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

In the Matter of:	)	ESCROW LICENSE NO.: 96DBO-141737
	)	
	)	ACCUSATION TO REVOKE ESCROW
THE COMMISSIONER OF FINANCIAL	)	AGENT LICENSE
PROTECTION AND INNOVATION,	)	
	)	
	)	
Complainant,	)	
v.	)	
	)	
GROW ESCROW, INC.,	)	
	)	
	)	
Respondent.	)	

The Commissioner of Financial Protection and Innovation (Commissioner), brings the action in the public interest and alleges and charges as follows:

I.

Introduction

1. The Commissioner is authorized to administer and enforce the provisions of the California Escrow Law (Escrow Law) (Fin. Code § 17000 et seq.).
2. The Commissioner as head of the Department of Financial Protection and Innovation

(Department) brings this action pursuant to Financial Code section 17608.

3. The Commissioner seeks to revoke the escrow agent license (license number 96DBO-141737) issued to Grow Escrow, Inc. (Grow Escrow) based upon its violations of the Escrow Law, including unauthorized disbursement and misappropriation of trust funds, commingling, failure to report trust shortages, failure to maintain records, failure to notify the Department of a change of business address, and failure to produce escrow records for examination.

4. Grow Escrow is an escrow agent licensed by the Commissioner under the Escrow Law with its place of business formally located at 8624 Wilshire Blvd., Suite 110, Beverly Hills, California 90211. Grow Escrow received its escrow agent license from the Commissioner on October 7, 2021.

5. At all relevant times, Parham Zar (Zar) is the President and Owner of Grow Escrow.

II.

Violations of the Escrow Law

A. Failure to Provide Books and Records

6. The Department commenced a special examination of Grow Escrow's books and records on December 15, 2023, after it received information about missing funds from Grow Escrow's trust account.

7. On December 15, 2023, the Department requested cut-off bank statements, bank signature cards, and other related escrow books and records from Grow Escrow.

8. On December 19, 2023, Zar submitted a Summary of Personnel to the Department examiner (Examiner), indicating he is the president and sole employee of Grow Escrow. However, the bank signature cards for the escrow trust account included signatures of two former employees, violating trust account signature card update requirements.

9. From December 21, 2023 to January 11, 2024, the Department Examiner requested various items for the special examination of Grow Escrow, including escrow books and records, trust account bank reconciliation, financials, and escrow status reports. Grow Escrow provided incomplete information.

10. On January 11 and March 25, 2024, the Department sent follow-up letters to Grow

Escrow and Zar requesting all outstanding financials, reports, and documents, and demanded that Grow Escrow replenish the trust shortage. Grow Escrow failed to provide the requested information and failed to replenish the trust shortage.

11. Due to Grow Escrow's failure to provide all the requested records, the Department obtained certain trust account reconciliation reports, bank statements and other documents from Grow Escrow's bank, City National Bank (City National) and the escrow software company, Qualia Labs, Inc. (Qualia). Qualia advised the Department that Grow Escrow stopped using Qualia software in September 2023, and thus, no there were no documents after that date in their possession.

12. Financial Code section 17405, subdivision (b), requires escrow licensees to provide books and records to the Commissioner upon request. Grow Escrow failed to produce all the requested information. As a result, Grow Escrow is in violation of Financial Code section 17405, subdivision (b), and California Code of Regulations, title 10, section 1737.3.

B. Unauthorized Disbursements

13. The special examination revealed that between March 9, 2023 and January 16, 2024, Grow Escrow knowingly or recklessly made unauthorized disbursements and transfers from its escrow trust account totaling approximately \$850,000, in violation of Financial Code section 17414, subdivisions (a)(1) and (b), and California Code of Regulations, title 10, sections 1738, 1738.1, and 1738.2.

14. The Department's review of bank records confirmed a series of unauthorized transfers made to Greenway Commercial Holdings Ltd. and to Grow Escrow's general account without corresponding escrow instructions. The list of funds transferred out of the Grow Escrow trust account is as follows:

Method of Transfer	Date of Transfer	Amount	Beneficiary Party
Check	3/9/2023	\$250,000.00	Greenway Commercial Holdings Ltd.
Bank Transfer	11/9/2023	\$300,000.00	Grows Escrow – General

			Account ¹
Outgoing wire	11/21/2023	\$100,000.00	Greenway Commercial Holdings Ltd.
Outgoing wire	12/18/2023	\$50,000.00	Greenway Commercial Holdings Ltd.
Outgoing wire	12/26/2023	\$50,000.00	Greenway Commercial Holdings Ltd.
Outgoing wire	1/8/2024	\$50,000.00	Greenway Commercial Holdings Ltd.
Outgoing wire	1/16/2024	\$50,000.00	Greenway Commercial Holdings Ltd.
Total:		\$850,000.00	

15. Specifically, based on the Examiner’s review of Grow Escrow’s bank statements requested and received directly from City National, Grow Escrow’s bank reconciliation revealed an unreconcilable amount debit balance totaling \$250,000.00 as of March 31, 2023. The trial balance as of December 15, 2023, showed the debit balance of \$250,000.00 recorded under an escrow number labeled “Miscellaneous,” and without any associated property address. On March 9, 2023, a \$250,000.00 check was issued to Greenway Commercial Holdings Ltd. and was signed by Zar. However, this check was not listed on the book balance debit check listing report. Additionally, the debit book balance report from March 1, 2023 to March 31, 2023 did not reflect the check. Instead, it showed a miscellaneous entry for \$250,000.00 dated March 9, 2023.

16. Greenway Commercial Holdings Ltd. held a California Department of Real Estate license (License Number 02039258).² The California Department of Real Estate license for Greenway Commercial Holdings Ltd. expired on July 2, 2025. According to its California Secretary of State Statement of Information filed on March 2, 2022, Zar was listed as the Chief Executive Officer, Secretary, Chief Financial Officer, and Director. Grow Escrow and Zar failed to disclose

¹ This amount was later transferred from Grow Escrow’s general account into Greenway Commercial Holdings Ltd.

² Zar also held a California Department of Real Estate license as a broker (license number 01384656). Zar’s California Department of Real Estate license as a broker will expire on May 8, 2027.

1 this affiliation with Greenway Commercial Holdings Ltd in the list of bank accounts and affiliated
2 companies form signed by Zar on December 19, 2023, during the DFPI's special examination.

3 17. On or around August 25, 2023, Greenway Commercial Holdings Ltd. attempted to
4 deposit a \$150,000.00 check into Grow Escrow trust account. The check, payable to Grow Escrow,
5 and signed by Zar, was deposited on August 28, 2023, but was returned due to insufficient funds on
6 August 30, 2023. The check did not reference a specific escrow number, and Greenway Commercial
7 Holdings Ltd. was not a principal in any escrow transaction handled by Grow Escrow.

8 18. On November 9, 2023, \$300,000.00 was transferred from Grow Escrow's trust
9 account into Grow Escrow's general account in violation of Financial Code sections 17411 and
10 17411.1. That same day, \$300,000.00 was wired from the general account to Greenway Commercial
11 Holdings Ltd.

12 19. Grow Escrow's bank statements revealed additional outgoing wires to Greenway
13 Commercial Holdings Ltd. on the following dates: November 21, 2023 for \$100,000.00; December
14 18, 2023 for \$50,000.00; December 26, 2023 for \$50,000.00; January 8, 2024 for \$50,000.00; and
15 January 16, 2024 for \$50,000.00.

16 20. The transfers and wire-outs described above resulted in a trust account shortage.
17 Grow Escrow failed to correct the trust shortage, despite DFPI's multiple demands to replenish the
18 funds.

19 21. The Examiner noted the trust account at City National Bank was closed in the month
20 of April 2024.

21 22. As of January 16, 2024, Grow Escrow's trust account shows a shortage of
22 \$850,000.00, violating Financial Code section 17414, subdivision (a)(1). Grow Escrow made
23 unauthorized fund transfers, engaged in activity that constitutes theft or fraud in escrow transactions,
24 failed to correct the trust shortage, and conducted escrow business in an unsafe or injurious manner,
25 violating Financial Code sections 17414, subdivision (a)(1), (b), and (c), 17411, 17411.1 and
26 California Code of Regulations, title 10, sections 1738, 1738.1 and 1738.2.

27 23. Additionally, Grow Escrow failed to maintain accurate and reconcilable book balance
28 reports at least once a month as required by California Code of Regulations, title 10, section 1732.2.

1 **C. Change of Business Address**

2 24. On December 15, 2023, and as part of the special examination, Zar informed the
3 Examiner that Grow Escrow had a new business address. Zar informed the Examiner that Grow
4 Escrow changed its address as of December 10, 2023, and that the new address was located at 11718
5 W. Pico Blvd., Suite 204, Los Angeles, CA 90064. However, Grow Escrow failed to notify the
6 Commissioner of its change of business address in violation of Financial Code section 17213.1. The
7 Examiner informed Zar to update the Commissioner of Grow Escrow's change of address, but Grow
8 Escrow failed to do so.

9 25. During the special examination, the Examiner noted that Grow Escrow was not
10 operating from 8624 Wilshire Blvd., Suite 110, Beverly Hills, CA 90211, or 11718 W. Pico Blvd.,
11 Suite 204, Los Angeles, CA 90064.

12 **III.**

13 **Applicable Law**

14 26. Financial Code section 17213.1 provides in pertinent part:

15 (a) An escrow agent's business shall not be removed from the premises
16 or address shown on the license without the prior approval of the
17 commissioner, and notice of any intended change shall be transmitted
18 to the commissioner not less than 30 days prior to the date of the
19 intended change of location; provided, however, that the commissioner
20 may waive the 30-day notice requirement when the move is occasioned
21 by fire, emergency, or other catastrophe. The commissioner's approval
22 shall be granted or denied within 30 days from the date of the
23 commissioner's receipt of the licensee's request containing such
24 information as the commissioner may require.

25 27. Financial Code section 17411 provides in pertinent part:

26 No person shall knowingly keep or cause to be kept any funds or
27 money in any bank or state or federal savings and loan association
28 under the heading of "trust funds" or "escrow accounts" or any other
name designating such funds or money as belonging to the clients of
any escrow agency, except actual escrow or trust funds deposited with
such agency.

28 28. Financial Code section 17411.1 provides in pertinent part:

"Trust funds" or "escrow accounts" as used in Sections 17409, 17410,

and 17411 shall include all funds required to be held by an escrow agent pursuant to a federal or state law, or requirement of a governmental agency.

29. Financial Code section 17414 provides in pertinent part:

(a) It is a violation for any person subject to this division or any 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 disbursement of escrow funds otherwise than in accordance with escrow instructions, or knowingly or recklessly to direct, participate in, or aid or abet in a material way, any activity which constitutes theft or fraud in connection with any escrow transaction.

(b) Any director, officer, stockholder, trustee, employee, or agent of an escrow agent, who abstracts or willfully misappropriates money, funds, trust obligations or property deposited with an escrow agent, is guilty of a felony. Upon conviction of an offense under this section or similar offenses specified in Chapter 4 (commencing with Section 470), Chapter 5 (commencing with Section 484), or Chapter 6 (commencing with Section 503) of Title 13 of Part 1 of the Penal Code, the court shall, in addition to any other punishment imposed, order the person to make full restitution, first to the escrow agent and then to Fidelity Corporation, to the extent it has indemnified the escrow agent. Nothing in this section shall be deemed or construed to repeal, amend, or impair any existing provision of law prescribing a punishment for such an offense.

(c) Any person subject to this division who knows of a person's involvement in an abstraction or misappropriation of money, funds, trust obligations, or property deposited with a licensed escrow agent shall immediately report the abstraction or misappropriation in writing to the commissioner and to Fidelity Corporation. No person shall be civilly liable for reporting as required under this subdivision, unless the information provided in the report is false and the person providing false information does so with knowledge and malice. The reports filed under this section, including the identity of the person making the filing, shall remain confidential pursuant to state law.

30. Financial Code section 17608 provides in pertinent part:

The commissioner may, after notice and a reasonable opportunity to be heard, suspend or revoke any license if he finds that:

(b) The licensee has violated any provision of this division or any rule made by the commissioner under and within the authority of this division.

(c) Any fact or condition exists which, if it had existed at the time of the original application for such license, reasonably would have warranted the commissioner in refusing originally to issue such license.

31. California Code of Regulations, title 10, section 1732.2 provides in pertinent part:

(a) An escrow agent shall establish and maintain currently the following books with reference to its escrow accounts:

(1) Escrow ledger containing a separate ledger sheet for each escrow;

(2) Escrow liability controlling account;

(3) Cash receipt and disbursement journal or a file containing copies of all receipts and checks and/or check stubs of checks issued by the escrow agent as a medium of posting to the records referred to in subsections (1) and (2) in which case adding machine tapes of totals of receipts and checks shall be retained. The records referred to in subsections (1) and (2) shall be reconciled at least once a month with the bank statements of the “trust” or “escrow” account. The records referred to in subsection (1) shall be reconciled at least once each week with the escrow liability controlling account referred to in subsection (2).

32. California Code of Regulations, title 10, section 1737.3 provides in pertinent part:

(a) An escrow agent shall preserve for at least five years from the close of escrow:

(1) All bank statements of the “trust” or “escrow” account;

(2) Copies of bank deposit slips with reference to the “trust” or “escrow” account;

(3) All additional records reflecting banking transactions with reference to the “trust” or “escrow” account, including copies of all receipts for funds transferred from interest-bearing accounts into the “trust” or “escrow” account;

(4) The Statement of Account;

(5) Escrow instructions and amendments thereto;

(6) All additional records pertinent to the escrow transaction.

(b) The records referred to in paragraph (a) may be retained and provided to the Commissioner in electronic format provided that:...

33. California Code of Regulations, title 10, section 1738 provides in pertinent part:

(a) All money deposited in such “trust” or “escrow” account shall be

withdrawn, paid out, or transferred to other accounts only in accordance with the written escrow instructions of the principals to the escrow transaction or the escrow instructions transmitted electronically over the Internet executed by the principals to the escrow transaction or pursuant to order of a court of competent jurisdiction.

34. California Code of Regulations, title 10, section 1738.1, provides:

An escrow agent shall not withdraw, pay out, or transfer monies from any particular escrow account in excess of the amount to the credit of such account at the time of such withdrawal, payment, or transfer.

35. California Code of Regulations, title 10, section 1738.2, provides:

An escrow agent shall use documents or other property deposited in escrow only in accordance with the written escrow instructions of the principals to the escrow transactions or the escrow instructions transmitted electronically over the Internet executed by the principals to the escrow transaction, or if not otherwise directed by written or electronically executed instructions, in accordance with sound escrow practice, or pursuant to order of a court of competent jurisdiction.

IV.

Prayer

Based on the foregoing, the Commissioner finds that Grow Escrow has violated Financial Code sections 17414, subdivision (a)(1), (b) and (c); 17411; 17411.1; 17213.1, as well as California Code of Regulations, title 10, sections 1738(a), 1738.1, 1738.2, 1732.2, and 1737.3.

WHEREFORE, IT IS PRAYED under Financial Code section 17608 that Grow Escrow, Inc's escrow agent license be revoked.

Dated: October 15, 2025
Los Angeles, California

KHALIL MOHSENI
Commissioner of Financial Protection and Innovation

By _____
SHERI GUERAMI
Senior Counsel
Enforcement Division