hazardous to the public or to customers, has failed to comply with  
9 the provisions of Section 17212.1 or 17414.1, has permitted its tangible  
10 net worth to be lower than the minimum required by law, has failed to  
11 maintain its liquid assets in excess of current liabilities as set forth in  
12 Section 17210, or has failed to comply with the bonding requirements  
13 of Chapter 2 (commencing with Section 17200) of this division, the  
14 commissioner may, by an order addressed to and served by registered  
15 or certified mail or by personal service on such person and on any other  
16 person having in his or her possession or control any escrowed funds,  
17 trust funds or other property deposited in escrow with said person,  
18 direct discontinuance of the disbursement of trust funds by the parties  
19 or any of them, the receipt of trust funds, the delivery or recording of  
20 documents received in escrow, or other business operations. No person  
21 having in his or her possession any of these funds or documents shall be  
22 liable for failure to comply with the order unless he or she has received  
23 written notice of the order. Subject to subdivision (b), the order shall remain  
24 in effect until set aside by the commissioner in whole or in part, the person  
25 has been adjudged bankrupt, or pursuant to Chapter 6 (commencing with  
26 Section 17621) of this division the commissioner has assumed possession  
27 of the escrow agent.

19 (b) Within 15 days from the date of an order pursuant to subdivision (a),  
20 the person may request a hearing under the Administrative Procedure Act,  
21 Chapter 5 (commencing with Section 11500) of Division 3 of Title 2 of the  
22 Government Code. Upon receipt of a request, the matter shall be set for hearing  
23 to commence within 30 days after such receipt unless the person subject  
24 to this division consents to a later date. If no hearing is requested within  
25 15 days after the mailing of service of such notice and none is ordered by  
26 the commissioner, the failure to request a hearing shall constitute a waiver  
27 of the right for a hearing. Neither the request for a hearing nor the hearing  
28 itself shall stay the order issued by the commissioner under subdivision (a).

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Dated: September 12, 2007  
Los Angeles, CA

PRESTON DuFAUCHARD  
California Corporations Commissioner

By: \_\_\_\_\_  
ALAN S. WEINGER  
Lead Corporations Counsel  
Enforcement Division

