

# Kimball, Tirey & St. John LLP

## The DRE's Recent Attention on Advertising and Compliance

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As many licensees have unfortunately found out first hand during this past year, the California Department of Real Estate ("DRE") has adjusted to the COVID-19 crisis with what has been perceived as an increase in its investigative activities. Audits continue to be conducted remotely, and the number of inquiry letters from Special Investigators looking into possible violations of the Real Estate Law and Commissioner's Regulations appear to have increased in frequency.

One specific area that the DRE has focused on relates to advertising, especially first points of contact with consumers and social media, so much so that it has posted a new publication, [Real Estate Advertising Guidelines \(RE27\)](#), on its website.

RE27 addresses such basic requirements as license identification disclosures (font size, as an example), avoiding bait and switch or what is considered false, deceptive, or misleading advertising, and the supervision responsibility of Designated Officers and Brokers over the marketing conduct of their licensed salespersons, broker-associates, and unlicensed personnel.

With property managers becoming increasingly dependent on an online presence to promote their services and properties during the pandemic, familiarity with the law is crucial to avoid being on the receiving end of a Special Investigator's inquiry letter. It is not uncommon to have a simple clerical error or inadvertent oversight in a sign or business card result in a comprehensive audit of a broker's entire property management operations.

#### Additional Resources:

- [The DRE's License Disclosure Requirements for Advertising \(RE559\)](#)
- Information about DRE compliance services provided by KTS is available at [https://www.kts-law.com/wp-content/uploads/2018/06/Services\\_DRECompliance.pdf](https://www.kts-law.com/wp-content/uploads/2018/06/Services_DRECompliance.pdf) as a comprehensive summary of existing law.

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