

Enforcement & Compliance

Alleged violations of Arizona law are reviewed by and processed through the Enforcement and Compliance (“E&C”) Division. The Division refers some matters for hearing, negotiates settlement of others and follows up and enforces compliance with ordered terms.

Administrative Actions

The action taken is dependent upon the facts and seriousness of alleged violations, the potential for harm to the public, and aggravating or mitigating circumstances, including previous violations by the parties involved. Many cases are settled in-house by Consent Order or Accelerated Settlement Agreements, where facts, violations and sanctions are stipulated by the parties. Hearings, when held, are conducted by the Office of Administrative Hearings (OAH).

Compliance

When a matter is resolved through entry of a Commissioner’s Order or Consent Order, the Department is responsible to monitor and enforce compliance with ordered terms. Delinquent civil penalties are regularly referred for collection, and additional disciplinary measures are taken as appropriate.

Publication of Orders

All formal enforcement actions taken against licensees or developers are a matter of public record and may be published in the Department’s bulletin and ADRE website.

Reviewing Files

To make a Public Records Request, contact the Custodian of Records at the Message Center through www.azre.gov.



Douglas A. Ducey
Governor

Judy Lowe
Commissioner

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Visit our website at
www.azre.gov



Arizona Department of Real Estate
(ADRE)

The Investigation Process



TEAM
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PARTNERS IN PREVENTING HARM!

Contained here is a brief description of the process ADRE follows when a complaint is received. All investigative and enforcement matters, including administrative hearings, are conducted pursuant to provisions of the Arizona Revised Statutes (A.R.S.) and the Arizona Administrative Code (A.A.C.) The Department does not investigate violations of:

- * "Code of Ethics"
- * Homeowners Associations (HOA) - Refer to the HOA Dispute Process button on the ADRE homepage.
- * Landlord Tenant disputes
- * Construction defects
- * Mortgage and title issues
- * Earnest money disputes
- * Commission disputes between licensees.

Complaint Process

The Department must determine two things:

- * Does the complaint or information relate to possible violations of real estate laws or rules?
- * Are the individuals and/or entities involved, under the Department's jurisdiction?

Who does the Department Regulate?

1. Licensees-real estate, cemetery, membership camping salespersons, brokers, real estate schools, instructors (including business entities such as partnerships, corporations, and limited liability companies) which hold or should hold real estate licenses. (Including Property Managers)
2. Those who have applied for a license.
3. Persons or businesses selling or leasing subdivided or unsubdivided lands, timeshare intervals, cemetery property or membership camping contracts.

Communication

The first step in resolving complaints is communication. Talk to the licensee or developer, and with the licensee's Designated Broker, which may expedite a resolution.

Contact the Arizona Association of REALTORS® (AAR) if the licensee is a member of AAR. These members subscribe to a "Code of Ethics" that is a higher standard of conduct than imposed by law. AAR may refer complaints to the Department if they believe real estate laws have been violated.

Mediation

Mediation is an inexpensive alternative to filing a civil lawsuit. Mediation provides an opportunity to find a solution which satisfies both parties. The Attorney General's Office (www.azag.gov) or AAR (www.AARonline.com) are available to provide mediation services. Other resources may be available in the local community.

Investigation

A.R.S. §32-2108 requires that complaints be filed in writing and signed by the complainant. The complaint must allege conduct which violates real estate laws or rules. A complaint form is available on the ADRE website: www.azre.gov.

- * Include a full name and address, as well as that of the person against whom the complaint is made (respondent).
- * The complaint should be clear and concise, stating in detail the facts surrounding the incident, including:
 1. Time and place of occurrence (s);
 2. Who was involved or present;
 3. What activities occurred which are believed to be illegal; and,
 4. The names, addresses and telephone numbers of any witnesses.

Attach legible, complete copies of all transaction documents and related correspondence.

The respondent will be provided a copy of the complaint and must provide a written response. All relevant documentation must be provided. If additional documents or statements are needed, the Department will request or subpoena them.

Resolution

If the Department determines that the respondent has violated a real estate law or Commissioner's Rules, the Commissioner may take any one or a combination of actions, which may include:

- * Letter of Concern
- * Negotiate settlement by means of a Consent Order
- * Civil penalty
- * A provisional license,
- * Buyer Rescission
- * Refer the case to the Attorney General for hearing
- * Suspension of license
- * Revocation of license
- * Surrender of License

