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California Corporations Commissioner
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8
9 BEFORE THE DEPARTMENT OF CORPORATIONS
10 OF THE STATE OF CALIFORNIA

11 In the Matter of the Accusation of) File No.: 963-2177
12 THE CALIFORNIA CORPORATIONS)
13 COMMISSIONER,) **ORDER REVOKING ESCROW AGENT’S**
14) **LICENSE PURSUANT TO FINANCIAL**
15 Complainant,) **CODE 17423;**
16 vs.) **ORDER BARRING ALEXIS C. KIM FROM**
17 TOP ESCROW, INC. and ALEXIS C. KIM) **EMPLOYMENT, MANAGEMENT OR**
18 Respondents.) **CONTROL OF ESCROW AGENT**
) **PURSUANT TO FINANCIAL CODE 17608,**

19 The California Corporations Commissioner finds:

20 I

21 1. Respondent Top Escrow, Inc. (“Top Escrow”) is an escrow agent licensed by the
22 California Corporations Commissioner (“Commissioner” or “Complainant”) pursuant to the Escrow
23 Law of the State of California (California Financial Code section 17000 et seq.).

24 2. Respondent Alexis C. Kim (“Kim”) was during the time relevant herein the president
25 and owner of Top Escrow.

26 3. On or about August 2, 2007, the Commissioner commenced a regulatory examination
27 of the books and records of Top Escrow. During the regulatory examination, the Commissioner
28 discovered the following:

1 A. Top Escrow did not have a person stationed at its licensed location that meets the
2 experience requirements of Financial Code section 17200.8;

3 B. Top Escrow failed to maintain at all times the tangible net worth requirement of
4 Financial Code section 17210, subsection (a).

5 C. Top Escrow failed to maintain books and records in accordance with the Escrow Law
6 of the State of California as follows:

7 1. Top Escrow has not reconciled its trust account since its licensure on
8 December 23, 2005 in violation of Financial Code section 17404 and California Code of Regulations,
9 title 10, sections 1732 and 1732.2.

10 2. Top Escrow has failed to prepare monthly escrow liability reports since its
11 licensure on December 23, 2005 in violation of Financial Code section 17404 and California Code of
12 Regulations, title 10, sections 1732 and 1732.2.

13 3. Top Escrow has failed to prepare general ledgers and general account bank
14 reconciliations since its licensure on December 23, 2005 in violation of Financial Code section 17404
15 and California Code of Regulations, title 10, sections 1732 and 1732.3.

16 4. Top Escrow has failed to prepare a manual control since its licensure on
17 December 23, 2005 in violation of Financial Code section 17404 and California Code of Regulations,
18 title 10, sections 1732 and 1732.2.

19 5. Top Escrow failed to timely file its 2006 fiscal year annual audit report (“Audit
20 Report”), due April 16, 2007, in violation of Financial Code section 17406, subsection (a). Top
21 Escrow was given an extension to file the Audit Report until April 30, 2007. Top Escrow, however,
22 did not file the Audit Report until May 24, 2007 and it contained many deficiencies. Moreover, Top
23 Escrow’s filing of the Audit Report was not in conformity with Financial Code section 17406,
24 subsection (j).

25 4. As a result of Top Escrow’s failure to maintain proper books and records, the
26 Commissioner has been unable to determine whether a shortage exists in the trust account of Top
27 Escrow.
28

1 5. On September 12, 2007, the Commissioner issued an Order to Discontinue Escrow
2 Activities Pursuant to California Financial Code section 17415 against Respondent Top Escrow. The
3 Order was subsequently served at Top Escrow’s last known business location at 14252 Culver Drive,
4 #D, Irvine, California 92604.

5 6. On November 8, 2007, Top Escrow’s bond was cancelled and a new bond has not
6 been obtained in violation of Financial Code section 17202.

7 7. Complainant finds that, by reason of the foregoing, Respondents have violated
8 Financial Code sections 17200.8; 17202; 17210, subsection (a); 17404; 17406, subsections (a) and
9 (j); and California Code of Regulations, title 10, sections 1732, 1732.2, and 1732.3 which constitute
10 grounds pursuant to Financial Code section 17423 and 17608 to revoke Top Escrow Inc.’s escrow
11 agent’s license and to bar Respondent Alexis C. Kim from any position or employment, management,
12 or control of any escrow agent.

13 8. On November 16, 2007, the Commissioner issued and served by certified return
14 receipt mail, on November 19, 2007, the Notice of Intention to Issue Order Revoking Escrow Agent’s
15 License and to Issue Order Pursuant to Section 17423 (Bar from Employment, Management or
16 Control of Escrow Agent). Also issued and served were the Accusation, Statement to Respondent,
17 Notice of Defense, and Government Code Sections 11507.5, 11507.6 and 11507.7. The Complainant
18 has received no request for a hearing from Kim and the time to request a hearing has expired.

19 NOW GOOD CAUSE APPEARING THEREFORE, pursuant to Financial Code section
20 17608, subsections (a) and (b), it is hereby ordered that Top Escrow, Inc.’s escrow agent license is
21 revoked. Furthermore, pursuant to 17423, subsection (a)(1), it is ordered that Alexis C. Kim be
22 barred from any position of employment, management or control of any escrow agent.

23 Dated: February 4, 2008
24 Los Angeles, CA

PRESTON DuFAUCHARD
California Corporations Commissioner

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27 By: _____
ALAN S. WEINGER
28 Lead Corporations Counsel