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10 Attorneys for Complainant

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

13 In the Matter of:

OAH Case No.: 2024120660

14 THE COMMISSIONER OF FINANCIAL
15 PROTECTION AND INNOVATION,

ESCROW LICENSE NO.: 963-2541

16 Complainant,

SETTLEMENT AGREEMENT

17 v.

18 CAPITAL ESCROW, INC.,

Hearing Date: May 6, 2025

Time: 9:00 a.m. PST

Location: 320 West 4th Street, Suite 630

Los Angeles, California 90013

19 Respondent.

Video Hearing

21
22 Complainant, the Commissioner of Financial Protection and Innovation (Commissioner) as
23 head of the Department of Financial Protection and Innovation (Department), and Capital Escrow,
24 Inc. (Respondent) (Collectively, the Parties), enter into this Settlement Agreement with respect to the
25 following facts:

26 **I.**

27 **Recitals**

28 A. The Department through the Commissioner has jurisdiction over the licensing and

1 regulation of persons and entities engaged in the business of escrow agents pursuant to the Escrow
2 Law (Financial Code, section 17000, et seq.) (Escrow Law).

3 B. At all relevant times herein, Respondent was an escrow agent licensed by the
4 Commissioner under the Escrow Law, with its place of business located at 16250 Ventura Blvd.,
5 Suite 115A, Encino, California 91436.

6 C. David Albanese is the sole owner of Respondent and is authorized to enter into this
7 Settlement Agreement on behalf of Respondent.

8 D. On or about April 23, 2019, Respondent submitted a request to surrender its escrow
9 agent's license to the Department.

10 E. In May and June of 2019, the Department notified Respondent about the surrender
11 process requirements as required under Financial Code section 17600, subdivision (b), including, but
12 not limited to, submitting its closing audit, properly reconciling its trust accounts and disbursing the
13 trust funds or escheating them to the state, and returning the license and all other indicia of licensure
14 to the Commissioner.

15 F. Respondent failed to submit its closing audit report and failed to produce all the
16 necessary information as required by Financial Code section 17600, subdivision (b).

17 G. On October 21, 2019, the Department sent a letter notifying Respondent that its
18 closing audit report, and other reports and information required pursuant to Financial Code section
19 17600 were past due.

20 H. The Commissioner never accepted Respondent's surrender request due to its failure to
21 submit the necessary reports and information and its failure to take the necessary actions.

22 I. On December 29, 2020, the Department was notified that Respondent's surety bond
23 would be cancelled effective February 1, 2021. Respondent failed to renew its surety bond, in
24 violation of Financial Code section 17202.

25 J. On November 22, 2024, the Commissioner issued a Notice of Intention to revoke
26 Respondent's Escrow Agent's License. On November 27, 2024 and December 12, 2024, Respondent
27 was served with the Accusation, Notice of Intention, Statement to Respondent, Notice of Defense,
28 and copies of Government Code sections 11507.5, 11507.6, and 11507.7 (collectively, Revocation

1 Action) for violating Financial Code sections 17600 and 17202.

2 K. Respondent timely filed its Notice of Defense, and this matter is currently set for
3 hearing on May 6, 2025, before the Office of Administrative Hearings.

4 L. It is the intention and desire of the Parties to resolve this Revocation Action without
5 the necessity of a hearing and/or other litigation.

6 NOW, THEREFORE, in consideration of the foregoing, and the terms and conditions
7 contained herein, the Parties agree as follows:

8 **II.**

9 **Terms**

10 1. Purpose. This Settlement Agreement resolves the issues before the Commissioner set
11 forth in paragraphs A through L above, in a manner that avoids the expense of a hearing and other
12 possible court proceedings, protects consumers, is in the public interest, and is consistent with the
13 purposes, policies, and provisions of the Escrow Law.

14 2. Waiver of Hearing Rights. Respondent hereby agrees to withdraw its request for an
15 administrative hearing on the Revocation Action. Respondent acknowledges that the Commissioner is
16 ready, willing, and able to proceed with the administrative enforcement action described above in
17 Paragraphs A through G and the Revocation Action. Respondent hereby agrees to withdraw its
18 request for an administrative hearing on the Summary Revocation Order. Respondent hereby waives
19 the right to any hearings and to any reconsideration, appeal, or other right to review which may be
20 afforded by the Escrow Law, the California Administrative Procedure Act (APA), the California Code
21 of Civil Procedure (CCP), or any other provision of law in connection with this matter herein. By
22 waving such rights, Respondent effectively consents to this Settlement Agreement becoming final.

23 3. Closing Audit Report. No later than 90 days from the Effective Date of this Settlement
24 Agreement, as defined in paragraph 28 (Effective Date), Capital Escrow, Inc. shall submit to the
25 Commissioner:

- 26 a. A closing audit report, pursuant to Financial Code section 17600, subdivision (b),
27 prepared by an independent certified public accountant (CPA);
28 b. A verified statement from the CPA confirming lawful disbursement of funds;

- 1 c. Satisfactory proof that Respondent has properly disbursed all remaining trust funds
- 2 and dormant funds to the proper owners and/or proof that the funds have escheated
- 3 to the State Controller's Office; and
- 4 d. Copies of trust bank account reconciliations from October 1, 2018 to September
- 5 30, 2019.

6 The above reports, verified statement, financials and information shall be submitted to Affi
7 Eghbaldari, by e-mail at: affi.eghbaldari@dfpi.ca.gov.

8 4. Attorney's Fees and Investigative Costs. Capital Escrow, Inc. is hereby ordered to pay
9 attorney's fees and investigative costs in the total amount of \$15,000.00, no later than 60 days after
10 the Effective Date of this Settlement Agreement. This payment shall be made payable in the form of
11 a cashier's check or Automated Clearing House deposit to the Department of Financial Protection
12 and Innovation and transmitted to the attention of Accounting – Litigation, at the Department of
13 Financial Protection and Innovation, 651 Bannon Street, Suite 300 Sacramento, CA 95811. Notice of
14 the payment shall be concurrently sent to Affi Eghbaldari, by e-mail at: affi.eghbaldari@dfpi.ca.gov.

15 5. Assessment. Capital Escrow, Inc. is hereby ordered to pay the outstanding assessment
16 for the fiscal year 2019 through 2020 – invoice number ES0116 - in the amount of \$5,600.00, no later
17 than 15 days after the Effective Date of this Settlement Agreement. The assessment shall be made
18 payable in the form of a cashier's check or Automated Clearing House deposit to the Department of
19 Financial Protection and Innovation and transmitted to the attention of Accounting – Litigation, at the
20 Department of Financial Protection and Innovation, 651 Bannon Street, Suite 300 Sacramento, CA
21 95811. Notice of the payment shall be concurrently sent to Affi Eghbaldari, by e-mail at:
22 affi.eghbaldari@dfpi.ca.gov.

23 6. Administrative Penalty. Capital Escrow, Inc. is hereby ordered to pay an
24 administrative penalty in the amount of \$2,500.00, no later than 60 days after the Effective Date of
25 this Settlement Agreement. The penalty shall be made payable in the form of a cashier's check or
26 Automated Clearing House deposit to the Department of Financial Protection and Innovation and
27 transmitted to the attention of Accounting – Litigation, at the Department of Financial Protection and
28 Innovation, 651 Bannon Street, Suite 300 Sacramento, CA 95811. Notice of the payment shall be

1 concurrently sent to Affi Eghbaldari, by e-mail at: affi.eghbaldari@dfpi.ca.gov.

2 7. Representations. Respondent hereby represents and warrants that it has not accepted
3 any new escrows since September of 2019 and further agrees that it will not accept new escrows as it
4 completes the surrender process.

5 8. License Surrender Date. The Escrow Agent’s license of Capital Escrow, Inc. will not
6 be surrendered until the Commissioner has reviewed and accepted all items listed in paragraph 3 and
7 received all the payments set forth in paragraphs 4-6 above, and a determination has been made by
8 the Commissioner that acceptance of the surrender is in the public interest, and tender of the license
9 is accepted in writing by the Commissioner.

10 9. Non-Dischargeable. Respondent further agrees that the attorney’s fees, investigative
11 costs, assessment, penalties described in this Settlement Agreement are non-dischargeable under
12 United States Code, title 11, section 523(a)(7), which provides an exception from discharge for any
13 debt to the extent such debt is for a fine, penalty, or forfeiture payable to and for the benefit of a
14 governmental unit.

15 10. Full and Final Settlement. The parties hereby acknowledge and agree that this
16 Settlement Agreement is intended to constitute a full, final, and complete resolution of the violations
17 described herein, and that no further proceedings or actions will be brought by the Commissioner in
18 connection with these matters except under Escrow Law or any other provision of law, excepting
19 therefrom any proceeding to enforce compliance with the terms of this Settlement Agreement.

20 11. Failure to Comply with Settlement Agreement. Respondent agrees that if it fails to
21 comply with the terms of this Settlement Agreement, including, but not limited to complying with the
22 orders and terms described in paragraphs 3-9 of this Settlement Agreement, the Commissioner may,
23 in addition to all other available remedies he may invoke under the Escrow Law, summarily revoke
24 Respondent’s escrow agent’s license, summarily deny any pending license applications of
25 Respondent and/or its respective owners, affiliates, successors, and assigns, and summarily order
26 Respondent to pay the unpaid attorney’s fees, investigative costs, assessments and penalties.
27 Respondent waives any notice and hearing rights to contest such summary orders which may be
28 afforded under the Escrow Law, the California Administrative Procedure Act, the California Code of

1 Civil Procedure, or any other provision of law in connection therewith. Respondent further agrees
2 that the remaining unpaid balance of the Attorney’s fees, investigative costs, assessment and penalties
3 shall become immediately due and payable, plus interest on the remaining unpaid balance shall
4 thereafter accrue at the rate of 12% per annum, compounded daily from the date of breach, on the
5 remaining unpaid total. Respondent hereby waives any notice and hearing rights, reconsideration,
6 appeal rights, or other rights to review, which may be afforded under the Escrow Law, the California
7 Administrative Procedure Act, the California Code of Civil Procedure, or any other provision of law
8 in connection with any recovery action.

9 12. Information Willfully Withheld or Misrepresented. Notwithstanding paragraph 17
10 below, this Settlement Agreement may be revoked, and the Commissioner may pursue any and all
11 remedies available under law against Respondent if the Commissioner discovers that Respondent
12 knowingly or willfully withheld or misrepresented material information.

13 13. Future Actions by Commissioner. If Respondent fails to comply with any terms of the
14 Settlement Agreement, the Commissioner may institute proceedings for any and all violations
15 otherwise resolved under this Settlement Agreement. The Commissioner reserves the right to bring
16 any future actions against the Respondent, or any of their partners, owners, officers, shareholders,
17 directors, employees or successors for any and all unknown violations of the Escrow Law.

18 14. Assisting Other Agencies. Nothing in this Settlement Agreement limits the
19 Commissioner’s ability to assist a government agency (whether city, county, state, federal, or
20 otherwise) or self-regulatory organization with any administrative, civil, or criminal action brought
21 by that agency or organization based upon any of the activities alleged in this matter or otherwise.

22 15. Headings. The headings to the paragraphs of this Settlement Agreement are inserted
23 for convenience only and will not be deemed a part hereof or affect the construction or interpretation
24 of the provisions hereof.

25 16. Binding. This Settlement Agreement is binding on all heirs, assigns, and/or successors
26 in interest.

27 17. Reliance. Except as stated in paragraph 12 above, each of the parties represents,
28 warrants, and agrees that in executing this Settlement Agreement it has relied solely on the statements

1 set forth herein and the advice of its own counsel, if represented. Except as stated in paragraph 12
2 above, each of the parties further represents, warrants, and agrees that in executing this Settlement
3 Agreement it has placed no reliance on any statement, representation or promise of any other party,
4 or any other person or entity not expressly set forth herein, or upon the failure of any party or any
5 other person or entity to make any statement, representation or disclosure of anything whatsoever.
6 The parties have included this clause: (1) to preclude any claim that any party was in any way
7 fraudulently induced to execute this Settlement Agreement; and (2) to preclude the introduction of
8 parol evidence to vary, interpret, supplement, or contradict the terms of this Settlement Agreement.

9 18. Waiver, Amendments, and Modifications. No waiver, amendment, or modification of
10 the Settlement Agreement will be valid or binding unless it is in writing and signed by each of the
11 parties. The waiver of any provision of this Settlement Agreement will not be deemed a waiver of
12 any other provision. No waiver by either party of any breach of, or compliance with, any condition or
13 provision of this Agreement by the other party will be considered a waiver of any other condition or
14 provision or of the same condition or provision at another time.

15 19. Full Integration. This Settlement Agreement is the final written expression and the
16 complete and exclusive statement of all the agreements, conditions, promises, representations, and
17 covenant between the parties with respect to the subject matter hereof, and supersedes all prior or
18 contemporaneous agreements, negotiations, representations, understandings, and discussions between
19 and among the parties, their respective representatives, and any other person or entity, with respect to
20 the subject matter covered hereby.

21 20. Governing Law. This Settlement Agreement will be governed by and construed in
22 accordance with California law. Each of the parties hereto consents to the jurisdiction of the Superior
23 Court of California for the County of San Diego, and hereby irrevocably waives, to the fullest extent
24 permitted by law, the defense of an inconvenient forum to the maintenance of an action or proceeding
25 in such court relating to this Settlement Agreement.

26 21. Effect Upon Future Proceedings. If Respondent applies for any license, permit,
27 qualification, or registration under the Commissioner's current or future jurisdiction, or are the
28 subject of any future action by the Commissioner to enforce this Settlement Agreement, then the

1 subject matter hereof shall be admitted for the purpose of such application(s) or enforcement
2 proceeding(s).

3 22. Voluntary Agreement. Respondent enters into this Settlement Agreement voluntarily
4 and without coercion and acknowledge that no promises, threats, or assurances have been made by
5 the Commissioner or any offer, or agent thereof, about this Settlement Agreement. The Parties each
6 represent and acknowledge that he, she, or it is executing this Settlement Agreement completely
7 voluntarily and without any duress or undue influence of any kind from any source.

8 23. Independent Legal Advice. Each of the parties represents, warrants, and agrees that in
9 executing this Settlement Agreement it has relied solely on the statements set forth herein and on the
10 advice of its attorney(s) and/or representative(s).

11 24. Counterparts. This Settlement Agreement may be executed in one or more separate
12 counterparts, each of which when so executed, shall be deemed an original. Such counterparts shall
13 together constitute a single document.

14 25. Notice. Any notice required under this Settlement Agreement shall be provided to
15 each party at the following addresses:

16 If to Respondent to: Capital Escrow, Inc.
17 David Albanese
18 teamalbanese@gmail.com

19 If to the Commissioner, to: Affi Eghbaldari, Senior Counsel
20 Enforcement Division
21 Department of Financial Protection and Innovation
22 1455 Frazee Road, Suite 315
23 San Diego, California 92108

24 26. Signatures. A fax or electronic mail signature shall be deemed the same as an original
25 signature.

26 27. Public Record. Respondent hereby acknowledges that this Settlement Agreement is
27 and will be a matter of public record.

28 28. Effective Date. This Settlement Agreement shall become final and effective when
signed by all parties and delivered by the Commissioner's agent via e-mail to Respondent's counsel

1 at jennifer@relawapc.com or tim@relawapc.com.

2 29. Authority to Sign. Each signatory hereto covenants that he/she possesses all necessary
3 capacity and authority to sign and enter into this Settlement Agreement and undertake the obligations
4 set forth herein.

5 IN WITNESS WHEREOF, the parties hereto have approved and executed the Settlement
6 Agreement on the dates set forth opposite their respective signatures.

7 Dated: May 1, 2025

KHALIL MOHSENI
Commissioner of Financial Protection and Innovation



8
9 By: _____
10 MARY ANN SMITH
11 Deputy Commissioner
12 Enforcement Division

13
14 CAPITAL ESCROW, INC.

15 Dated: May 1, 2025

16 By: _____
17 DAVID ALBANESE, as the owner and on behalf of Capital
18 Escrow, Inc.

19 APPROVED AS TO FORM AND CONTENT

20 Dated: May 1, 2025

21 By: _____
22 JENNIFER FELTEN, ESQ.
23 TIMOTHY S. CAMARENA, ESQ.
24 RELAW, APC
25 Counsel for Capital Escrow, Inc.