

Julie L. To (SBN 219482)
Department of Real Estate
320 West 4th Street, Suite 350
Los Angeles, California 90013-1105
(213) 576-6982 (office)
(213) 576-6916 (direct)
julie.to@dre.ca.gov
Counsel for Complainant

FILED

SEP 18 2024

DEPT. OF REAL ESTATE
By 

DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA

* * * * *

In the Matter of the Accusation against)	No. H-42846 LA
)	
STEPHEN JOSEPH LARRALDE,)	<u>ACCUSATION</u>
)	
Respondent.)	
)	

The Complainant, Veronica Kilpatrick, acting in her official capacity as a
Supervising Special Investigator of the State of California, for cause of Accusation against
STEPHEN JOSEPH LARRALDE, is informed and alleges as follows:

1.

All references to the "Code" are to the California Business and Professions Code
and all references to "Regulation" or "Regulations" are to Title 10, Chapter 6, California Code of
Regulations.

DRE Accusation H-42846 LA: Stephen Joseph Larralde

DRE LICENSE HISTORY

2.

Licensure

According to DRE records to date and publicly accessible online at the DRE's website (https://www2.dre.ca.gov/PublicASP/pplinfo.asp?License_id=01703626), Respondent is presently licensed and/or has license rights under the Real Estate Law (Part 1 of Division 4 of the Code) as a real estate salesperson (RES), Department of Real Estate (DRE) license ID 01703626.

3.

According to DRE records to date and publicly accessible online at the aforementioned DRE website, Respondent was originally licensed on or about October 25, 2005 and Respondent's mailing address of record is 19069 Van Buren Blvd., Ste. 114/115, Riverside, California 92508.

4.

Affiliation

According to DRE records to date and publicly accessible online at the aforementioned DRE website, Respondent's license is affiliated with responsible real estate broker (REB) of record S & L Holdings Inc, DRE license ID 01525585 (S & L). According to the same online page for Respondent, S & L was also Respondent's responsible REB from September 10, 2009 to January 4, 2023.

5.

Mortgage Loan Originator License Endorsement

According to DRE records to date and publicly accessible online at the aforementioned DRE website, Respondent also holds a mortgage loan originator (MLO) license

DRE Accusation H-42846 LA: Stephen Joseph Larralde

endorsement, Nationwide Multistate Licensing System & Registry (NMLS) ID 236956. According to NMLS records to date and publicly accessible online at the NMLS website <https://www.nmlsconsumeraccess.org/EntityDetails.aspx/INDIVIDUAL/236956>, Respondent was first issued an MLO endorsement on December 31, 2010, and, since August 23, 2023, is authorized to represent S & L Holdings Inc, NMLS ID 295469.

6.

Prior License Discipline

According to DRE records to date and publicly accessible online at the aforementioned DRE website, on or about August 26, 2009, in DRE Case H-35585 LA, Respondent's license was suspended for sixty (60) days (stayed for two (2) years), pursuant to Code Sections 490 and 10177(b), for a 2007 conviction for violation of Penal Code Section 273.5(a).

7.

Expiration

According to DRE records to date and publicly accessible online at the aforementioned DRE website, Respondent's RES license will expire on October 24, 2025. Upon license expiration and pursuant to Code Section 10201, Respondent retains renewal rights, and pursuant to Code Section 10103, the DRE retains jurisdiction.

///

///

///

///

///

DRE Accusation H-42846 LA: Stephen Joseph Larralde

APPLICABLE SECTIONS OF THE REAL ESTATE LAW**Grounds for Revocation or Suspension****(Code Section 10176 (selected portions))**

Pursuant to Code Section 10176 *Grounds for Revocation or Suspension*:

“The commissioner may, upon his or her own motion, and shall, upon the verified complaint in writing of any person, investigate the actions of any person engaged in the business or acting in the capacity of a real estate licensee within this state, and he or she may temporarily suspend or permanently revoke a real estate licensee at any time where the licensee, while a real estate licensee, in performing or attempting to perform any of the acts within the scope of this chapter has been guilty of any of the following:

- (a) Making any substantial misrepresentation.
- (b) Making any false promise of a character likely to influence, persuade, or induce.
- (c) A continued and flagrant course of misrepresentation or making of false promises through licensees.
- (d) Acting for more than one party in a transaction without the knowledge or consent of all parties thereto.
- (e) Commingling with his or her own money or property the money or other property of others which is received and held by him or her.
- (f) Claiming, demanding, or receiving a fee, compensation, or commission under any exclusive agreement authorizing a licensee to perform any acts set forth in

1 Section 10131 for compensation or commission where the agreement does not
2 contain a definite, specific date of final and complete termination.

- 3 (g) The claiming or taking by a licensee of any secret or undisclosed amount of
4 compensation, commission, or profit or the failure of a licensee to reveal to
5 the buyer or seller contracting with the licensee the full amount of the
6 licensee's compensation, commission, or profit under any agreement
7 authorizing the licensee to do any acts for which a license is required under
8 this chapter for compensation or commission prior to or coincident with the
9 signing of an agreement evidencing the meeting of the minds of the
10 contracting parties, regardless of the form of the agreement, whether
11 evidenced by documents in an escrow or by any other or different procedure.
- 12 (h) The use by a licensee of any provision, which allows the licensee an option to
13 purchase, in an agreement with a buyer or seller that authorizes the licensee to
14 sell, buy, or exchange real estate or a business opportunity for compensation
15 or commission, except when the licensee, prior to or coincident with election
16 to exercise the option to purchase, reveals in writing to the buyer or seller the
17 full amount of the licensee's profit and obtains the written consent of the
18 buyer or seller approving the amount of the profit.
- 19 (i) Any other conduct, whether of the same or of a different character than
20 specified in this section, which constitutes fraud or dishonest dealing.
- 21 (j) Obtaining the signature of a prospective buyer to an agreement which
22 provides that the prospective buyer shall either transact the purchasing,
23 leasing, renting, or exchanging of a business opportunity property through the
24

broker obtaining the signature, or pay a compensation to the broker if the property is purchased, leased, rented, or exchanged without the broker first having obtained the written authorization of the owner of the property concerned to offer the property for sale, lease, exchange, or rent.

(k) Failing to disburse funds in accordance with a commitment to make a mortgage loan that is accepted by the applicant when the real estate broker represents to the applicant that the broker is either of the following:

(1) The lender.

(2) Authorized to issue the commitment on behalf of the lender or lenders in the mortgage loan transaction.

(l) Intentionally delaying the closing of a mortgage loan for the sole purpose of increasing interest, costs, fees, or charges payable by the borrower.

(m) Violating any section, division, or article of law which provides that a violation of that section, division, or article of law by a licensed person is a violation of that person's licensing law, if it occurs within the scope of that person's duties as a licensee."

///

///

///

///

///

///

///

Further Grounds for Disciplinary Action

(Code Section 10177 (selected portions))

Pursuant to Code Section 10177 *Further Grounds for Disciplinary Action*:

“The commissioner may suspend or revoke the license of a real estate licensee, delay the renewal of a license of a real estate licensee, or deny the issuance of a license to an applicant, who has done any of the following:

(d) Willfully disregarded or violated the Real Estate Law (Part 1 (commencing with Section 10000)) or Chapter 1 (commencing with Section 11000) of Part 2 or the rules and regulations of the commissioner for the administration and enforcement of the Real Estate Law and Chapter 1 (commencing with Section 11000) of Part 2.

(g) Demonstrated negligence or incompetence in performing an act for which he or she is required to hold a license.

(j) Engaged in any other conduct, whether of the same or of a different character than specified in this section, that constitutes fraud or dishonest dealing...”

///

///

///

///

///

10.

Cost Recovery

(Code Section 10106)

Pursuant to Code Section 10106 *Cost Recovery of Investigations*:

“(a) Except as otherwise provided by law, in any order issued in resolution of a disciplinary proceeding before the department, the commissioner may request the administrative law judge to direct a licensee found to have committed a violation of this part to pay a sum not to exceed the reasonable costs of the investigation and enforcement of the case.

(b) In the case of a disciplined licensee that is a corporation or a partnership, the order may be made against the licensed corporate entity or licensed partnership.

(c) A certified copy of the actual costs, or a good faith estimate of costs where actual costs are not available, signed by the commissioner or the commissioner’s designated representative, shall be prima facie evidence of reasonable costs of investigation and prosecution of the case. The costs shall include the amount of investigative and enforcement costs up to the date of the hearing, including, but not limited to, charges imposed by the Attorney General.

(d) The administrative law judge shall make a proposed finding of the amount of reasonable costs of investigation and prosecution of the case when requested pursuant to subdivision (a). The finding of the administrative law judge with regard to costs shall not be reviewable by the commissioner to increase the cost award. The commissioner may reduce or eliminate the cost award, or remand to the administrative law judge where the proposed decision fails to make a finding on costs requested pursuant to subdivision (a).

(e) Where an order for recovery of costs is made and timely payment is not made as directed in the commissioner’s decision, the commissioner may enforce the order for

DRE Accusation H-42846 LA: Stephen Joseph Larralde

1 repayment in any appropriate court. This right of enforcement shall be in addition to any other
2 rights the commissioner may have as to any licensee to pay costs.

3 (f) In any action for recovery of costs, proof of the commissioner's decision shall
4 be conclusive proof of the validity of the order of payment and the terms for payment.

5 (g) (1) Except as provided in paragraph (2), the department shall not renew or
6 reinstate the license of any licensee who has failed to pay all of the costs ordered under this
7 section.

8 (2) The department may, in its discretion, conditionally renew or reinstate
9 for a maximum of one year the license of any licensee who demonstrates
10 financial hardship and who enters into a formal agreement with the
11 department to reimburse the department within that one-year period for the
12 unpaid costs.

13 (h) All costs recovered under this section shall be considered a reimbursement for
14 costs incurred and shall be deposited in the Real Estate Fund to be available, notwithstanding
15 Section 10451, upon appropriation by the Legislature.

16 (i) Nothing in this section shall preclude the department from including the
17 recovery of the costs of investigation and enforcement of a case in any stipulated settlement.

18 ///

19 ///

20 ///

21 ///

22 ///

23 ///

11.

Disclosures Upon Transfer of Residential Property

(Civil Code Section 1102.6)

Pursuant to Civil Code Section 1102.6 *Disclosures Upon Transfer of Residential Property*:

“(a) The disclosures required by this article pertaining to the property proposed to be transferred are set forth in, and shall be made on a copy of, the following disclosure form:

(Please see Appendix A.)

“(b) The amendments to this section by the act adding this subdivision shall become operative on July 1, 2014.”

11.

FACTS DISCOVERED BY THE DRE

Edward and Tricia M. Complaint

(September 5, 2023)

According to a complaint that originated with an online submission dated August 17, 2023 (Complaint) to the DRE’s complaint portal, and a package of pertinent supporting documents received by the DRE on or about September 5, 2023, on or about October 3, 2022, consumers Edward and Tricia M. (Consumers) purchased real property located at 1012 6th Street, Redlands, California (Redlands property) from Respondent, but Respondent failed to deliver copies of certain transaction documents, including the Real Estate Transfer Disclosure form.

///

///

///

DRE Accusation H-42846 LA: Stephen Joseph Larralde

12.

According to Consumers, they signed escrow documents on October 14, 2022 and also met Respondent in person for the first time on this date. According to Consumers, during the transaction and prior to the October 14, 2022 signing of escrow documents, they signed all documents through the DocMagic signature platform, and signed using either their home computer or through their mobile phone.

13.

According to Consumers, they have never used the DocuSign signature platform.

14.

According to Consumers, they were not able to access the transaction documents they signed through DocMagic, and received documents only from escrow on October 14, 2022 (when they signed live documents). On October 14, 2022, Consumers were given a physical file by the escrow company Town & Country Escrow Corp (T & C) and by Respondent, but later discovered certain documents were missing from said physical file, including, but not limited to the Residential Purchase Agreement and Transfer Disclosure Statement. Consumers later received documents from escrow via subpoena; however, according to Consumers, the documents received included signatures signed within DocuSign, which they have never used.

15.

According to a copy of the Residential Purchase Agreement and Joint Escrow Instructions (RPA) dated August 25, 2022, and [according to the zipForm footer] prepared by Respondent and "S&L Holdings" (SLH), provided by Consumers (CRPA) in their Complaint package, they made an offer to purchase the Redlands property for the amount of \$630,000.

At page 1 of the CRPA, SLH was listed as the name of the Brokerage Firm for both Buyer and Seller, and Respondent was listed as the agent for both Buyer's and Seller's Brokerage (SLH).

16.

At pages 15 and 16 of the CRPA are electronic signatures dated August 30, 2022 for: Tricia M. and Edward M., seller Mack LLC, and Respondent [on behalf of SLH]; there is also a signature dated September 1, 2022 for "jcase" (Escrow Holder license #8631459) for T & C. The CRPA bore DocuSign Envelope ID: 4374-C0CB-6AD0-4E6D-87E3-CF76-6F2E-00A5.

17.

At CRPA page 15, Mack LLC did not accept Consumers' offer; Mack LLC initialed and dated the "Offer Not Accepted" box on August 30, 2022.

18.

Consumers' Complaint package also included copies of the following transaction documents dated August 30, 2022 and bearing the same DocuSign Envelope ID: 4374-C0CB-6AD0-4E6D-87E3-CF76-6F2E-00A5:

- A. Tenant Estoppel Certificate (TEC), unsigned and undated;
- B. Tenant Occupied Property Addendum (TOPA), electronically signed and dated by Consumers and seller Mack LLC;
- C. Rent Cap and Just Cause Addendum (RCJC), unsigned and undated;
- D. Disclosure Regarding Real Estate Agency Relationship (AD), electronically signed and dated by Consumers and Respondent [for SLH];
- E. Fair Housing & Discrimination Advisory (FHDA), electronically signed and dated by Consumers and seller Mack LLC;

DRE Accusation H-42846 LA: Stephen Joseph Larraide

- 1 F. Possible Representation of More Than One Buyer or Seller – Disclosure and
2 Consent (PRBS), electronically signed and dated by Consumers, seller Mack
3 LLC, and Respondent [for Buyer’s Brokerage Firm SLH];
4 G. Wire Fraud and Electronic Funds Transfer Advisory (WFA) electronically
5 signed and dated by Consumers and seller Mack LLC;
6 H. Buyer’s Investigation Advisory (BIA), electronically signed and dated by
7 Consumers;
8 I. Fair Appraisal Act Addendum (FAAA), electronically signed and dated by
9 Consumers and seller Mack LLC; and
10 J. California Consumer Privacy Act Advisory, Disclosure and Notice (CCPA),
11 electronically signed and dated by Consumers.

12 19.

13 Redlands Property Documents Received from Town & Country Escrow

14 On or about October 17, 2023, the DRE subpoenaed T & C for records regarding
15 the Redlands property transaction. T & C responded on October 23, 2023 and produced the
16 Redlands property escrow file.

17 20.

18 According to a copy of the RPA dated August 25, 2022 that escrow company T &
19 C produced (ERPA), Consumers offered to purchase the Redlands property for the amount of
20 \$630,000. At page 1 of the ERPA, “None” was listed in the spaces for identification of Buyer’s
21 Brokerage and Seller’s Brokerage; nor was there an agent name listed.

22 ///

23 ///

25 DRE Accusation H-42846 LA: Stephen Joseph Larralde
26
27

21.

At pages 15 and 16 of the ERPA are electronic signatures dated August 30, 2022 for: Tricia M. and Edward M. and seller Mack LLC; there is also a signature [without a printed or legible identifier for said signature] for T & C dated August 30, 2023 with a Escrow Holder license number #8631959. The ERPA had a DocuSign Envelope ID: 4374-C0CB-6AD0-4E6D-87E3-CF76-6F2E-00A5. Mack LLC did not accept Consumers' offer; Mack LLC initialed and dated the "Offer Not Accepted" box on August 30, 2022.

22.

According to Town & Country Escrow Officer Jennifer Cass' (Cass) letter dated December 22, 2023, there was no REB involved in the Redlands property transaction. According to Cass, the original RPA dated August 25, 2022 that escrow received from seller Mack LLC showed at page 16, #5, A. and B., that S&L Holdings was the brokerage, but Respondent, as president of Mack LLC processed the transaction as a sale by owner and corrected page 16 to reflect no broker involvement in the transaction, and therefore "None" was marked at #5A. and #5B. According to Cass, only one contract was received for the Redlands property transaction; however two (2) versions of page 16 were received, with the subsequent copy as a correction of the initial copy. Cass signed the 2nd/subsequent correction page (page 16) and escrow paid no commission on the transaction, based on the lack of broker involvement.

///

///

///

///

///

DRE Accusation H-42846 LA: Stephen Joseph Larralde

23.

The ERPA package in response to the DRE's subpoena also included copies of the following transaction documents dated August 30, 2022 and bearing DocuSign Envelope ID: 4374-C0CB-6AD0-4E6D-87E3-CF76-6F2E-00A5:

A. Amended/Additional Escrow Instructions dated September 1, 2022 signed by Consumers and Respondent (for seller Mack LLC);

B. Disclosure Regarding Real Estate Agency Relationship electronically signed and dated August 30, 2022 by Consumers and "None" listed in the space for REB; and

C. Real Estate Transfer Disclosure Statement (TDS) signed and dated August 25, 2022 by seller Mack LLC only.

24.

The sole signature on the TDS appeared to be the same signature as what appeared as Respondent's signature in the documents submitted by Consumers, as described above in Paragraphs 15 through 18, including but not limited to the CRPA, form AD, and form PRBS.

DocuSign Certificate of Completion Received from Respondent

(Received by the DRE on October 30, 2023)

25.

On October 30, 2023, Respondent sent to the DRE Special Investigator (SI) (via e-mail) a copy of the Certificate of Completion for DocuSign Envelope ID: 4374-C0CB-6AD0-4E6D-87E3-CF76-6F2E-00A5 (Respondent's Certificate). According to Respondent's Certificate, there were 31 document pages and two (2) certificate pages that included 27

DRE Accusation H-42846 LA: Stephen Joseph Larralde

signatures and 57 initials, for: Edward M. connected to email address mcnabbeddie@yahoo.com, for Tricia M. connected to email address mcnabbeddie@yahoo.com, and for Mack LLC connected to email address stephen.larralde@gmail.com.

26.

Respondent's Certificate showed Respondent (IP address 216.166.81.2) was the Envelope Originator (using stephen.larralde@gmail.com) and the time stamp of the original record was 8/30/2022 2:13:14 P.M.; Edward M. and Tricia M.'s signatures were drawn on a device at IP address 71.84.84.163, and documents were signed at 2:16:20 P.M. (Edward M.) and 2:24:06 P.M. (Tricia M.); and Mack LLC's signature was a pre-selected style selected at IP address 216.166.81.2 and Mack LLC signed at 2:25:25 P.M.

27.

Documents Received from DocuSign

(Received by the DRE on December 8, 2023)

On or about November 20, 2023, the DRE issued and served a *subpoena duces tecum* to DocuSign for records pertaining to Envelope ID: 4374-C0CB-6AD0-4E6D-87E3-CF76-6F2E-00A5; specifically, the subpoena demanded that DocuSign/the custodian of record of SkySlope produce Certificates of Completion for said Envelope ID inclusive of information regarding who signed and when, and all documents signed with said Envelope ID.

28.

On or about December 8, 2023, DocuSign responded to the DRE subpoena and produced the Certificate of Completion and Audit history associated with Envelope ID: 4374-C0CB-6AD0-4E6D-87E3-CF76-6F2E-00A5 (DocuSign Certificate). According to the DocuSign Certificate for Envelope ID: 4374-C0CB-6AD0-4E6D-87E3-CF76-6F2E-00A5, the

DRE Accusation H-42846 LA: Stephen Joseph Larralde

document was comprised of 31 document pages and two (2) certificate pages that included 27 signatures and 57 initials, for Edward M. connected to email address sandlholdings@gmail.com, for Tricia M. connected to email address sandlholdings@gmail.com, for Mack LLC connected to email address stephen.larralde@gmail.com, and for Respondent connected to email address stephen.larralde@gmail.com.

29.

The DocuSign Certificate showed Respondent (IP address 216.166.81.2) was the Envelope Originator (using stephen.larralde@gmail.com) and the time stamp of the original record was 8/30/2022 2:13:14 P.M.; Edward M. and Tricia M.'s signatures were drawn on a device at IP address 71.84.84.163, and documents were signed at 2:16:20 P.M. (Edward M.) and 2:24:06 P.M. (Tricia M.); Mack LLC's signature was a pre-selected style selected at IP address 71.84.84.163 and Mack LLC signed at 2:25:25 P.M.; and Respondent's signature was drawn on a device at IP address 71.84.84.163 and Respondent signed at 2:26:39 P.M.

///

///

///

///

///

///

///

///

///

///

DRE Accusation H-42846 LA: Stephen Joseph Larralde

Respondent's Certificate of Completion Did Not Match DocuSign's Certificate of Completion for Envelope ID: 4374-C0CB-6AD0-4E6D-87E3-CF76-6F2E-00A5

The information on the Certificates of Completion for the same Envelope ID: 4374-C0CB-6AD0-4E6D-87E3-CF76-6F2E-00A5 received from DocuSign/SkySlope (DocuSign Certificate) and received from Respondent (Respondent's Certificate) had the following similarities and differences:

Envelope ID: 4374-C0CB-6AD0-4E6D-87E3-CF76-6F2E-00A5	<u>Respondent's Certificate of Completion</u> (received by the DRE on 10-30-23)	<u>DocuSign/SkySlope's Certificate of Completion</u> (received by the DRE on 12-08-23)
Document Pages	31	31
Certificate Pages	2	2
Signatures	27	27
Initials	57	57
Envelope Originator	Stephen Larralde	Stephen Larralde
	Stephen.Larralde@gmail.com	Stephen.Larralde@gmail.com
IP Address	216.166.81.2	216.166.81.2
Record Tracking	Original 8/30/2022 2:13:14	Original 8/30/2022 2:13:14
Signer Edward M.	<i>mcnabbeddie@yahoo.com</i>	<i>sandlholdings@gmail.com</i>
Signature Adoption IP Address	71.84.84.163	71.84.84.163
Timestamp	Sent: 8/30/2022, 2:14:15 PM; Viewed: 8/30/2022, 2:15:34; Signed: 8/30/2022, 2:16:20 PM	Sent: 8/30/2022, 2:14:15 PM; Viewed: 8/30/2022, 2:15:34; Signed: 8/30/2022, 2:16:20 PM

DRE Accusation H-42846 LA: Stephen Joseph Larralde

Signer Tricia M.	<i>mcnabbeddie@yahoo.com</i>	<i>sandlholdings@gmail.com</i>
Signature Adoption IP	71.84.84.163	71.84.84.163
Address		
Timestamp	Sent: 8/30/2022, 2:16:22 PM; Viewed: 8/30/2022, 2:23:18; Signed: 8/30/2022, 2:24:06 PM	Sent: 8/30/2022, 2:14:15 PM; Viewed: 8/30/2022, 2:15:34; Signed: 8/30/2022, 2:16:20 PM
Signer Mack LLC	<i>stephen.larralde@gmail.com</i>	<i>stephen.larralde@gmail.com</i>
Signature Adoption IP	71.84.84.163	71.84.84.163
Address		
Timestamp	Sent: 8/30/2022, 2:24:08 PM; Viewed: 8/30/2022, 2:24:35; Signed: 8/30/2022, 2:25:25 PM	Sent: 8/30/2022, 2:24:08 PM; Viewed: 8/30/2022, 2:24:35; Signed: 8/30/2022, 2:25:25 PM
Signer Stephen Larralde	<i>N/A</i>	<i>stephen.larralde@gmail.com</i>
Signature Adoption IP	<i>N/A</i>	71.84.84.163
Address		
Timestamp	<i>N/A</i>	Sent: 8/30/2022, 2:25:28 PM; Viewed: 8/30/2022, 2:26:31; Signed: 8/30/2022, 2:26:39. PM

31.

DocuSign Document Pages Received from Respondent

(Received by the DRE on November 20, 2023)

In response to the DRE SI's inquiry as to the 31 pages referenced in the Certificate of Completion submitted by Respondent (on October 30, 2023), Respondent provided

DRE Accusation H-42846 LA: Stephen Joseph Larralde

the following 31 pages that bore the same Envelope ID: 4374-C0CB-6AD0-4E6D-87E3-CF76-6F2E-00A5:

- A. Tenant Estoppel Certificate (TEC), unsigned and undated;
- B. Tenant Occupied Property Addendum (TOPA), electronically signed and dated by Consumers and seller Mack LLC on August 30, 2022;
- C. Rent Cap and Just Cause Addendum (RCJC), unsigned and undated;
- D. Residential Purchase Agreement and Joint Escrow Instructions (RPA) dated August 25, 2022, and [according to the zipForm footer] prepared by Respondent and "S&L Holdings" (SLH) (as it was provided by Respondent, this document shall be referred to as "RRPA)
- E. Disclosure Regarding Real Estate Agency Relationship (AD), electronically signed and dated by Consumers only on August 30, 2022.;
- F. Buyer's Investigation Advisory (BIA), electronically signed and dated by Consumers on August 30, 2022;
- G. Fair Housing & Discrimination Advisory (FHDA), electronically signed and dated by Consumers and seller Mack LLC on August 30, 2022;
- H. California Consumer Privacy Act Advisory, Disclosure and Notice (CCPA), signed and dated by Consumers on August 30, 2022;
- I. Wire Fraud and Electronic Funds Transfer Advisory (WFA) electronically signed and dated by Consumers and seller Mack LLC on August 30, 2022;
- J. Fair Appraisal Act Addendum (FAAA), electronically signed and dated by Consumers and seller Mack LLC on August 30, 2022; and

DRE Accusation H-42846 LA: Stephen Joseph Larralde

1 K. Addendum No. 1 dated August 30, 2022 regarding “seller to pay 10k towards
2 buyers NRCC’s.”

3 32.

4 According to a copy of the RPA dated August 25, 2022 provided by Respondent
5 (RRPA), described above in Paragraph 31, subsection D., “None” is listed in the space provided
6 for the names of the Brokerage Firms for both Buyer and Seller

7 33.

8 At pages 15 and 16 of the RRPA are electronic signatures dated August 30, 2022
9 for: Tricia M. and Edward M. and seller Mack LLC; there is also a signature [without a printed
10 or legible identifier for said signature] for T & C dated August 30, 2023 with an Escrow Holder
11 license number #8631959. The RRPA bore DocuSign Envelope ID: 4374-C0CB-6AD0-4E6D-
12 87E3-CF76-6F2E-00A5.

13 34.

14 At RRPA page 15, Mack LLC did not accept Consumers’ offer; Mack LLC
15 initialed and dated the “Offer Not Accepted” box on August 30, 2022.

16 35.

17 **Respondent Interview With DRE**

18 **(January 9, 2024)**

19 On January 9, 2024, Respondent confirmed to the DRE SI that
20 stephen.larralde@gmail.com and sandlholdings@gmail.com are valid email addresses that
21 belong to him. Respondent confirmed that Mack LLC owned the Redlands property, and that he
22 is a 99% owner of Mack LLC, and Maris Strombers is the 1% owner.

23 ///

24
25 DRE Accusation H-42846 LA: Stephen Joseph Larralde

36.

Respondent informed the SI that he did not represent Consumers as their agent in the Redlands property transaction. Respondent stated that Consumers signed loan documents twice and in the escrow amendment, Consumers signed a document disclosing that he is an agent and acting as a principal in the transaction. When asked if the RPA he provided to the DRE was the RPA signed by all parties and submitted to escrow, he stated that he could not recall, but did recall that no offers were accepted.

37.

When the SI asked Respondent whether he had ever altered the Certificate of Completion, Respondent stated no. When asked why Respondent's email, sandlholdings@gmail.com appeared as the email account on the DocuSign-generated Certificate Completion as the DocuSign account for Consumers, Respondent stated that he did not have that document, and had no idea.

///

///

///

///

///

///

///

///

///

///

DRE Accusation H-42846 LA: Stephen Joseph Larralde

1 **VIOLATIONS OF THE REAL ESTATE LAW - CAUSES FOR DISCIPLINE**

2 38.

3 Complainant re-alleges and incorporates by reference the preceding paragraphs as
4 set forth herein.

5 **First and Second Causes for Discipline:**

6 **Violation of Code Sections 10176(i) and 10177(j)– Dishonest Dealing**

7 39.

8 In the course of the activities described above, and based on the facts discovered
9 by the Department, as described above, the acts and/or omissions of Respondent **STEPHEN**
10 **JOSEPH LARRALDE** are in violation of **Code Section 10176(i) and Code Section 10177(j)**,
11 and constitute cause for the suspension or revocation of all licenses and license rights of
12 Respondent under the Real Estate Law.

13 40.

14 **Third Cause for Discipline:**

15 **Violation of Code Section 10177(d) for violation of**

16 **California Civil Code Section 1102.6**

17 41.

18 In the course of the activities described above, and based on the facts discovered
19 by the Department, as described above, the acts and/or omissions of Respondent **STEPHEN**
20 **JOSEPH LARRALDE** are in violation of **Civil Code Section 1102.6** and pursuant to **Code**
21 **Section 10177(d)**, constitutes cause for the suspension or revocation of all licenses and license
22 rights of Respondent Larralde under the Real Estate Law.

23 ///

24
25 DRE Accusation H-42846 LA: Stephen Joseph Larralde

COSTS

42.

Code Section 10106 provides, in pertinent part that in any order issued in resolution of a disciplinary proceeding before the Department, the Commissioner may request the administrative law judge to direct a licensee found to have committed a violation of this part to pay a sum not to exceed the reasonable costs of investigation and enforcement of the case.

WHEREFORE, Complainant prays that a hearing be conducted on the allegations of this Accusation and that upon proof thereof, a decision be rendered imposing disciplinary action against all the licenses and license rights of Respondent **STEPHEN JOSEPH LARRALDE** under the Real Estate Law (Part I of Division 4 of the Business and Professions Code), and for such other and further relief as may be proper under other applicable provisions of law.

Dated at San Diego, California: September 17, 2024.


Veronica Kilpatrick
Supervising Special Investigator

cc: Stephen Joseph Larralde
S & L Holdings Inc (via D.O. Sean Dale Curtin)
Veronica Kilpatrick
Sacramento D.O.

DRE Accusation H-42846 LA: Stephen Joseph Larralde

Appendix A

REAL ESTATE TRANSFER DISCLOSURE STATEMENT

THIS DISCLOSURE STATEMENT CONCERNS THE REAL PROPERTY SITUATED IN
THE CITY OF _____, COUNTY OF _____, STATE OF CALIFORNIA, DESCRIBED AS

_____. THIS STATEMENT IS A DISCLOSURE OF THE CONDITION OF THE
ABOVE DESCRIBED PROPERTY IN COMPLIANCE WITH SECTION 1102 OF THE CIVIL
CODE AS OF _____, 20____. IT IS NOT A WARRANTY OF ANY KIND BY THE
SELLER(S) OR ANY AGENT(S) REPRESENTING ANY PRINCIPAL(S) IN THIS
TRANSACTION, AND IS NOT A SUBSTITUTE FOR ANY INSPECTIONS OR
WARRANTIES THE PRINCIPAL(S) MAY WISH TO OBTAIN.

I

COORDINATION WITH OTHER DISCLOSURE FORMS

This Real Estate Transfer Disclosure Statement is made pursuant to Section 1102 of the Civil
Code. Other statutes require disclosures, depending upon the details of the particular real estate
transaction (for example: special study zone and purchase-money liens on residential property).

Substituted Disclosures: The following disclosures and other disclosures required by law,
including the Natural Hazard Disclosure Report/Statement that may include airport annoyances,
earthquake, fire, flood, or special assessment information, have or will be made in connection
with this real estate transfer, and are intended to satisfy the disclosure obligations on this form,
where the subject matter is the same:

☐ Inspection reports completed pursuant to the contract of sale or receipt for deposit.

☐ Additional inspection reports or disclosures:

DRE Accusation H-42846 LA: Stephen Joseph Larralde

☐ No substituted disclosures for this transfer.

II

SELLER'S INFORMATION

The Seller discloses the following information with the knowledge that even though this is not a warranty, prospective Buyers may rely on this information in deciding whether and on what terms to purchase the subject property. Seller hereby authorizes any agent(s) representing any principal(s) in this transaction to provide a copy of this statement to any person or entity in connection with any actual or anticipated sale of the property.

THE FOLLOWING ARE REPRESENTATIONS MADE BY THE SELLER(S) AND ARE NOT THE REPRESENTATIONS OF THE AGENT(S), IF ANY. THIS INFORMATION IS A DISCLOSURE AND IS NOT INTENDED TO BE PART OF ANY CONTRACT BETWEEN THE BUYER AND SELLER:

Seller _____ is _____ is not occupying the property.

A. The subject property has the items checked below (read across): *

Range _____ Oven _____

Dishwasher _____ Trash Compactor _____

Washer/Dryer

Hookups

DRE Accusation H-42846 LA: Stephen Joseph Larralde

1 ☐ Burglar Alarms

☐ Carbon Monoxide

Device(s)

3 ☐ TV Antenna

☐ Satellite Dish

4 ☐ Central Heating

☐ Central Air Cndtng.

5 ☐ Wall/Window Air

☐ Sprinklers

6 Cndtng.

7 ☐ Septic Tank

☐ Sump Pump

8 ☐ Patio/Decking

☐ Built-in Barbecue

10 ☐ Sauna

11 ☐ Hot Tub

☐ Pool

12 ☐ Locking Safety

☐ Child Resistant

13 Cover

Barrier

14 ☐ Security Gate(s)

☐ Automatic Garage

Door Opener(s)

16 | Garage:

17 ☐ Attached

☐ Not Attached

18 | Pool/Spa Heater:

19 ☐ Gas

☐ Solar

20 | Water Heater:

21 ☐ Gas

23 | Water Supply:

DRE Accusation H-42846 LA: Stephen Joseph Larralde

1 ____ City

____ Well

3 Gas Supply:

4 ____ Utility

____ Bottled

5 ____ Window Screens

____ Window Security

6 Bars

7 ____ Quick Release

8 Mechanism on

9 Bedroom Windows

10 Exhaust Fan(s) in _____ 220 Volt Wiring in

12 Fireplace (s) in _____ Gas Starter

14 Roof (s): Type: _____ Age:

15 _____ (approx.)

16 Other:

18
19 Are there, to the best of your (Seller's) knowledge, any of the above that are not in operating
20 condition? ____ Yes ____ No. If yes, then describe. (Attach additional sheets if necessary):
21 _____
22 _____
23 _____
24 _____
25 _____

26 DRE Accusation H-42846 LA: Stephen Joseph Larralde

1 _____
2 _____
3 _____
4 _____
5 B. Are you (Seller) aware of any significant defects/malfunctions in any of the following?

6 _____ Yes _____ No. If yes, check appropriate space(s) below.

7 _____ Interior Walls

_____ Ceilings

8 _____ Exterior Walls

_____ Insulation

9 _____ Windows

_____ Doors

10 _____ Slab(s)

_____ Driveways

11 _____ Walls/Fences

_____ Electrical Systems

12 _____
13 _____
14 _____ Other Structural Components (Describe:
15 _____
16 _____
17 _____
18 _____
19 _____)

20 If any of the above is checked, explain. (Attach additional sheets if necessary):
21 _____
22 _____
23 _____
24 _____
25 _____

26 DRE Accusation H-42846 LA: Stephen Joseph Larralde

1
2
3
4
5 *Installation of a listed appliance, device, or amenity is not a precondition of sale or transfer of
6 the dwelling. The carbon monoxide device, garage door opener, or child- resistant pool barrier
7 may not be in compliance with the safety standards relating to, respectively, carbon monoxide
8 device standards of Chapter 8 (commencing with Section 13260) of Part 2 of Division 12 of,
9 automatic reversing device standards of Chapter 12.5 (commencing with Section 19890) of Part
10 3 of Division 13 of, or the pool safety standards of Article 2.5 (commencing with Section
11 115920) of Chapter 5 of Part 10 of Division 104 of, the Health and Safety Code. Window
12 security bars may not have quick-release mechanisms in compliance with the 1995 edition of the
13 California Building Standards Code. Section 1101.4 of the Civil Code requires all single-family
14 residences built on or before January 1, 1994, to be equipped with water-conserving plumbing
15 fixtures after January 1, 2017. Additionally, on and after January 1, 2014, a single-family
16 residence built on or before January 1, 1994, that is altered or improved is required to be
17 equipped with water-conserving plumbing fixtures as a condition of final approval. Fixtures in
18 this dwelling may not comply with Section 1101.4 of the Civil Code.

19 C. Are you (Seller) aware of any of the following:

20 1. Substances, materials, or products which may be an
21 environmental hazard such as, but not limited to, asbestos,
22 formaldehyde, radon gas, lead-based paint, mold, fuel or
23 chemical storage tanks, and contaminated soil or water on the
24
25
26
27

DRE Accusation H-42846 LA: Stephen Joseph Larralde

1 subject property

2 2. Features of the property shared in common with
3 adjoining landowners, such as walls, fences, and driveways,
4 whose use or responsibility for maintenance may have an
5 effect on the subject property

6 3. Any encroachments, easements or similar matters that
7 may affect your interest in the subject property

8 4. Room additions, structural modifications, or other
9 alterations or repairs made without necessary permits

10 5. Room additions, structural modifications, or other
11 alterations or repairs not in compliance with building codes

12 6. Fill (compacted or otherwise) on the property or any
13 portion thereof

14 7. Any settling from any cause, or slippage, sliding, or
15 other soil problems

16 8. Flooding, drainage or grading problems

17 9. Major damage to the property or any of the structures
18 from fire, earthquake, floods, or landslides

19 10. Any zoning violations, nonconforming uses, violations
20 of "setback" requirements

21 11. Neighborhood noise problems or other nuisances

22 12. CC&Rs or other deed restrictions or obligations
23

24
25 DRE Accusation H-42846 LA: Stephen Joseph Larralde
26

1 13. Homeowners" Association which has any authority over
2 the subject property

3 14. Any "common area" (facilities such as pools, tennis
4 courts, walkways, or other areas co-owned in undivided
5 interest with others

6 15. Any notices of abatement or citations against the
7 property

8 16. Any lawsuits by or against the Seller threatening to or affecting this real property, claims for damages by
9 pursuant to Section 910 or 914 threatening to or affecting this real property, claims for breach of warranty pu
10 Section 900 threatening to or affecting this real property, or claims for breach of an enhanced protection agre
11 to Section 903 threatening to or affecting this real property, including any lawsuits or claims for damages pur
12 Section 910 or 914 alleging a defect or deficiency in this real property or "common areas" facilities such as p
13 courts, walkways, or other areas co-owned in undivided interest with others

14 If the answer to any of these is yes, explain. (Attach additional sheets if necessary.):

15 _____
16 _____
17 _____
18 _____
19 _____

20 D. 1. The Seller certifies that the property, as of the close of escrow, will be in compliance with
21 Section 13113.8 of the Health and Safety Code by having operable smoke detectors(s) which are
22 approved, listed, and installed in accordance with the State Fire Marshal's regulations and
23 applicable local standards.

24 _____
25 _____
26 _____
27 _____

DRE Accusation H-42846 LA: Stephen Joseph Larralde

2. The Seller certifies that the property, as of the close of escrow, will be in compliance with Section 19211 of the Health and Safety Code by having the water heater tank(s) braced, anchored, or strapped in place in accordance with applicable law.

Seller certifies that the information herein is true and correct to the best of the Seller's knowledge as of the date signed by the Seller.

Seller _____ Date _____

Seller _____ Date _____

III

AGENT'S INSPECTION DISCLOSURE

(To be completed only if the Seller is represented by an agent in this transaction.)

THE UNDERSIGNED, BASED ON THE ABOVE INQUIRY OF THE SELLER(S) AS TO THE CONDITION OF THE PROPERTY AND BASED ON A REASONABLY COMPETENT AND DILIGENT VISUAL INSPECTION OF THE ACCESSIBLE AREAS OF THE PROPERTY IN CONJUNCTION WITH THAT INQUIRY, STATES THE FOLLOWING:

☐ Agent notes no items for disclosure.

☐ Agent notes the following items:

DRE Accusation H-42846 LA: Stephen Joseph Larralde

1 _____
2 _____
3 _____
4 _____
5 Agent (Broker

6 Representing Seller) _____ By

7 _____ Date _____

8 (Please Print)

(Associate Licensee

9 or Broker Signature)

10 IV

11 AGENT'S INSPECTION DISCLOSURE

12 (To be completed only if the agent who has obtained the offer is other than the agent above.)

13 THE UNDERSIGNED, BASED ON A REASONABLY COMPETENT AND DILIGENT
14 VISUAL INSPECTION OF THE ACCESSIBLE AREAS OF THE PROPERTY, STATES THE
15 FOLLOWING:

16 ☐ Agent notes no items for disclosure.

17 ☐ Agent notes the following items:

18 _____
19 _____
20 _____
21 _____
22 _____
23 _____
24 _____
25 _____
26 DRE Accusation H-42846 LA: Stephen Joseph Larralde

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27

Agent (Broker

Obtaining the Offer) _____ By

_____ Date _____

(Please Print) (Associate License
or Broker Signature)

V

BUYER(S) AND SELLER(S) MAY WISH TO OBTAIN PROFESSIONAL ADVICE AND/OR
INSPECTIONS OF THE PROPERTY AND TO PROVIDE FOR APPROPRIATE
PROVISIONS IN A CONTRACT BETWEEN BUYER(S) AND SELLER(S) WITH RESPECT
TO ANY ADVICE/INSPECTIONS/ DEFECTS.

I/WE ACKNOWLEDGE RECEIPT OF A COPY OF THIS STATEMENT.

Seller _____ Date _____ Buyer

_____ Date _____

Seller _____ Date _____ Buyer

_____ Date _____

Agent (Broker

Representing Seller) _____ By

_____ Date _____

(Please Print) (Associate Licensee
or Broker Signature)

DRE Accusation H-42846 LA: Stephen Joseph Larralde

1 Agent (Broker
2 Obtaining the Offer) _____ By

3 _____ Date _____

4 (Please Print) (Associate Licensee
5 or Broker Signature)

6 SECTION 1102.3 OF THE CIVIL CODE PROVIDES A BUYER WITH THE RIGHT TO
7 RESCIND A PURCHASE CONTRACT FOR AT LEAST THREE DAYS AFTER THE
8 DELIVERY OF THIS DISCLOSURE IF DELIVERY OCCURS AFTER THE SIGNING OF
9 AN OFFER TO PURCHASE. IF YOU WISH TO RESCIND THE CONTRACT, YOU MUST
10 ACT WITHIN THE PRESCRIBED PERIOD.

11 A REAL ESTATE BROKER IS QUALIFIED TO ADVISE ON REAL ESTATE. IF YOU
12 DESIRE LEGAL ADVICE, CONSULT YOUR ATTORNEY.

13 PRINTER PLEASE NOTE: TIP-IN MATERIAL TO BE INSERTED
14
15
16
17
18
19
20
21
22
23
24

25 _____
26 DRE Accusation H-42846 LA: Stephen Joseph Larralde
27