

MARY ANN SMITH
Deputy Commissioner
BORYANA ARSOVA
Assistant Chief Counsel
SHERI GUERAMI (State Bar No. 265231)
Senior Counsel
Department of Financial Protection and Innovation
320 West 4th Street, Suite 750
Los Angeles, California 90013
Telephone: (213) 604-5777
Facsimile: (213) 576-7181

Attorneys for Complainant

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

In the Matter of:

THE COMMISSIONER OF FINANCIAL
PROTECTION AND INNOVATION,

Complainant,

v.

PARHAM ZAR,

Respondent.

)
) **ACCUSATION IN SUPPORT OF ORDER**
) **BARRING PARHAM ZAR FROM ANY**
) **POSITION OF EMPLOYMENT,**
) **MANAGEMENT, OR CONTROL OF ANY**
) **ESCROW AGENT PURSUANT TO**
) **FINANCIAL CODE SECTION 17423**

Complainant, the Commissioner of Financial Protection and Innovation (Complainant or Commissioner), is informed and believes, and based upon such information and belief, alleges and charges Respondent 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. Respondent Parham Zar (Zar) is the President and Owner of Grow Escrow, Inc. (Grow Escrow), a licensed escrow agent (escrow license number 96DBO-141737).

3. The Commissioner brings this action to bar Zar pursuant to Financial Code section 17423 because Zar has violated Financial Code section 17414, subdivision (a)(1) by disbursing escrow funds without authorization, Financial Code section 17414, subdivision (b) by misappropriating trust funds, Financial Code section 17414, California Code of Regulations, title 10, section 1738 by disbursing trust funds without instructions; and California Code of Regulations, title 10, section 1738.2 for failure to follow written instructions.

II.

Jurisdiction

4. The Commissioner has jurisdiction over the licensing and regulation of persons and entities engaged in the business of receiving escrows for deposit or delivery under the Escrow Law. The Commissioner is authorized to administer and enforce the Escrow Law and the rules and regulations promulgated in title 10 of the California Code of Regulations (CCR).

5. The Commissioner brings this action under Financial Code section 17423, subdivision (a)(1) to bar Zar from any position of employment, management, or control of any escrow agent.

III.

Factual Background

6. The Department of Financial Protection and Innovation (DFPI) commenced a special examination of Grow Escrow on December 15, 2023, after it had received a complaint of missing funds from Grow Escrow's trust account.

7. Despite repeated demands for its books and records, Grow Escrow failed to provide all the required books and records, preventing the DFPI from assessing the company's compliance with the California Escrow Law in connection with its escrow agent's license.

8. On February 8, 2024, DFPI's examiner (Examiner) requested bank statements directly from City National Bank.

9. Grow Escrow's bank reconciliation revealed an unreconcilable amount debit balance

1 totaling \$250,000.00 as of March 31, 2023. The trial balance as of December 15, 2023, showed the
2 debit balance of \$250,000.00 recorded under an escrow number labeled “Miscellaneous,” and
3 without any associated property address. On March 9, 2023, a \$250,000.00 check was issued to
4 Greenway Commercial Holdings Ltd. and was signed by Zar. However, this check was not listed on
5 the book balance debit check listing report. Additionally, the debit book balance report from March
6 1, 2023 to March 31, 2023 did not reflect the check. Instead, it showed a miscellaneous entry for
7 \$250,000.00 dated March 9, 2023.

8 10. Zar was the only signatory on the Grow Escrow bank account signature cards.

9 11. Greenway Commercial Holdings Ltd. held a California Department of Real Estate
10 license (License Number 02039258).¹ Zar was the designated officer of Greenway Commercial
11 Holdings Ltd. The California Department of Real Estate license for Greenway Commercial
12 Holdings Ltd. expired on July 2, 2025. According to its California Secretary of State Statement of
13 Information filed on March 2, 2022, Zar was listed as the Chief Executive Officer, Secretary, Chief
14 Financial Officer, and Director. Grow Escrow and Zar failed to disclose this affiliation with
15 Greenway Commercial Holdings Ltd in the list of bank accounts and affiliated companies form
16 signed by Zar on December 19, 2023, during the DFPI’s special examination.

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

22 13. On November 9, 2023, \$300,000.00 was transferred from Grow Escrow’s trust
23 account into Grow Escrow’s general account in violation of Financial Code sections 17411 and
24 17411.1. That same day, \$300,000.00 was wired from the general account to Greenway Commercial
25 Holdings Ltd.

26 14. Grow Escrow’s bank statements revealed additional outgoing wires to Greenway
27 Commercial Holdings Ltd. on the following dates: November 21, 2023 for \$100,000.00; December

28 ¹ 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 18, 2023 for \$50,000.00; December 26, 2023 for \$50,000.00; January 8, 2024 for \$50,000.00; and
2 January 16, 2024 for \$50,000.00.

3 15. The transfers and wire-outs described above resulted in a trust account shortage.
4 Grow Escrow failed to correct the trust shortage, despite DFPI's multiple demands to replenish the
5 funds.

6 16. The Examiner noted the trust account at City National Bank was closed in the month
7 of April 2024.

8 17. On August 6, 2024, the DFPI issued an Order to Discontinue Escrow Activities
9 Pursuant to Financial Code Section 17415 based upon the \$850,000.00 trust account shortage,
10 pursuant to which Grow Escrow and any person having in his or her possession any escrow or trust
11 funds or general accounts funds were ordered to discontinue immediately the receipt or disbursement
12 of any such funds or other property in its possession, custody or control.

13 18. In total, the Examiner identified \$850,000 trust account shortage as of April 30, 2024
14 based on unauthorized transfers to either Greenway Commercial Holdings Ltd., or to the general
15 account.

16 19. Zar is responsible for the trust account shortage caused by unauthorized transfers to
17 either Greenway Commercial Holdings Ltd., or to the general account from March 1, 2023 to April
18 30, 2024, in violation of Financial Code section 17414 and title 10 CCR sections 1738 and 1738.2.

19 IV.

20 Applicable Law

21 20. Financial Code section 17414 provides in pertinent part:

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

25 (1) Knowingly or recklessly disburse or cause the disbursement of escrow
26 funds otherwise than in accordance with escrow instructions, or
27 knowingly or recklessly to direct, participate in, or aid or abet in a
28 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.

21. Financial Code section 17423 provides in pertinent part:

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

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

(b) Within 15 days from the date of a notice of intention to issue an order pursuant to subdivision (a), the person may request a hearing under the Administrative Procedure Act (Chapter 5 (commencing with Section 11500) of Division 3 of Title 2 of the Government Code). Upon receipt of a request, the matter shall be set for hearing to commence within 30 days after such receipt unless the person subject to this division consents to a later date. If no hearing is requested within 15 days after the mailing or service of such notice and none is ordered by the commissioner, the failure to request a hearing shall constitute a waiver of the right to a hearing.

(c) Upon receipt of a notice of intention to issue an order pursuant to this section, the person who is the subject of the proposed order is immediately prohibited from engaging in any escrow processing activities, including disbursing any trust funds in the escrow agent's possession, custody or control, and the financial institution holding trust funds shall be so notified by service of the notice, accusation and order administrative pleadings. The prohibition against disbursement of trust

funds may be set aside, in whole or in part, by the commissioner for good cause.

(e) Persons suspended or barred under this section are prohibited from participating in any business activity of a licensed escrow agent and from engaging in any business activity on the premises where a licensed escrow agent is conducting escrow business. This subdivision shall not be construed to prohibit suspended or barred persons from having their personal escrow transactions processed by a licensed escrow agent.

22. 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.

23. California Code of Regulations, title 10, section 1783.2, 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.

V.

Prayer

24. Based on the foregoing, the Commissioner finds that Parham Zar has violated Financial Code section 17414, subdivisions (a)(1) and (b) and California Code of Regulations, title 10, sections 1738 and 1738.2 by disbursing escrow funds without authorization, misappropriating trust funds and disbursing trust funds without instructions, and failing to follow written instructions.

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1 WHEREFORE, IT IS PRAYED THAT, under Financial Code section 17423, Parham Zar be
2 barred from any position of employment, management or control of any escrow agent.

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4 Dated: October 15, 2025
5 Los Angeles, California

KHALIL MOHSENI
Commissioner of Financial Protection and Innovation

6
7 By _____
8 SHERI GUERAMI
9 Senior Counsel
10 Enforcement Division
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