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10 BEFORE THE DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION  
11 OF THE STATE OF CALIFORNIA

12 In the Matter of:

14 THE COMMISSIONER OF FINANCIAL  
PROTECTION AND INNOVATION,

16 Complainant,

18 v.

19 ANTHONY BAEZ,

21 Respondent.

ACCUSATION IN SUPPORT OF ORDER  
BARRING RESPONDENT FROM ANY  
POSITION OF EMPLOYMENT,  
MANAGEMENT, OR CONTROL OF ANY  
ESCROW AGENT

(Fin. Code, § 17423)

22 The Complainant, Commissioner of Financial Protection and Innovation, brings this action  
23 in the public interest and alleges and charges as follows:

24 **I.**

25 **Introduction**

26 1. The Commissioner is authorized to administer and enforce the provisions of the  
27 California Escrow Law (Escrow Law) (Fin. Code, § 17000 et seq.) and the rules and regulations  
28 promulgated in title 10 of the California Code of Regulations (CCR).

1           2.       At all relevant times, Driven Escrow Services, Inc. (Driven Escrow) was a licensed  
2 escrow agent with its principal place of business located at 1940 W. Orangewood Avenue, Suite  
3 110-3, Orange, California 92868.

4           3.       At all relevant times, Anthony Baez (Baez) was the president, co-owner and control  
5 person of Driven Escrow.

6           4.       Under the provisions of Financial Code section 17423, the Commissioner as head of  
7 the Department of Financial Protection and Innovation (DFPI) brings this action to bar Baez from  
8 any position of employment, management, or control of any escrow agent. Baez, while acting as the  
9 president, co-owner, and control person of Driven Escrow:

- 10           a.       Knowingly or recklessly directed or participated in activities that constitute theft  
11           or fraud in escrow transactions, in violation of Financial Code section 17414,  
12           subdivision (a)(1);
- 13           b.       Knowingly or recklessly made unauthorized transfers of trust funds, causing a  
14           total trust shortage of \$493,678.00, in violation of Financial Code section 17414,  
15           subdivision (a)(1) and 10 CCR sections 1738 and 1738.2;
- 16           c.       Conducted escrow business in such an unsafe or injurious manner as to render  
17           further operations hazardous to the public or to customers, in violation of  
18           Financial Code section 17415;
- 19           d.       Issued checks drawn on the trust account without sufficient credit balance to pay  
20           the sellers' proceeds, in violation of 10 CCR section 1741.2;
- 21           e.       Failed to provide the Commissioner with complete books and records, and escrow  
22           files necessary to complete the special and regulatory examinations, in violation  
23           of Financial Code section 17405, subdivision (b);
- 24           f.       Failed to file its 2022 annual audit report, in violation of Financial Code section  
25           17406, subdivision (a);
- 26           g.       Failed to file its 2022 annual escrow liability report, in violation of Financial  
27           Code section 17348;
- 28           h.       Failed to maintain general ledgers and to reconcile general bank account with

1 general bank account statement at least once a month, in violation of 10 CCR  
2 section 1732.2;

3 i. Failed to meet liquid asset and tangible net worth requirements, in violation of  
4 Financial Code section 17210, subdivision (a);

5 j. Failed to pay its 2022-2023 special assessment in the amount of \$1,000.00, in  
6 violation of Financial Code section 17207, subdivision (h)(2); and

7 k. Closed its business and failed to submit a closing audit report performed by an  
8 independent certified public accountant, in violation of Financial Code  
9 section 17600.

## 10 II.

### 11 Factual Background

12 5. As the president and co-owner of Driven Escrow, Baez exercised control over Driven  
13 Escrow's operations and financial accounts and was responsible for ensuring compliance with the  
14 Escrow Law.

15 6. On January 24, 2023, the DFPI commenced a special examination of Driven Escrow  
16 following notification of irregular transfers of trust funds from the company's trust account to its  
17 general operating account.

18 7. In connection with the examination, the DFPI requested that Driven Escrow produce  
19 its books and records, including but not limited to, statements for its general and trust accounts, trust  
20 account reconciliation reports, and daily transaction reports covering the period from July 2022  
21 through February 2023. Baez, while acting as the president, co-owner, and control person of Driven  
22 Escrow, failed to provide complete documentation in response to this request.

### 23 Fraud, Theft, Unauthorized Fund Transfers and Trust Account Shortages

24 8. Preliminary findings indicated a trust account shortage totaling \$266,500.00,  
25 comprised of unauthorized internal transfers of \$237,500.00 from the trust account to the general  
26 account between October 3, 2022, and February 1, 2023, and two reconciling items resulting in debit  
27 balances of \$29,000.00.

28 9. Trust account reconciliations and bank statements show that Baez ordered dozens of

1 Direct Debit Authorization (DDA) Debit Memos to transfer funds, as well as other fund transfers  
2 from Driven Escrow's trust account to its general account totaling \$237,500.00.

3 10. On February 6, 2023, the DFPI demanded Driven Escrow to cure the \$266,500.00  
4 trust shortage and provide proof of cure.

5 11. On February 7, 2023, Baez provided the DFPI a copy of a check in the amount of  
6 \$266,500.00 issued from The Breakfast Club, LLC (Breakfast Club) and deposited into Driven  
7 Escrow's trust account the same day. Baez was Breakfast Club's managing member. The deposit  
8 was reversed the next day, leaving the trust shortage unresolved.

9 12. On September 7, 2023, the DFPI requested records from 2022–2023, including  
10 account statements and escrow files.

11 13. On or about September 19, 2023, Baez attempted to surrender Driven Escrow's  
12 license but submitted incomplete documentation.

13 14. Due to noncompliance, the DFPI obtained reconciliation reports and bank statements  
14 from third-party sources.

15 15. These records revealed additional trust shortages totaling \$227,178.00 from March  
16 24, 2023 to August 25, 2023, including \$226,478.00 in unauthorized transfers and two reconciling  
17 items resulting in debit balances of \$700.00.

18 16. Between January 31 and August 29, 2023, Driven Escrow disbursed \$120,209.97 to  
19 Anthony Baez and \$63,550.00 to his father, Mark Baez.

20 17. The total unresolved trust shortage was \$493,678.00, which was not cured by Baez or  
21 Driven Escrow. As such, on May 24, 2024, the Commissioner took possession of Driven Escrow's  
22 trust account and appointed a conservator.

23 **Escrow Number 001862-LH**

24 18. A review of Escrow number 001862-LH shows the sellers were owed proceeds in the  
25 total amount of \$645,685.05.

26 19. On September 1, 2023, Driven Escrow issued a check in the amount of \$645,685.05  
27 (check number 6108) to the sellers. The seller tried to cash the check on September 5, 2023. Check  
28 number 6108 was returned due to insufficient funds in Driven Escrow's trust account.

1           20.     Driven Escrow’s trust account had a negative balance as of September 5, 2023.

2           21.     Check number 6108 was cancelled, and Driven Escrow issued check number 6124 in  
3 the amount of \$645,715.05 (\$645,685.05 + \$30 cancelled check fee) to the sellers. The sellers tried  
4 to cash check number 6124 in the amount of \$645,715.05 on September 11, 2023. Check number  
5 6124 also was not processed due to insufficient funds in Driven Escrow’s trust account.

6           22.     Driven Escrow had a negative balance of \$135,760.56 in its trust account as of  
7 September 11, 2023.

8           23.     On September 13, 2023, the sellers received a wire transfer for \$450,000.00.

9           24.     Driven Escrow owed the remaining proceeds of \$195,715.05 to the sellers.

10          25.     The sellers demanded that Driven Escrow pay the remaining proceeds. Driven  
11 Escrow failed to pay the outstanding proceeds.

12          26.     On or about February 22, 2024, the sellers filed a civil complaint against Driven  
13 Escrow and Baez in the Superior Court of California, County of Los Angeles.

14     **Failure to Provide Complete Books and Records and Files**

15          27.     From January 24, 2023 to March of 2024, the DFPI requested Driven Escrow to  
16 provide a list of items needed to conduct the special and regulatory examinations, including, but not  
17 limited to, its financials, trust account and general account statements, escrow files, a closing audit  
18 report, and a report showing proof that it had corrected the trust shortage and paid the sellers’  
19 remaining proceeds.

20          28.     Driven Escrow provided incomplete information and failed to produce all the  
21 requested information.

22          29.     On January 12, 2024, the DFPI met with Baez and Driven Escrow’s counsel and  
23 discussed the status of Driven Escrow’s business, the outstanding books and records requests, the  
24 trust account shortage, outstanding and unpaid proceeds, outstanding closing audit report, and other  
25 outstanding issues.

26          30.     On January 16, 2024 and March 28, 2024, the DFPI sent follow-up letters to Driven  
27 Escrow’s counsel and Baez requesting Driven Escrow to produce all the outstanding financials,  
28 reports, and documents, and also demanded that Driven Escrow replenish the trust shortage.

1           31.     Driven Escrow never produced all the requested information, in violation of Financial  
2 Code section 17405, subdivision (b).

3 **Failure to Maintain at All Times the Required Liquid Assets and Tangible Net Worth**

4           32.     Pursuant to Financial Code section 17210, subdivision (a), all licensees under the  
5 Escrow Law are required to maintain at all times a tangible net worth of \$50,000.00, including liquid  
6 assets of at least \$25,000.00 in excess of current liabilities.

7           33.     Driven Escrow’s general account has had a cash balance of less than \$25,000 since  
8 September of 2022, in violation of Financial Code section 17210, subdivision (a).

9 **Failure to Maintain Books with Reference to Escrow Accounts**

10          34.     Driven Escrow failed to maintain general ledgers and reconcile these with general  
11 bank account statements at least once a month as required by 10 CCR section 1732.2.

12 **Failure to File 2022 Annual Audit Report**

13          35.     Financial Code section 17406, subdivision (a) requires all licensees under the Escrow  
14 Law to file an annual audit report containing audited financial statements within 105 days after the  
15 close of the calendar or the licensee’s fiscal year, as applicable. Failure to file the annual audit report  
16 by the deadline subjects licensees to penalties pursuant to Financial Code section 17408.

17          36.     Driven Escrow never filed its annual audit report for its fiscal year ended May 31,  
18 2022, which was due on October 13, 2022, in violation of Financial Code section 17406, subdivision  
19 (a).

20 **Failure to File 2022 Annual Escrow Liability Report**

21          37.     Pursuant to Financial Code section 17348, each escrow licensee is required to furnish  
22 to the DFPI on or before February 15 of each year, an annual escrow liability report, comprising a  
23 schedule of the company’s escrow liability for the prior 12-month period ended December 31, along  
24 with a list of the company’s officers, stockholders, managers, and employees as of that date.

25          38.     As of the date of this notice, Driven Escrow never filed its annual escrow liability  
26 report for the 12-month period ended December 31, 2022, which was due February 15, 2023, in  
27 violation of Financial Code section 17348.

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1 **Failure to Pay Special Assessment**

2 39. Driven Escrow failed to pay a 2022-2023 special assessment levied against them  
3 pursuant to Financial Code section 17207, subdivision (h)(1), in the amount of \$1,000.00 for  
4 estimated expenses associated with the costs of performing the special examination.

5 **Failure to Submit Closing Audit Report**

6 40. On or about September 19, 2023, Baez submitted a request to surrender Driven  
7 Escrow’s license and provided an incomplete surrender package.

8 41. Baez informed the DFPI that he had closed down the business and the accounts.

9 42. On October 13, 2023, the DFPI requested Driven Escrow to comply with Financial  
10 Code section 17600, subdivision (b), including, but not limited to, submitting its closing audit report.

11 43. Driven Escrow never submitted the required closing audit and comply with Financial  
12 Code section 17600, subdivision (b). As such, the surrender remained incomplete.

13 **III.**

14 **Applicable Law**

15 44. Financial Code section 17423 provides in pertinent part:

16 (a) The commissioner may, after appropriate notice and opportunity for  
17 hearing, by order, censure or suspend for a period not exceeding 12  
18 months, or bar from any position of employment, management, or control  
19 any escrow agent, or any other person, if the commissioner finds either of  
20 the following:

21 (1) That the censure, suspension, or bar is in the public interest and that  
22 the person has committed or caused a violation of this division or rule or  
23 order of the commissioner, which violation was either known or should  
24 have been known by the person committing or causing it or has caused  
25 material damage to the escrow agent or to the public.

26 45. Financial Code section 17414 provides in pertinent part:

27 (a) It is a violation for any person subject to this division or any  
28 director, stockholder, trustee, officer, agent, or employee of any such  
person to do any of the following:

(1) Knowingly or recklessly disburse or cause the disbursal of escrow  
funds otherwise than in accordance with escrow instructions, or

1 knowingly or recklessly to direct, participate in, or aid or abet in a  
2 material way, any activity which constitutes theft or fraud in  
3 connection with any escrow transaction.

4 46. Financial Code section 17405 provides in pertinent part:

5 (a) The business, accounts and records of every person performing as  
6 an escrow agent, whether required to be licensed under this division or  
7 not, are subject to inspection and examination by the commissioner at  
8 any time without prior notice. The provisions of this section shall not  
9 apply to persons specified in Section 17006.

10 (b) Any person subject to this division shall, upon request, exhibit and  
11 allow inspection and copying of any books and records by the  
12 commissioner or his or her authorized representative.

13 47. Financial Code section 17406 provides in pertinent part:

14 (a) Each licensee shall submit to the commissioner, at the licensee's  
15 own expense, an audit report containing audited financial statements  
16 covering the calendar year or, if the licensee has an established fiscal  
17 year, then for that fiscal year, within 105 days after the close of the  
18 calendar or fiscal year, as applicable. At that time, each licensee shall  
19 also file additional relevant information as the commissioner may  
20 require.

21 48. Financial Code section 17210 provides in pertinent part:

22 (a) An escrow agent licensed on or after January 1, 1986, shall  
23 maintain at all times a tangible net worth of fifty thousand dollars  
24 (\$50,000), including liquid assets of at least twenty-five thousand  
25 dollars (\$25,000) in excess of current liabilities.

26 49. Financial Code section 17207 provides in pertinent part:

27 The commissioner shall charge and collect the following fees and  
28 assessments:

(h)(2) If payment is not made within 60 days, the commissioner may  
assess and collect a penalty, in addition to the special assessment, of  
10 percent of the special assessment for each month or part of a month  
that the payment is delayed or withheld. If an escrow agent fails to pay  
the special assessment on or before 60 days following the day upon  
which payment is due, the commissioner may by order summarily  
suspend or revoke the certificate issued to the company. If an order is  
made under this subdivision, the provisions of paragraph (5) of

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subdivision (e) shall apply.

50. Financial Code section 17600 provides in pertinent part:

(b) A licensee that ceases to engage in the business regulated by this division and desires to no longer be licensed shall notify the commissioner in writing and, at that time, tender the license and all other indicia of licensure to the commissioner. Within 105 days of the written notice to the commissioner, the licensee shall submit to the commissioner, at its own expense, a closing audit report as of the date the license is tendered to the commissioner for surrender, or for another period as the commissioner may specify, to be performed by an independent certified public accountant. The closing audit shall include, but not be limited to, information required by the commissioner, a bank reconciliation of the trust account, and a verified statement from a certified public accountant confirming lawful disbursement of funds. A license is not surrendered until the commissioner has reviewed and accepted the closing audit report, a determination has been made by the commissioner that acceptance of the surrender is in the public interest, and tender of the license is accepted in writing by the commissioner.

51. Financial Code section 17415 provides in pertinent part:

(a) If the commissioner, as a result of any examination or from any report made to the commissioner, shall find that any person subject to this division is in an insolvent condition, is conducting or has conducted escrow business in such an unsafe or injurious manner as to render further operations hazardous to the public or to customers, is failing or has failed to comply with the provisions of Section 17212.1 or 17414.1, is permitting or has permitted its tangible net worth to be lower than the minimum required by law, is failing or has failed to maintain its liquid assets in excess of current liabilities as set forth in Section 17210, or is failing or has failed to comply with the bonding requirements of Chapter 2 (commencing with Section 17200) of this division, the commissioner may, by an order addressed to and served by registered or certified mail or by personal service on such person and on any other person having in their possession or control any escrowed funds, trust funds, or other property deposited in escrow with said person, direct discontinuance of the disbursement of trust funds by the parties or any of them, the receipt of trust funds, the delivery or recording of documents received in escrow, or other business operations. No person having in their possession any of these funds or documents shall be liable for failure to comply with the order unless they received written notice of the order. Subject to subdivision (b), the order shall remain in effect until set aside by the commissioner in whole or in part, the person is the subject of an order for relief in bankruptcy, or pursuant to Chapter 6 (commencing with Section 17621) of this division the commissioner has assumed possession of the escrow agent.

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52. Financial Code section 17348 provides:

In order to permit Fidelity Corporation to fulfill its obligation under this chapter, the commissioner shall furnish a list of all persons licensed under this division as of December 31 of each year and a copy of an escrow liability schedule filed with the commissioner. Each member on or before February 15 shall furnish to the commissioner and Fidelity Corporation the schedule of its escrow liability for each of its licensed locations as of the last day of each month for the preceding 12 months which ended December 31. A list of officers, directors, stockholders, trustees, agents, managers, and employees as of that date shall also be submitted to Fidelity Corporation, with the schedule. The schedule shall be in the form and contain such information as the commissioner may require.

IV.

Based on the forgoing, the Commissioner finds that Anthony Baez, while acting as the president, co-owner, and control person of Driven Escrow, conducted business in an unsafe and injurious manner and violated Financial Code sections 17414, 17405, 17406, 17348, 17207, 17600 and 17210, and 10 CCR sections 1738, 1732.2, 1738.2 and 1741.2.

It is in the best interest of the public to bar Anthony Baez from any position of employment, management, or control of any escrow agent under section 17423 of the Escrow Law.

WHEREFORE, IT IS PRAYED under the authority of Financial Code section 17423, that Anthony Baez be barred from any position of employment, management, or control of any escrow agent.

Dated: November 18, 2025  
San Diego, California

KHALIL MOHSENI  
Commissioner of Financial Protection and Innovation

By: \_\_\_\_\_  
AFSANEH EGHBALDARI  
Senior Counsel  
Enforcement Division