

MARY ANN SMITH  
Deputy Commissioner  
AMY J. WINN  
Assistant Chief Counsel  
AFSANEH EGHBALDARI (State Bar No. 250107)  
Senior Counsel  
Department of Financial Protection and Innovation  
1455 Frazee Road, Suite 315  
San Diego, California 92108  
Telephone: (619) 946-3312  
Facsimile: (619) 209-3612  
affi.eghbaldari@dfpi.ca.gov  
Attorneys for Complainant

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

In the Matter of:	}	ESCROW LICENSE NO.: 96DBO-50315
THE COMMISSIONER OF FINANCIAL PROTECTION AND INNOVATION,		ORDER IMPOSING PENALTIES
Complainant,		(Fin. Code § 17408)
v.		
BUILDZIG FUNDS CONTROL CORPORATION,		
Respondent.	}	

The Complainant, California Commissioner of Financial Protection and Innovation  
(Commissioner) finds that:

**I.**

**Introduction**

1. At all relevant times herein, BuildZig Funds Control Corporation (Respondent) was a joint control escrow agent licensed by the Commissioner under the California Escrow Law (Fin.

1 Code, § 17000 et seq.) (Escrow Law) and the regulations promulgated under title 10 of the California  
2 Code of Regulations (Cal. Code Regs., tit. 10, § 1700 et seq.).

3 2. Respondent's place of business is located at 3007 Telegraph Avenue, Oakland,  
4 California 94609.

## 5 II.

### 6 Escrow Law Violations

#### 7 Failing to Submit Records, Reports and Financials

8 3. The Commissioner is authorized to investigate escrow licensees' business and  
9 examine the books, accounts, records, and files, and inspect and examine licensees' business,  
10 accounts and records at any time without prior notice, pursuant to Financial Code sections 17405 and  
11 17601.

12 4. In December of 2020, the Department of Financial Protection and Innovation  
13 (Department) commenced a regulatory examination of Respondent's books and records (2020  
14 Examination).

15 5. Throughout the 2020 Examination, Respondent failed to provide the Department with  
16 requested escrow files and records, in violation of Financial Code sections 17405 and 17601.

17 6. Respondent informed the Department that its records were lost or destroyed as a result  
18 of looting during the 2020 Oakland riots.

19 7. Also, on or about March 25, 2025, the Department requested Respondent provide  
20 reports, financials and information, including, but not limited to, trust account bank reconciliation  
21 reports and bank statements. Respondent's response was originally due on April 4, 2025.

22 8. Respondent asked the Department for an explanation concerning the March 2025  
23 request. The Department explained on multiple occasions that the information was needed in order to  
24 determine that Respondent was complying with the Escrow Law, that there were no trust shortages or  
25 any other consumer harm. Despite being repeatedly informed between April and May 2025 of the  
26 Department's rationale for its March 2025 request, Respondent failed to comply with the request and  
27 offered only unsubstantiated excuses for its ongoing noncompliance.

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1           9.       On or about April 22, 2025, the Department sent a letter to Respondent, again  
2 explaining the reason for the March 2025 request and reminding Respondent of its obligation to  
3 produce the requested reports, financials and information. Respondent was granted an extension to  
4 April 28, 2025 to produce the requested reports, financials and information.

5           10.     On April 28, 2025, Respondent notified the Department that it was surrendering its  
6 license.

7           11.     On May 7, 2025, the Department sent a letter to Respondent, again reminding  
8 Respondent of its obligation to comply with the Escrow Law and produce the requested information.  
9 Respondent was also notified that it would not be allowed to surrender its license until it had fully  
10 complied with the Department's requests, including, but not limited to, producing the financials,  
11 reports and information requested on March 25, 2025, and submitting the 2024 Annual Audit Report.

12          12.     Respondent was granted an extension to May 19, 2025 to produce the requested  
13 reports, financials and information. Respondent was further notified that failure to produce the  
14 requested information would result in revocation of its license and assessment of penalties, pursuant  
15 to Financial Code sections 17602.5, 17608 and 17408.

16          13.     Despite providing multiple written explanations to Respondent about the need for the  
17 requests and granting two extensions, Respondent failed to produce the requested reports, financials  
18 and information, in violation of Financial Code sections 17405 and 17601.

19 **Failing to Submit Annual Audit Report**

20          14.     Financial Code section 17406, subdivision (a) requires all licensees under the Escrow  
21 Law to file an annual audit report containing audited financial statements (Annual Audit Report)  
22 within 105 days after the close of the calendar year or the licensee's fiscal year.

23          15.     Respondent's 2024 Annual Audit Report was due on April 15, 2025. Respondent  
24 failed to submit this report.

25          16.     On April 22, 2025 and May 7, 2025, the Department sent letters to Respondent  
26 reminding Respondent of its obligation to file the 2024 Annual Audit Report. The Department  
27 provided Respondent with two extensions to submit the 2024 Annual Audit Report, with the final  
28 extension granted through May 19, 2025.

17. Respondent was notified that failure to submit the 2024 Annual Audit Report would result in revocation of its license and assessment of penalties, pursuant to Financial Code sections 17602.5, 17608 and 17408.

18. Respondent failed to submit its 2024 Annual Audit Report, in violation of Financial Code section 17406.

### III.

#### Applicable Law

19. Financial Code section 17405 provides, in pertinent part, as follows:

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

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

(c) (1) The commissioner shall conduct an examination of each licensed escrow agent as described in subdivision (a) as often as the commissioner deems necessary and appropriate, but not less than once every 48 months.

20. Financial Code section 17406 provides, in pertinent part, as follows:

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

(b) Within 30 days after receipt of a request from the commissioner, a licensee or other person subject to this division shall submit to the commissioner, at the person's own expense, an audit report containing audited financial statements covering the 12 calendar months next preceding the month of receipt of the request, or for another period as the commissioner may require. Unless the public interest shall otherwise require, the commissioner shall exempt a licensee from the provisions of subdivision (a) in whole or in part if the licensee has

1 complied with a request pursuant to this subdivision as of a date within  
2 the calendar or fiscal year for which the exemption is granted.

3 21. Financial Code section 17408 provides, in pertinent part, as follows:

4 (b) The commissioner may impose, by order, a penalty on any person  
5 who fails, within the time specified in any written demand of the  
6 commissioner, (1) to make and file with the commissioner any report  
7 required by law or requested by the commissioner, or (2) to furnish any  
8 material information required by the commissioner to be included in  
9 the report. The amount of the penalty may not exceed one hundred  
10 dollars (\$100) for each day for the first five days the report or  
11 information is overdue, and thereafter may not exceed five hundred  
12 dollars (\$500) for each day the report or information is overdue.

13 22. Financial Code section 17601 provides as follows:

14 If the commissioner has reason to believe that any escrow agent is  
15 violating the provisions of this division, the commissioner may  
16 investigate the escrow agent's business and examine the books,  
17 accounts, records, and files used in the business of every escrow agent  
18 and of every person who acts or claims to act as principal or agent  
19 under or without the authority of this division. For the purposes of  
20 examination the commissioner and representatives of the commissioner  
21 shall have free access to the offices and places of business, books,  
22 accounts, records, papers, files, safes, and vaults of all persons  
23 examined. The cost of any investigation, inspection, and examination  
24 of a licensee under this section shall be paid to the commissioner as  
25 provided in Section 17405.1.

#### 26 IV.

#### 27 Order Imposing Penalties

28 The Commissioner finds that Respondent failed to produce the requested reports, files,  
financials, and information and submit its 2024 Annual Audit Report, in violation of Financial Code  
sections 17405, 17406, and 17601.

As of the date hereof, Respondent has failed to comply with the March 2025 request within  
the time permitted, resulting in a delay of thirty-nine (39) days beyond the extended deadline of May  
19, 2025. Also, Respondent failed to submit its 2024 Annual Audit Report within the time permitted,  
resulting in a delay of thirty-nine (39) days beyond the extended deadline of May 19, 2025.

Accordingly, pursuant to Financial Code section 17408, BuildZig Funds Control Corporation is hereby ordered to pay the Commissioner a penalty of \$35,000.00 within five business days after this order is deemed a final order of the Commissioner, or within five business days after the effective date of any decision in the case ordering payment to be made. This penalty shall be made payable in the form of an Automated Clearing House deposit or cashier's check made payable to the Department of Financial Protection and Innovation. The cashier's check shall be mailed to the attention of "Accounting – Litigation" at Department of Financial Protection and Innovation, 651 Bannon Street, Suite 300, Sacramento, California 95811. Notice of such payment shall be concurrently sent to Affi Eghbaldari via e-mail at [Affi.Eghbaldari@dfpi.ca.gov](mailto:Affi.Eghbaldari@dfpi.ca.gov).

DATED: June 30, 2025  
Sacramento, California

KHALIL MOHSENI  
Commissioner of Financial Protection and Innovation



By: \_\_\_\_\_  
MARY ANN SMITH  
Deputy Commissioner  
Enforcement Division