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8 *Counsel for Complainant*

**FILED**  
SEP 18 2024  
DEPT. OF REAL ESTATE  
By 

10 DEPARTMENT OF REAL ESTATE  
11 STATE OF CALIFORNIA

12 \* \* \* \* \*

13 In the Matter of the Accusation against ) No. H-42846 LA  
14 STEPHEN JOSEPH LARRALDE, ) ACCUSATION  
15 Respondent. )  
16 )

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

20 1.

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

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25 DRE Accusation H-42846 LA: Stephen Joseph Larralde

1 **DRE LICENSE HISTORY**

2 2.

3 Licensure

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

8 3.

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

13 4.

14 Affiliation

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

20 5.

21 Mortgage Loan Originator License Endorsement

22 According to DRE records to date and publicly accessible online at the  
23 aforementioned DRE website, Respondent also holds a mortgage loan originator (MLO) license  
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25 DRE Accusation H-42846 LA: Stephen Joseph Larralde

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

6 6.

7 Prior License Discipline

8 According to DRE records to date and publicly accessible online at the  
9 aforementioned DRE website, on or about August 26, 2009, in DRE Case H-35585 LA,  
10 Respondent's license was suspended for sixty (60) days (stayed for two (2) years), pursuant to  
11 Code Sections 490 and 10177(b), for a 2007 conviction for violation of Penal Code Section  
12 273.5(a).

13 7.

14 Expiration

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

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25 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  
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25 DRE Accusation H-42846 LA: Stephen Joseph Larralde  
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1 broker obtaining the signature, or pay a compensation to the broker if the  
2 property is purchased, leased, rented, or exchanged without the broker first  
3 having obtained the written authorization of the owner of the property  
4 concerned to offer the property for sale, lease, exchange, or rent.

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

8 (1) The lender.

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

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

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

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**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...”

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1 10.

2 **Cost Recovery**

3 **(Code Section 10106)**

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

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

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

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

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

22 (e) Where an order for recovery of costs is made and timely payment is not made  
23 as directed in the commissioner’s decision, the commissioner may enforce the order for  
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25 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.

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**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 6<sup>th</sup> Street, Redlands, California (Redlands property) from Respondent, but Respondent failed to deliver copies of certain transaction documents, including the Real Estate Transfer Disclosure form.

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DRE Accusation H-42846 LA: Stephen Joseph Larralde

1 12.

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

7 13.

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

9 14.

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

18 15.

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

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25 DRE Accusation H-42846 LA: Stephen Joseph Larralde

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

3 16.

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

8 17.

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

11 18.

12 Consumers' Complaint package also included copies of the following transaction  
13 documents dated August 30, 2022 and bearing the same DocuSign Envelope ID: 4374-C0CB-  
14 6AD0-4E6D-87E3-CF76-6F2E-00A5:

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

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

- 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.

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25 DRE Accusation H-42846 LA: Stephen Joseph Larralde  
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1 21.

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

8 22.

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

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25 DRE Accusation H-42846 LA: Stephen Joseph Larralde

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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

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DRE Accusation H-42846 LA: Stephen Joseph Larralde

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

4 26.

5 Respondent's Certificate showed Respondent (IP address 216.166.81.2) was the  
6 Envelope Originator (using stephen.larralde@gmail.com) and the time stamp of the original  
7 record was 8/30/2022 2:13:14 P.M.; Edward M. and Tricia M.'s signatures were drawn on a  
8 device at IP address 71.84.84.163, and documents were signed at 2:16:20 P.M. (Edward M.) and  
9 2:24:06 P.M. (Tricia M.); and Mack LLC's signature was a pre-selected style selected at IP  
10 address 216.166.81.2 and Mack LLC signed at 2:25:25 P.M.

11 27.

12 **Documents Received from DocuSign**

13 **(Received by the DRE on December 8, 2023)**

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

19 28.

20 On or about December 8, 2023, DocuSign responded to the DRE subpoena and  
21 produced the Certificate of Completion and Audit history associated with Envelope ID: 4374-  
22 C0CB-6AD0-4E6D-87E3-CF76-6F2E-00A5 (DocuSign Certificate). According to the  
23 DocuSign Certificate for Envelope ID: 4374-C0CB-6AD0-4E6D-87E3-CF76-6F2E-00A5, the  
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25 DRE Accusation H-42846 LA: Stephen Joseph Larralde



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

6 29.

7 The DocuSign Certificate showed Respondent (IP address 216.166.81.2) was the  
8 Envelope Originator (using stephen.larralde@gmail.com) and the time stamp of the original  
9 record was 8/30/2022 2:13:14 P.M.; Edward M. and Tricia M.'s signatures were drawn on a  
10 device at IP address 71.84.84.163, and documents were signed at 2:16:20 P.M. (Edward M.) and  
11 2:24:06 P.M. (Tricia M.); Mack LLC's signature was a pre-selected style selected at IP address  
12 71.84.84.163 and Mack LLC signed at 2:25:25 P.M.; and Respondent's signature was drawn on  
13 a device at IP address 71.84.84.163 and Respondent signed at 2:26:39 P.M.

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25 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:

<b>Envelope ID: 4374-C0CB-6AD0-4E6D-87E3-CF76-6F2E-00A5</b>	<b><u>Respondent's Certificate of Completion</u> (received by the DRE on 10-30-23)</b>	<b><u>DocuSign/SkySlope's Certificate of Completion</u> (received by the DRE on 12-08-23)</b>
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
<b>Signer Edward M.</b>	<b><i>mcnabbeddie@yahoo.com</i></b>	<b><i>sandlholdings@gmail.com</i></b>
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

1	<b>Signer Tricia M.</b>	<i>mcnabbeddie@yahoo.com</i>	<i>sandlholdings@gmail.com</i>
2	Signature Adoption IP	71.84.84.163	71.84.84.163
3	Address		
4	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
6	<b>Signer Mack LLC</b>	<i>stephen.larralde@gmail.com</i>	<i>stephen.larralde@gmail.com</i>
7	Signature Adoption IP	71.84.84.163	71.84.84.163
8	Address		
9	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
12	<b>Signer Stephen Larralde</b>	<i>N/A</i>	<i>stephen.larralde@gmail.com</i>
13	Signature Adoption IP	<i>N/A</i>	71.84.84.163
14	Address		
15	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

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DRE Accusation H-42846 LA: Stephen Joseph Larralde

1 the following 31 pages that bore the same Envelope ID: 4374-C0CB-6AD0-4E6D-87E3-CF76-  
2 6F2E-00A5:

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

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25 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 ///

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25 DRE Accusation H-42846 LA: Stephen Joseph Larralde

1 36.

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

8 37.

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

14 ///

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1 **COSTS**

2 42.

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

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

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

14  
15   
16 \_\_\_\_\_  
17 Veronica Kilpatrick  
18 Supervising Special Investigator

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

23  
24  
25 \_\_\_\_\_  
26 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:

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DRE Accusation H-42846 LA: Stephen Joseph Larralde



1 \_\_\_ Burglar Alarms

\_\_\_ Carbon Monoxide

2

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

9 \_\_\_ Sauna

10

11 \_\_\_ Hot Tub

\_\_\_ Pool

12 \_\_\_ Locking Safety

\_\_\_ Child Resistant

13 Cover

Barrier

14 \_\_\_ Security Gate(s)

\_\_\_ Automatic Garage

15

Door Opener(s)

16 | Garage:

17 \_\_\_ Attached

\_\_\_ Not Attached

18 | Pool/Spa Heater:

19 \_\_\_ Gas

\_\_\_ Solar

20 | Water Heater:

21 \_\_\_ Gas

22

23 | Water Supply:

24

25

DRE Accusation H-42846 LA: Stephen Joseph Larralde

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27

1 \_\_\_ City

\_\_\_ Well

2

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

11

12 Fireplace (s) in \_\_\_\_\_ Gas Starter

13

14 Roof (s): Type: \_\_\_\_\_ Age: \_\_\_\_\_

15

(approx.)

16 Other:

17

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):

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DRE Accusation H-42846 LA: Stephen Joseph Larralde

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B. Are you (Seller) aware of any significant defects/malfunctions in any of the following?

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

Interior Walls

Ceilings

Exterior Walls

Insulation

Windows

Doors

Slab(s)

Driveways

Walls/Fences

Electrical Systems

Other Structural Components (Describe:

)  
If any of the above is checked, explain. (Attach additional sheets if necessary):

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 DRE Accusation H-42846 LA: Stephen Joseph Larralde  
26

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

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



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

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

6 Seller \_\_\_\_\_ Date

7 \_\_\_\_\_

8 Seller \_\_\_\_\_ Date

9 \_\_\_\_\_

10 III

11 AGENT'S INSPECTION DISCLOSURE

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

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

17  Agent notes no items for disclosure.

18  Agent notes the following items:

19 \_\_\_\_\_

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DRE Accusation H-42846 LA: Stephen Joseph Larralde

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Agent (Broker  
Representing Seller) \_\_\_\_\_ By  
\_\_\_\_\_  
Date \_\_\_\_\_

(Please Print) (Associate Licensee  
or Broker Signature)

IV

AGENT'S INSPECTION DISCLOSURE

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

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

- Agent notes no items for disclosure.
- Agent notes the following items:

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Agent (Broker  
Obtaining the Offer) \_\_\_\_\_ By  
\_\_\_\_\_ Date \_\_\_\_\_

(Please Print) (Associate License  
or Broker Signature)

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)

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