

# The Palm Beach Post

DELRAY BEACH

## Attorney general targets Delray-based real estate firm over 'scheme to swindle homeowners'



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Florida Attorney General Ashley Moody wants a judge to freeze the operations and assets of a Delray Beach-based real estate firm it says duped thousands of homeowners statewide into signing 40-year sales contracts that amount to liens on their properties.

A motion for temporary injunction filed in Hillsborough County last month against MV Realty PBC said it engaged in a "deceptive, unfair and unconscionable scheme to swindle homeowners in Florida and 32 other states out of their home equity."

An estimated 1,500 Palm Beach County homeowners and more than 9,000 statewide signed up with MV Realty — a limited liability company whose initials stand for Mad Valorem, a play on ad valorem, a Latin term often related to taxes and real estate, according a lawsuit filed by the state against the company in 2022.

Massachusetts, Pennsylvania, Ohio, North Carolina and New Jersey have also sued the firm.

Florida legislators went so far as to pass a new state law — Florida Statute 475.279 — that went into effect July 1 specifically targeting MV Realty and prohibiting courts from enforcing the company's "Homeowner Benefit Agreement."

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According to the 2022 lawsuit, the company gives one-time payouts to homeowners of between \$300 and \$5,000 for the right to sell their home over the span of four decades.

But if a homeowner wants to cancel the agreement, goes into foreclosure, lists to sell with a different agency or dies and leaves it to heirs, MV Realty gets 3% of the property's value,

according to court filings.

Also, state officials said because the agreement is recorded in official court records, it has been interpreted as a lien, which limits the homeowner's ability to take out reverse mortgages and home equity lines of credit or to refinance.

MV Realty defended its practices.

In a statement this week, it called the Homeowner Benefit Agreement “an innovative option that is first and foremost designed to benefit homeowners by ensuring they are compensated for the exclusive right to list their home — a right that up until now they gave away for free.”

“MV Realty remains confident the Homeowner Benefit Program fully complies with the law and benefits consumers who select MV Realty as their listing agent,” the statement said. “We look forward to working with the Florida AG to address concerns and continue this valuable program as an option to homeowners across the state.”

The company started in Florida in 2014 but didn't offer the benefit agreement until 2018, which was at first called an "Optlisting Agreement."

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Palm Beach Gardens elder-law attorney Joseph Karp, who represented an 82-year-old who signed an agreement with MV Realty, said the company preyed on his client, who suffered from dementia.

Karp said his client was given \$800 in exchange for the rights to list her three-bedroom Port St. Lucie home for 40 years. Karp contacted the Attorney General's Office after the experience with his client.

“They went after them full speed,” Karp said about the state's actions against MV Realty. “They really did put the screws to them, which I'm glad about, because they are predators.”

An affidavit filed with the state's motion for a temporary injunction says at least 159 consumer complaints from 26 counties were filed in relation to MV Realty's business practices. More than 40% of the complaints involved people 60 years old or older.

About a dozen complaints were filed against the company by former employees, according to the affidavit from state investigator Supervisor Patricia V. Rossie. She said employees felt

pressured to make “high-volume predatory telemarketing calls” that could amount to 480 calls a day.

North Carolina lawmakers also passed legislation this year in response to MV Realty’s business practices. The law bars “unfair real estate agreements,” which it defines, in part, as creating a lien on the property and being longer than one year.

North Carolina Attorney General Josh Stein said more than 2,000 MV Realty contracts had been signed in his state. The law was necessary to avoid a game of “Whac-A-Mole,” Stein said.

“Other companies will mimic this strategy,” Stein said at an Aug. 28 event where North Carolina Governor Roy Cooper signed the legislation. “There is no end, unfortunately, to the creativity of scam artists.”

MV Realty has until Oct. 13 to respond to Florida’s motion for a temporary injunction.

*Kimberly Miller is a veteran journalist for The Palm Beach Post, part of the USA Today Network of Florida. She covers real estate and how growth affects South Florida's environment. Subscribe to The Dirt for a weekly real estate roundup. If you have news tips, please send them to [kmiller@pbpost.com](mailto:kmiller@pbpost.com). Help support our local journalism, subscribe today.*