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SUPERIOR COURT OF NEW JERSEY
CHANCERY DIVISION, ESSEX COUNTY
DOCKET NO.: ____ -

MATTHEW J. PLATKIN, Attorney General of the State of New Jersey; and CARI FAIS, Acting Director of the New Jersey Division of Consumer Affairs,

Plaintiffs,

v.

MV REALTY PBC, LLC; MV REALTY OF NEW JERSEY, LLC; AMANDA J. ZACHMAN f/k/a AMANDA J. ZUCKERMAN, individually and as an owner, officer, director, shareholder, founder, member, manager, employee, servant, agent, representative and/or independent contractor of MV REALTY PBC, LLC and/or MV REALTY OF NEW JERSEY, LLC; DAVID MANCHESTER, individually and as an owner, officer, director, shareholder, founder, member, manager, employee, servant, agent, representative and/or independent contractor of MV REALTY PBC, LLC and/or MV REALTY OF NEW JERSEY, LLC; DAVID REINER, individually and as an owner, officer, director, shareholder, founder, member, manager, employee, servant, agent, representative and/or independent contractor of MV REALTY PBC, LLC and/or MV REALTY OF NEW JERSEY, LLC; ANTONY MITCHELL a/k/a TONY MITCHELL, individually and as an owner, officer, director, shareholder, founder, member, manager, employee, servant, agent, representative and/or independent contractor of MV REALTY PBC, LLC and/or MV REALTY OF NEW JERSEY, LLC; JANE AND JOHN DOES 1-20, individually and as owners, officers, directors, shareholders, founders,

Civil Action

COMPLAINT

members, managers, employees, servants, agents, representatives and/or independent contractors of MV REALTY PBC, LLC and/or MV REALTY OF NEW JERSEY, LLC; and XYZ CORPORATIONS 1-20,

Defendants.

Plaintiffs Matthew J. Platkin, Attorney General of the State of New Jersey (“Attorney General”), with offices located at 124 Halsey Street, Fifth Floor, Newark, New Jersey, and Cari Fais, Acting Director of the New Jersey Division of Consumer Affairs (“Director”), with offices located at 124 Halsey Street, Seventh Floor, Newark, New Jersey, (collectively, “Plaintiffs”) by way of this Complaint state:

PRELIMINARY STATEMENT

1. MV Realty PBC, LLC (“MV Realty PBC”) and MV Realty of New Jersey, LLC (“MV Realty of New Jersey”) (collectively, “MV Realty”), together with their principals Amanda J. Zachman f/k/a Amanda J. Zuckerman (“Zachman”), David Manchester (“Manchester”), David Reiner (“Reiner”), and Antony Mitchell a/k/a Tony Mitchell (“Mitchell”) (collectively with MV Realty, “Defendants”), hold MV Realty out as a “disruptive” real estate brokerage firm offering quick cash to homeowners through their deceptively named “Homeowner Benefit Program” (“HBP”). Defendants market the HBP as a program that pays consumers between \$300 to \$5,000, in exchange for the opportunity to serve as consumers’ real estate agents if consumers decide to sell their homes in the future.

2. In reality, the HBP comes with significant strings attached. Defendants’ HBP requires consumers to enter into MVR Homeowner Benefit Agreements (“HBA”). The HBA

operates as a usurious mortgage loan that gives MV Realty a secured right to list a property for an unprecedented 40 years and saddles homeowners with an exorbitant early termination fee that robs them of the equity in their homes. Yet, Defendants represent that their product is “not a loan” and that homeowners have “no obligation” to repay MV Realty or to sell their home in the future. MV Realty misrepresents and conceals these and other onerous material terms of the deal, which far exceed real estate industry norms, cloud homeowners’ title to their property and leave consumers significantly worse off. To date, more than 1,250 New Jersey homeowners across the State have fallen prey to Defendants’ scheme and entered into HBAs with Defendants, lured by their simplistic sales pitch and deceptive business practices.

3. The Attorney General and the Director commence this action to hold Defendants accountable for their unconscionable commercial practices, deceptive conduct and misrepresentations in the advertisement, offer for sale and sale of the HBP to consumers in New Jersey in violation of the New Jersey Consumer Fraud Act (“CFA”), N.J.S.A. 56:8-1 to -227, and the regulations promulgated thereunder, specifically the Regulations Governing General Advertising, N.J.A.C. 13:45A-9.1 to -9.8 (“Advertising Regulations”) and the Telemarketing Do Not Call Regulations, N.J.A.C. 13:45D-1.1 to -5.2 (“Telemarketing Regulations”).

4. For the reasons stated herein, Plaintiffs seek to permanently enjoin Defendants’ unconscionable and deceptive business practices, and to recover restitution on behalf of defrauded consumers, statutory civil penalties and other equitable and monetary relief.

PARTIES AND JURISDICTION

5. The Attorney General is charged with enforcing the CFA and the regulations promulgated thereunder, including the Advertising Regulations and the Telemarketing

Regulations. See N.J.S.A. 52:17B-5.7. The Director is charged with administering the CFA, the Advertising Regulations and the Telemarketing Regulations on behalf of the Attorney General. See N.J.S.A. 52:17B-120 to -124. Plaintiffs bring this action pursuant to their authority under the CFA, specifically, N.J.S.A. 56:8-8, 56:8-11, 56:8-13, and 56:8-19.

6. MV Realty has entered into at least 1,250 HBAs in New Jersey, including at least 126 in Essex County.

7. Venue is proper in Essex County, pursuant to R. 4:3-2, because it is a county in which the cause of action against Defendants arose.

8. MV Realty PBC is a limited liability company established in the State of Florida (“Florida”). At all relevant times, MV Realty PBC maintained a business address at 219 N. Dixie Boulevard, Delray Beach, Florida 33444.

9. MV Realty PBC’s registered agent is F & L Corp, with a mailing address of One Independent Drive, Suite 1300, Jacksonville, Florida 32202.

10. MV Realty of New Jersey is a limited liability company established in the State of New Jersey (“New Jersey”) on June 11, 2020. At all relevant times, MV Realty of New Jersey maintained a business address at 401 E. Atlantic Avenue, Suite 201, Delray Beach, Florida 33483.

11. MV Realty of New Jersey’s registered agent is C T Corporation System, with a mailing address of 820 Bear Tavern Road, West Trenton, New Jersey 08628.

12. Since July 2, 2020, MV Realty of New Jersey has been licensed as a real estate company by the New Jersey Real Estate Commission (“REC”), which is a division of the New Jersey Department of Banking and Insurance (“DOBI”).

13. MV Realty of New Jersey claims, for the purpose of its New Jersey real estate license with the REC, to have an office located at 100 Walnut Avenue, Suite 210, Clark, New Jersey 07066.

14. The HBA, together with a corresponding Memorandum of MVR Homeowner Benefit Agreement (“Memorandum of Benefit”), is executed by the homeowner in favor of MV Realty of New Jersey.

15. MV Realty PBC is unlicensed to engage in real estate brokerage business in New Jersey.

16. MV Realty PBC issues the checks to New Jersey consumers for the amount listed as a “promotion fee” in the HBA.

17. Homeowners that have questions or concerns regarding the HBAs are provided with the number for MV Realty PBC, MV Realty of New Jersey’s unlicensed Florida parent company.

18. At all relevant times, Zachman has been an owner, officer, director, founder, member, manager, employee, servant, agent, representative and/or independent contractor of MV Realty. At all relevant times, Zachman, a Florida resident, has maintained a business address of 219 N. Dixie Boulevard, Delray Beach, Florida 33444.

19. On its website, MV Realty identifies Zachman as its founder and Chief Sales Officer (“CSO”) and specifies that she is part of the team that developed the HBP and helped it grow from 7,778 homeowners nationwide in 2021, to 32,000 homeowners as of August 2022.

20. Zachman is unlicensed to engage in real estate brokerage business in New Jersey.

21. Zachman executed HBAs and Memoranda of Benefit with New Jersey consumers on behalf of MV Realty of New Jersey.

22. Zachman has had direct communications with New Jersey consumers regarding the HBP.

23. Zachman had direct oversight over MV Realty's employees in New Jersey and provided guidance to employees regarding the HBP in New Jersey.

24. Zachman directly supervised the activity of Reiner, the broker of record of MV Realty of New Jersey, and Zachman regularly provided direction regarding the hiring of agents licensed by the REC ("MV Licensees") to MV Realty of New Jersey.

25. Zachman prepared the Memoranda of Benefit that MV Realty of New Jersey recorded against New Jersey consumers' homes.

26. At all relevant times, Manchester has been an owner, officer, director, founder, member, manager, employee, servant, agent, representative and/or independent contractor of MV Realty. At all relevant times, Manchester, a Florida resident, has maintained a business address of 219 N. Dixie Boulevard, Delray Beach, Florida 33444.

27. Manchester is unlicensed to engage in real estate brokerage business in New Jersey.

28. Manchester had direct oversight over MV Realty's employees in New Jersey and provided guidance to employees regarding the HBP in New Jersey.

29. At all relevant times, Reiner has been an owner, officer, director, founder, member, manager, employee, servant, agent, representative and/or independent contractor of MV Realty. At all relevant times, Reiner, a New Jersey resident, has maintained a business address of 100 Walnut Avenue, Suite 210, Clark, New Jersey 07066.

30. Since July 2, 2020, Reiner has been licensed as MV Realty of New Jersey's broker of record with the REC.

31. Reiner has had direct communications with New Jersey consumers regarding the HBP.

32. Reiner had direct oversight over MV Realty's employees in New Jersey and provided guidance to employees regarding the HBP in New Jersey.

33. Reiner failed to be physically present at MV Realty of New Jersey's office during usual business hours at least five days per calendar week and to maintain an office open to the public during ordinary business hours.

34. At various times, Reiner did not personally oversee and direct the operations of MV Realty of New Jersey and allowed Zachman, Manchester and/or Mitchell to oversee and direct the operations of MV Realty of New Jersey.

35. At all relevant times, Mitchell has been an owner, officer, director, founder, member, manager, employee, servant, agent, representative and/or independent contractor of MV Realty. At all relevant times, Mitchell, a Florida resident, has maintained a business address of 219 N. Dixie Boulevard, Delray Beach, Florida 33444.

36. Mitchell is the Chief Executive Officer ("CEO") of MV Realty PBC. Mitchell is the president and CEO of MV Realty of New Jersey. On its website, MV Realty specifies that Mitchell was brought on to expand market penetration of the HBP. Upon information and belief, Mitchell is also engaged in the securitization and/or collateralization of MV Realty's HBAs.

37. Mitchell is unlicensed to engage in real estate brokerage business in New Jersey.

38. Guidance, direction, supervision and training regarding the solicitation and execution of HBAs by MV Realty of New Jersey and its licensed agents was provided by MV Realty PBC, through Zachman, Manchester and/or Mitchell.

39. John and Jane Does 1 through 20 are fictitious individuals meant to represent the owners, officers, directors, shareholders, founders, members, managers, employees, servants, agents, representatives and/or independent contractors of MV Realty PBC and/or MV Realty of New Jersey who have been involved in the conduct that gives rise to this Complaint but are heretofore unknown to Plaintiffs. As these defendants are identified, Plaintiffs shall amend the Complaint to include them.

40. XYZ Corporations 1 through 20 are fictitious corporations meant to represent any additional business entities who have been involved in the conduct that gives rise to the Complaint but are heretofore unknown to Plaintiffs. As these defendants are identified, Plaintiffs shall amend the Complaint to include them.

GENERAL ALLEGATIONS

41. Since at least June 11, 2020, Defendants have engaged in the advertisement, offering for sale and sale of the HBP to New Jersey consumers.

42. Defendants have sold the HBP to more than 1,250 New Jersey homeowners across the State. The HBP is directed toward consumers' primary residences. All, or nearly all, of the 1,250 properties that are subject to HBAs in New Jersey are single-family homes, townhomes, or condominiums, in which the homeowners reside.

43. Defendants use deceptive and abusive advertising and telemarketing practices to sell the HBP to New Jersey consumers.

44. MV Realty, which is not registered as a telemarketer in New Jersey, often solicits homeowners facing financial pressures and in need of additional cash by making unsolicited telephone calls to sell the HBP. Once an unsuspecting homeowner is on the line, they are told that in exchange for receiving a small cash payment, referred to as a “promotion fee”, all they have to do is agree to use MV Realty to sell their home should they decide to sell in the future. Homeowners are told that the money they receive is not a loan, no lien will be placed against their homes, there is no obligation to sell their home and that there is no repayment obligation, meaning MV Realty only gets paid if the homeowner sells their home.

45. The “promotion fee” that MV Realty pays to homeowners is equal to 0.03% of the current value of the real property, as calculated by an automated model. MV Realty agents do not visually inspect the property prior to entering an HBA with a homeowner; instead, they rely solely on the automated model to set the current value of the real property in the HBA.

46. Pursuant to the HBA’s terms, MV Realty’s sale commission and early termination fee have a guaranteed minimum amount or “floor” of 3% of the automated home valuation, representing 1,000% of the “promotion fee” received by the consumer, with no limitation on the upside. Therefore, the homeowner is forced to shoulder all the risk associated with the sale price of the property, while MV Realty locks in its tenfold return on its investment, irrespective of any potential downturn in the real estate market.

47. MV Realty does not disclose the true nature of the deal or its predatory terms upfront. Among other things, it does not disclose to consumers that there will be a lien placed against the home, that there is a 40-year contract term or that the consumer will pay a severe early termination fee of at least 3% of the property’s value—a penalty of at least ten times (or 1,000%

of) the “promotion fee” the consumer received—if the consumer lists the property for sale with another real estate agent, the home is foreclosed upon, title is transferred to a family member, heirs try to sell the home or if the consumer wishes to cancel the deal.

48. MV Realty of New Jersey has an incentive to provide an inflated valuation to increase the floor of any future commission or early termination fee payable to MV Realty.

49. Defendants failed to disclose to homeowners entering into HBAs, MV Realty of New Jersey’s inherent conflict of interest in determining the valuation of a property subject to an HBA.

50. The commission rate and floor, as well as the early termination fee, were preprinted when the consumers signed the HBAs and were not open or subject to negotiation by the homeowner signing the HBA. Thus, language in the HBAs claiming that the commission was negotiated was false.

51. The HBAs are listing agreements, or they set the terms for future listing agreements.

52. MV Licensees are compensated a flat fee for each HBA sold and Defendants failed to disclose this fact to homeowners entering into HBAs.

53. Defendants never entered into independent contractor or employment agreements containing the terms of its business relationship with any MV Licensee prior to MV Licensees engaging in brokerage activity.

54. The vast majority of residential real estate sales in New Jersey, which utilize a licensed broker, involve fiduciary relationships whereby licensees act as agents of the seller and/or buyer.

55. The “transaction broker” business relationship is rarely used and not the market norm for residential real estate sales.

56. Neither Defendants nor their representatives explained to homeowners the meaning of a transaction broker or the differences between that business relationship and an agency relationship typically applicable to the real estate sales industry.

57. When entering into an HBA, New Jersey homeowners are unaware that they are signing away their right, for 40 years, to be represented by an agent that is legally obligated to prioritize the homeowner’s interests over the interests of all other parties.

58. At no time prior to any New Jersey homeowner entering into an HBA, did any Defendant ever verbally inform such homeowners of the four possible business relationships available between sellers and real estate licensees.

59. At no time prior to any New Jersey homeowner entering into an HBA, did any Defendant ever deliver a copy of the Consumer Information Statement to any such homeowner.

60. Defendants never recommended that homeowners seek legal counsel in connection with executing an HBA.

61. Defendants failed to include required language regarding commission splits in their HBAs.

62. The terms of the HBA amount to grossly unfair contractual obligations resulting from Defendants’ use of expertise and control of the real estate market, which result in assumption by New Jersey homeowners of a burden which is at odds with the common understanding of the ordinary and untrained member of the public.

63. The HBA is a form contract that is secured by a Memorandum of Benefit, which Defendants file with the County Clerk's Office in the county in which the property is located. The Memorandum of Benefit operates as a lien against the consumer's property.

64. Although Defendants falsely claim that the Memorandum of Benefit is not a lien, Defendants have sued multiple New Jersey homeowners in New Jersey Superior Court to enforce what their own filings in those actions describe as their "equitable liens". Defendants have filed suit against consumers to enforce their liens even though the HBA form contract contains an arbitration clause requiring all parties to arbitrate their claims.

65. Because Defendants' HBAs are secured by liens on homeowners' properties, they constitute mortgage loans to consumers. Defendants lack the requisite license from DOBI to engage in residential mortgage lending. Moreover, given the financial terms of the HBAs, Defendants are engaged in usurious lending by extracting interest in excess of the legal rate permitted in New Jersey. The terms of the HBA and Memorandum of Benefit, when taken together, render the entire contract unconscionable.

66. Moreover, many consumers do not receive copies of the HBA or the Memorandum of Benefit prior to signing. Instead, Defendants typically send notaries to consumers' homes with the documents and consumers are expected to quickly sign, without having any meaningful opportunity to review. Even then, Defendants typically do not provide consumers with copies upon signing. Many consumers have never received copies of their executed HBA or Memorandum of Benefit from MV Realty, thereby depriving them of any meaningful opportunity to rescind the agreements within the nominal three-day period provided in the HBA.

67. To make matters worse, Defendants have on numerous occasions refused to meaningfully assist homeowners seeking to sell their homes in accordance with the HBA. Despite proving themselves unwilling or unable to assist homeowners in the sale of their homes, Defendants still insist on taking the unconscionable and abusive early termination fee when those consumers sell their homes with another agent.

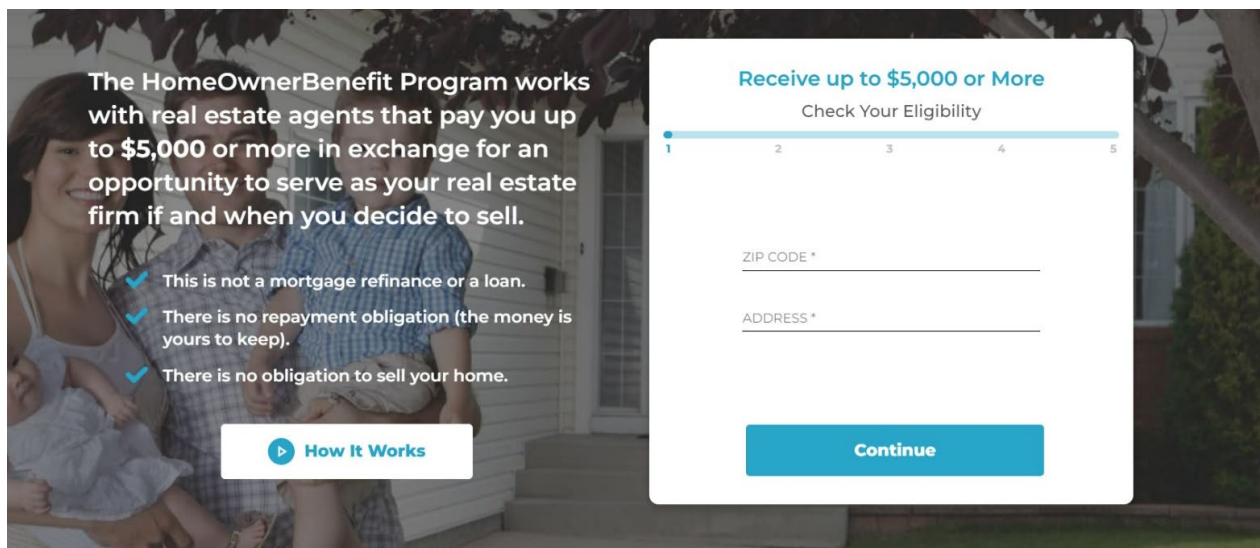
68. On information and belief, Defendants' business model is predicated on collecting early termination fees, which are often thousands of dollars, while doing little to assist consumers in the sale of their homes.

A. Defendants' False and Misleading Advertisements

69. At all relevant times, Defendants have advertised the HBP on the following internet address: www.homeownerbenefit.com ("MV Realty Website"). The MV Realty Website is currently active.

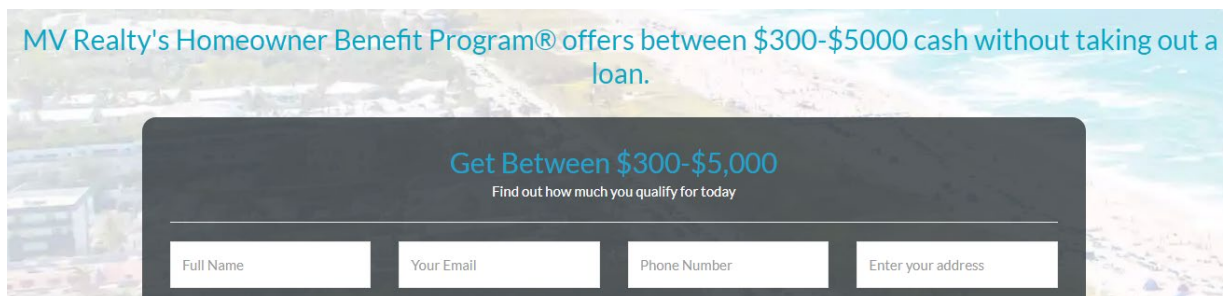
70. Defendants have also advertised on, among other platforms, Facebook and Google.

71. Despite the fact the HBA is a loan secured by a lien on the consumer's home, also known as a mortgage, MV Realty markets its product as something else. For example, in April 2022, the MV Realty Website explicitly and falsely claimed that "[the HBP] is not a mortgage refinance or a loan."



72. Similarly, in April 2022, Defendants described the HBA in its Google advertisements as, among other things, “more than stimulus,” a “loyalty program,” and a “Loan Alternative” with “No Debt.”

73. Today, the MV Realty Website continues to explicitly and falsely claim that the HBP is not a loan by stating “MV Realty’s Homeowner Benefit Program® offers between \$300-\$5000 cash without taking out a loan.”



74. MV Realty’s Website and other advertisements also have falsely claimed that there is no obligation to repay MV Realty. Yet, the HBA requires consumers to pay an early termination fee of at least ten times the amount the consumer received as a “promotion fee” upon any transfer

of title, including those not typically considered to be a sale, e.g., transfers upon divorce, foreclosure or to family members for estate planning purposes.

75. Specifically, MV Realty’s Website has claimed that “[t]here is no repayment obligation (the money is yours to keep)” and continues to claim that “You keep this money no matter what, even if you never decide to sell your home” and that there is “No Need to Make Payments.”

MV Realty will pay you to work with us when you're ready. Here's some of the benefits to joining the Homeowner Benefit Program ®:

- Absolutely No Credit Check Required**
This is not a financing plan or loan, so your credit history is not applicable.
- Get Cash without Borrowing**
This innovative approach offers a great way to receive quick cash without taking out a loan, paying interest, or having monthly payments.
- Full Time Real Estate Agent on Your Side**
You get a dedicated resource for any of your real estate needs. You can find out the current market value of your home, new homes selling in your area, and current market trends.
- No Requirement to Sell Your Home**
There is no requirement to sell. You keep this money no matter what, even if you never decide to sell your home.
- Build Relationships with Innovative Local Experts**
Gain home improvement recommendations to maximize the investment in your home, gain access to trusted local providers, and stay informed on a constantly changing real estate market.

Homeowners Receive Cash with the Homeowner Benefit Program!

- ✓ No Obligation to Sell Your Home
- ✓ Not a loan
- ✓ Absolutely No Credit Check
- ✓ No Need to Make Payments
- ✓ No Regrets 3-Day Right to Rescind
- ✓ A 40 Year Agreement - long term relationship

76. The FAQ section of the MV Realty Website has explicitly and falsely stated that no lien will be filed against consumers’ homes. This claim, like many of Defendants’ marketing claims, is belied by their own conduct which includes suing homeowners in New Jersey Superior Court to enforce their liens. Specifically, as of March 2023, the FAQ stated:

Do you file a lien on my house?

No, we file a memorandum. The purpose of the memorandum is to serve public notice of the homeowner's obligations under the HBP ® agreement.

77. Today, the FAQ regarding liens continues to explicitly and falsely claim that no lien is filed, but now also claims that MV Realty has the right to a lien should the customer breach the agreement with MV Realty. This additional language misleadingly implies that a lien will only be placed if the customer breaches the agreement. In fact, Defendants routinely filed the Memorandum of Benefit in the County Recorder's Office shortly after the documents were executed, thereby perfecting their lien against consumers' homes irrespective of any alleged breach of the agreement by the consumer. Specifically, the FAQ now states:

Do you file a lien on my house?

No, we file a memorandum. The purpose of the memorandum* is to serve public notice of the homeowner's obligations under the HBP ® agreement. In the event the customer breaches the agreement MV Realty has a right to a Lien against the home.
*In some states we file a different instrument such as a mortgage.

78. The MV Realty Website also falsely provides that MV Realty will facilitate homeowners' efforts to refinance by subordinating its position. Specifically, the MV Realty Website states the following in a FAQ related to refinancing, specifically referencing the placement of a lien:

What if I want to refinance my home?

No problem! We have a department strictly dedicated to these situations so that we can facilitate them. In these cases, we will lift the notice or subordinate our notice's position, and after the refinance is complete, we will put the memorandum or lien back on. The refinancing department can be reached at (561) 486-9355

79. Not only does MV Realty fail to provide the promised support when consumers seek to refinance their homes, in at least one instance, MV Realty collected an early termination fee from a New Jersey consumer when she refinanced, even though refinancing is not supposed to trigger such a fee.

80. As detailed below, MV Realty also promises but routinely fails to assist homeowners who have signed an HBA and subsequently contact MV Realty to market and sell their homes. See Section E, *infra*.

B. Defendants Use False, Misleading and Deceptive Telemarketing and Sales Practices Despite Not Being Licensed as a Telemarketer in New Jersey

81. None of the Defendants are registered with the New Jersey Division of Consumer Affairs as a telemarketer.

82. Despite not being registered as telemarketers, Defendants routinely place and/or direct the placement of unsolicited telemarketing calls to prospective New Jersey consumers. Defendants targeted cash-strapped consumers during the COVID-19 pandemic, a time during which money was tight and consumers were in particular need of extra cash, by characterizing the HBP as “more than stimulus”.

83. At least one New Jersey consumer complained that she received unsolicited telemarketing calls from MV Realty to a telephone number that she placed on the no telemarketing call list in 2003.

84. Upon information and belief, MV Realty routinely made unsolicited telemarketing calls to New Jersey telephone numbers that were on the no telemarketing call list.

85. Defendants' practice of placing unsolicited telemarketing calls, among other practices, resulted in the Federal Communications Commission ("FCC") issuing a Public Notice on January 24, 2023, to all U.S.-based voice service providers to take steps to effectively mitigate the apparently illegal traffic from MV Realty PBC.

86. During the calls with consumers, Defendants' agents advise homeowners that they can receive a cash payment in exchange for agreeing to use MV Realty as their real estate agent should they choose to sell their home in the future. Defendants' agents falsely tell consumers that there is little risk involved in the HBP. They emphasize that homeowners are obligated to use MV Realty's services only in the event that they choose to sell their homes and they reiterate that the homeowner owes nothing if they do not choose to sell their home during the contract period.

87. During these telephone calls, MV Realty agents make no mention of material information, including that the company will take a security interest on the homeowner's property, that the term of the contract is 40 years, that the contract binds the homeowner's heirs, or that failing to use MV Realty as the listing agent and practically any transfer of title will obligate the consumer to pay Defendants at least ten times the amount initially received by the consumer.

88. At least one consumer specifically asked if a lien would be placed on her home and the MV Realty agent repeatedly and falsely told her that no lien would be placed on her home.

C. MV Realty's Agreements Were Presented for Execution in an Unconscionable Manner and Include Unconscionable Terms

89. Although the HBP was marketed to consumers as a low-risk opportunity to obtain quick cash, in reality, the HBA includes numerous terms and conditions that make it substantially less favorable to consumers than typical real estate listing agreements. Not only are the terms of the HBAs unconscionable, but Defendants implement them in an unconscionable manner.

i. The Process by Which MV Realty Rushes Consumers to Execute the HBA Is Unconscionable

90. Once a consumer notifies MV Realty that they are interested in the HBP, MV Realty takes numerous steps to ensure homeowners do not have a reasonable opportunity to read or understand the documents that they are signing.

91. MV Realty typically does not provide consumers with documents in advance of closing.

92. MV Realty does not offer consumers the opportunity to sign the contract at an MV Realty office and review the contract with an MV Realty agent, or the consumer's own attorney. Instead, MV Realty sends notaries to meet with consumers—often into their homes—who are typically uninformed about the details of the documents. Taken together, the HBA and Memorandum of Benefit are usually 15 pages long, with dense, single-spaced text, and contain waivers of rights and an arbitration clause. The notaries often rush the signature process, which sometimes lasts only 5 to 10 minutes.

93. One New Jersey consumer even complained that the MV Realty notary rushed him through the signing process and threatened to leave if the consumer read the entire contract.

94. MV Realty typically does not leave copies of the executed documents with consumers on the same day that they are signed.

95. If MV Realty does send copies of the executed documents to the homeowners, the documents are typically sent long after the nominal three-day right to rescind stated in the HBA.

96. New Jersey homeowners who participated in MV Realty's HBP did not understand that a lien, or any document, would be filed with the County against their properties.

ii. Defendants' Agreements Include Unconscionable Terms That Operate Outside of Industry Norms

97. The following terms of the HBA and Memorandum of Benefit form contracts are unconscionable and abusive:

- a. Including an "early termination fee" of 3% of the property's value, a value determined by Defendants using an automated valuation model without any MV Realty agent visually inspecting the property, and which typically amounts to at least ten times (or 1,000% of) the amount of the "promotion fee" received by the homeowner;
- b. Requiring payment of an exorbitant early termination fee for events that are not considered to be a sale, such as death, divorce or foreclosure;
- c. Setting a commission floor that ensures MV Realty a minimum 1,000% repayment, even if the market declines;
- d. The 40-year term;
- e. Binding a homeowners' heirs;
- f. Securing the HBA with the Memorandum of Benefit, which effectively acts as a lien on the consumer's property;
- g. Allowing MV Realty of New Jersey to act as a "transactional broker" in the sale of consumers' homes; and
- h. Having a substantial portion of the HBAs include commission provisions which require consumers to pay a commission of up to 9%.

98. The HBA includes several additional terms that reflect the grossly unfair balance of the respective parties' contractual rights and obligations such as a prohibition on class-action relief and a forced arbitration clause with a "loser-pays" rule, which impedes the ability of homeowners to seek court intervention and prevent a foreclosure and imposes a potentially ruinous financial burden for homeowners seeking to enforce their contractual rights.

99. The above abusive and unconscionable terms when coupled with Defendants' false and misleading advertisements and sales pitches, lead homeowners to unknowingly encumber a valuable asset in exchange for a nominal up-front cash payment from Defendants.

D. Defendants' HBAs Operate as Usurious Residential Mortgage Loans

100. The New Jersey Residential Mortgage Lending Act, N.J.S.A. 17:11C-51 to -89 ("NJRMLA") regulates the activities of residential mortgage lenders, residential mortgage brokers, and mortgage loan originators.

101. The intent of the NJRMLA "is to protect consumers seeking mortgage loans and to ensure that the mortgage lending industry operates without unfair, deceptive, and fraudulent practices" See N.J.S.A. 17:11C-52.

102. Residential mortgage lenders, residential mortgage brokers, and mortgage loan originators are required to be licensed with DOBI pursuant to the NJRMLA, N.J.S.A. 17:11C-54(a) and (c).

103. None of the Defendants are licensed with DOBI as residential mortgage lenders, residential mortgage brokers, or mortgage loan originators.

104. Although Defendants claim that the HBAs are not loans, which are clearly subject to consumer protection laws, the terms of the agreement operate as residential mortgage loans.

105. Unlike legitimate listing agreements, which are not typically procured through the offering of up-front payments to consumers, do not last for 40 years, and are not secured by the consumer's home, the HBAs are secured with a recorded Memorandum of Benefit, have a 40-year term, and require homeowners to pay at least ten times the amount received from MV Realty, regardless of whether Defendants assist in any way with a sale of a consumer's home.

106. Additionally, Defendants advanced the "promotion fee" to consumers without performing meaningful services in return.

107. Specifically, the HBAs provide that Defendants will serve as a "transaction broker" and not as a typical real estate seller's agent who owe consumers the duty of loyalty.

108. Furthermore, the HBAs incorporate by reference a sample listing agreement which states that Defendants need only use "reasonable efforts" to locate a buyer which could be satisfied by a mere posting on a multiple listing service ("MLS").

109. Stated another way, Defendants could charge a commission for doing nothing but posting a simple listing on an MLS.

110. Thus, Defendants' agreements are actually disguised "residential mortgage loan[s]" as defined by the NJRMLA, N.J.S.A. 17:11C-53.

111. The difference between what the consumer actually receives as the "promotion fee" and what the consumer is required to repay through the commission or the early termination fee, represents interest on the residential mortgage loan.

112. To the extent that recorded Memoranda of Benefit are not in first position, they are also “secondary mortgage loan[s],” as defined by the NJRMLA, N.J.S.A. 17:11C-53. Most, if not all, of the residential mortgage loans provided by Defendants to New Jersey homeowners were “secondary mortgage loans,” as defined by the NJRMLA, N.J.S.A. 17:11C-53.

113. Defendants are “residential mortgage lender[s]” and “mortgage loan originator[s],” as defined by the NJRMLA, N.J.S.A. 17:11C-53.

114. Defendants are not licensed by DOBI to provide “residential mortgage loan[s]” and/or “secondary mortgage loan[s],” in violation of the NJRMLA, N.J.S.A. 17:11C-53.

115. Defendants did not provide, in a conspicuous manner, the unique identifier assigned to the licensee through the National Mortgage Licensing System and Registry (“NMLS”), on all residential mortgage loan application forms, solicitations and advertisements, in violation of the NJRMLA, N.J.S.A. 17:11C-72.

116. Defendants falsely advertised many aspects of the HBP on the MV Realty Website and elsewhere, including, without limitation: a) that the HBP was “not a loan”; b) that the money received under the program would not have to be repaid; c) that no lien would be placed on homeowners’ properties; and d) that MV Realty would assist homeowners who sought to sell or refinance their homes, in violation of the NJRMLA, N.J.S.A. 17:11C-75(d).

117. Defendants engaged in unfair and deceptive acts and practices and employed a scheme to defraud and mislead homeowners, including, without limitation, by misrepresenting, circumventing and concealing the true nature of the HBP, in violation of the NJRMLA, N.J.S.A. 17:11C-75(e).

118. The HBA and Memorandum of Benefit fail to include statutorily required language for “secondary mortgage loans,” in violation of the NJRMLA, N.J.S.A. 17:11C-78(a) and (c).

119. New Jersey’s civil usury statute, N.J.S.A. 31:1-1 to -9, caps interest rates on loans at 6% per annum, or 16% per annum when there is a written contract specifying the rate of interest.

120. New Jersey’s civil usury statute and implementing regulation, specifically N.J.S.A. 31:1-1(b) and N.J.A.C. 3:1-1.1(b), set the maximum interest rate on loans secured by a first lien on real property to at least 6% per annum, but not more than the Monthly Index of Long Term United States Government Bond Yields, compiled by the Board of Governors of the Federal Reserve System and as published by said Board of Governors in the monthly Federal Reserve Bulletin, for the second preceding calendar month plus an additional 3.5% per annum rounded off to the nearest quarter of 1% per annum.

121. New Jersey’s criminal usury statute, specifically N.J.S.A. 2C:21-19, caps annual interest rates at 30% for non-corporate borrowers.

122. Regardless of whether Defendants’ mortgages represent a “secondary mortgage loan” or a “first lien on real property,” Defendants regularly charge New Jersey homeowners annual interest rates on their residential mortgage loans that far exceed the maximum rates permitted by New Jersey law.

E. MV Realty Fails to Meet Its Obligations to New Jersey Consumers

123. MV Realty fails to provide meaningful assistance to consumers who have signed an HBA and subsequently contact MV Realty for assistance in selling their homes, when refinancing, or when seeking to cancel the agreements.

124. One consumer contacted MV Realty in April 2022 in hopes that her property would be listed in the Spring, but she never received any meaningful response, despite repeatedly following up with MV Realty. As of February 2023, MV Realty still had not listed this consumer's property, thereby requiring her to contact another real estate agent to assist her with the sale of her home.

125. Other consumers, a married couple, received \$1,100 when they executed the HBA and later contacted MV Realty to sell their home. The MV Realty agent showed up to their appointment late and without any information about comparable sales in their neighborhood. The MV Realty agent advised the consumers that he would contact them in two days. Although the consumers followed up with MV Realty multiple times, they did not hear back.

126. The homeowners eventually listed with another real estate agent who quickly sold their home, but ultimately had to pay MV Realty an exorbitant early termination fee of \$11,000 to remove the lien prior to the sale. MV Realty took this fee despite that it did absolutely no work to assist with the sale of the consumers' home, and in fact, held the sale of the home hostage until the early termination fee was paid.

127. Another consumer was forced to pay MV Realty the early termination fee when she refinanced her home. This is especially troubling for two reasons: pursuant to the HBA, a refinance is not one of the events that triggers payment of the early termination fee; and MV Realty's Website falsely claims that MV Realty will work with consumers to subordinate their lien if the consumer seeks to refinance their mortgage.

128. Many consumers also complained that when they attempted to cancel the agreements, often upon independently discovering that MV Realty had recorded liens on their homes, they could not reach anyone at MV Realty or were told that the agreements were binding.

F. The REC Alleges That Defendants Violated the Rules and Regulations Governing New Jersey Real Estate Agents

129. The New Jersey Real Estate License Act, N.J.S.A. 45:15-1 to -42 (“Real Estate License Act”) and the New Jersey Real Estate Regulations, N.J.A.C. 11:5-1 to -12.18 (“Real Estate Regulations”), which are enforced by the REC, provide the statutory and regulatory framework governing New Jersey real estate agents.

130. The REC alleges, in a parallel administrative proceeding, that Defendants have violated the Real Estate License Act and Real Estate Regulations, as outlined in paragraphs 131-153, infra.

i. Deceptive and Dishonest Business Practices

131. The acts of Defendants, as set forth herein, demonstrate unworthiness, incompetency, bad faith or dishonesty, in violation of the Real Estate License Act, N.J.S.A. 45:15-17(e) and (l).

ii. Unlicensed Activity

132. By engaging in, or being responsible for, unlicensed activity on behalf of MV Realty of New Jersey, MV Realty PBC, MV Realty of New Jersey, Zachman, Manchester, Reiner and Mitchell violated the Real Estate License Act, N.J.S.A. 45:15-1.

iii. Violation of Fiduciary Duties

133. By failing to disclose MV Realty of New Jersey's inherent conflict of interest in the valuation of a property subject to an HBA, MV Realty of New Jersey and Reiner as broker of record, breached their fiduciary duty of undivided loyalty to the interest of every New Jersey homeowner that entered into an HBA, in violation of the Real Estate Regulations, N.J.A.C. 11:5-6.4(a).

134. By failing to conduct a visual inspection for each property prior to assigning a value and prescribing a minimum commission rate and penalty amount, MV Realty of New Jersey and Reiner, as broker of record, violated their duty of ordinary care to every New Jersey homeowner that entered into an HBA with MV Realty of New Jersey, in violation of the Real Estate Regulations, N.J.A.C. 11:5-6.4(a).

135. By failing to disclose that Reiner and/or MV Licensees are compensated for each HBA that is executed by New Jersey homeowners, MV Realty of New Jersey and Reiner as broker of record, breached their duty of loyalty to the interests of every New Jersey homeowner that entered an HBA, in violation of the Real Estate Regulations, N.J.A.C. 11:5-6.4(a).

136. By failing to ensure that MV Licensees disclosed all material information to New Jersey homeowners, as set forth at length above, prior to executing an HBA, Reiner and MV Realty of New Jersey failed to treat all parties to a real estate transaction fairly, in violation of the Real Estate Regulations, N.J.A.C. 11:5-6.4(a).

iv. Misleading Advertising

137. By publishing internet advertisements that contain false, misleading or deceptive claims or misrepresentations, as set forth herein, without the disclosure of qualifying information or additional clarification, Defendants violated the Real Estate Regulations, N.J.A.C. 11:5-6.1(r).

v. False Promises or Substantial Misrepresentations

138. By making false promises and substantial misrepresentations to New Jersey consumers, as set forth herein, Defendants violated the Real Estate License Act, N.J.S.A. 45:15-17(a).

vi. Flagrant and Continued Course of Misrepresentation or Making of False Promises

139. By making false promises and substantial misrepresentations to New Jersey consumers over a period of years and creating a program whose essential and unconscionable terms were not disclosed, as set forth herein, Defendants pursued a flagrant and continued course of misrepresentation or making of false promises through agents, broker-salespersons or salespersons, advertisements or otherwise, in violation of the Real Estate License Act, N.J.S.A. 45:15-17(c).

vii. Brokerage Office Practices

140. Defendants never entered into independent contractor or employment agreements containing the terms of its business relationship with any MV Licensee prior to MV Licensees engaging in brokerage activity, in violation of the Real Estate Regulations, N.J.A.C. 11:5-4.1(a).

141. Reiner failed to be physically present at MV Realty of New Jersey's office during usual business hours at least five days per calendar week, and to maintain an office open to the

public during ordinary business hours, in violation of the Real Estate Regulations, N.J.A.C. 11:5-4.4(a) and N.J.S.A. 45:15-12.

142. Reiner entered into an arrangement whereby Reiner did not personally oversee and direct the operations of MV Realty of New Jersey and lent his license to MV Realty PBC, Zachman, Manchester and/or Mitchell, all unlicensed in New Jersey, for the benefit of MV Realty PBC, Zachman, Manchester and/or Mitchell, which conduct constitutes prohibited license lending, in violation of the Real Estate Regulations, N.J.A.C. 11:5-4.3(a) and (b).

viii. Prohibited Prescribed or Predetermined Commission Rate

143. Through the use of HBAs, Defendants utilized listing agreements or terms for listing agreements that contain prescribed and predetermined commission rates, in violation of the Real Estate Regulations, N.J.A.C. 11:5-6.2(b).

ix. Licensee Business Relationships

144. Reiner, as broker of record of MV Realty of New Jersey, failed to ensure that MV Licensees verbally informed sellers of the four business relationships described within N.J.A.C. 11:5-6.9 prior to the first discussion of the sellers' motivation or the desired selling price being discussed, in violation of the Real Estate Regulations, N.J.A.C. 11:5-6.9(e)(2)(i).

145. Reiner, as broker of record of MV Realty of New Jersey, failed to ensure that MV Licensees who intended to enter into a listing agreement or brokerage agreement with the seller deliver the Consumer Information Statement no later than the commencement of the listing agreement or HBA, which constitutes a brokerage agreement, in violation of the Real Estate Regulations, N.J.A.C. 11:5-6.9(e)(2)(iv).

146. Defendants, by signing HBAs or causing HBAs to be signed, without sellers being verbally informed of the four business relationships described within N.J.A.C. 11:5-6.9 prior to the first discussion of the sellers' motivation or the desired selling price being discussed, and without delivering the Consumer Information Statement no later than the commencement of the listing agreement or HBA, violated the Real Estate Regulations, N.J.A.C. 11:5-6.9(e)(2)(i) and N.J.A.C. 11:5-6.9(e)(2)(iv).

x. Prohibited Inducement to Enter into a Listing Agreement

147. The "promotion fee" paid to homeowners that enter into HBAs with MV Realty constitutes a monetary benefit upon consumers where the consumer is required to enter into a sale, listing or other real estate contract as a condition of the promotion or offer, in violation of the Real Estate Regulations, N.J.A.C. 11:5-6.1(m)(2).

xi. Failure to Recommend Legal Counsel

148. Defendants failed to recommend or ensure that New Jersey homeowners obtain legal counsel prior to entering into an HBA, an agreement whereby such homeowners grant MV Realty of New Jersey 40-year contractual rights to a substantial portion of the equity in their home, secured by a lien on the property, in violation of the Real Estate Regulations, N.J.A.C. 11:5-6.4(i).

xii. Failure to Provide Copies of Fully Executed Contracts

149. By failing to provide fully executed copies of the HBAs at the time of execution, Defendants violated the Real Estate License Act, N.J.S.A. 45:15-17(f).

xiii. Failure to Conduct Visual Inspections

150. Defendants failed to ensure that a visual inspection was conducted of all properties prior to a valuation being assigned to a property and utilized in an HBA, in violation of the Real Estate Regulations, N.J.A.C. 11:5-6.4(b)(1)(ii).

xiv. Missing Language Regarding Estate Commission Splits

151. Defendants failed to include the required language regarding commission splits in the HBAs, in violation of the Real Estate Regulations, N.J.A.C. 11:5-6.4(f)(3).

xv. Unlicensed Mortgage Loans

152. By issuing “residential mortgage loans” and/or “secondary mortgage loans,” without being licensed by DOBI, as set forth herein, Defendants engaged in unfair and deceptive business practices and engaged in conduct demonstrating bad faith, dishonesty and unworthiness for licensure, in violation of the Real Estate License Act, N.J.S.A. 45:15-17(e).

xvi. Predatory and Usurious Mortgage Loans

153. By violating the standards of the NJRMLA and by violating usury laws, with their predatory and usurious mortgage loan practices, as set forth herein, Defendants engaged in unfair and deceptive business practices and engaged in conduct demonstrating bad faith, dishonesty and unworthiness for licensure in violation of the Real Estate License Act, N.J.S.A. 45:15-17(e).

COUNT I

**VIOLATION OF THE CFA BY DEFENDANTS
(UNCONSCIONABLE COMMERCIAL PRACTICES)**

154. Plaintiffs repeat and reallege the allegations contained in the preceding paragraphs as though fully set forth herein.

155. The CFA, N.J.S.A. 56:8-2, prohibits:

The act, use or employment by any person of any commercial practice that is unconscionable or abusive, deception, fraud, false pretense, false promise, misrepresentation, or the knowing, concealment, suppression, or omission of any material fact with intent that others rely upon such concealment, suppression or omission, in connection with the sale or advertisement of any merchandise or real estate, or with the subsequent performance of such person as aforesaid, whether or not any person has in fact been misled, deceived or damaged thereby

156. The CFA defines “merchandise” as including “any objects, wares, goods, commodities, services or anything offered, directly or indirectly to the public for sale.” N.J.S.A. 56:8-1(c).

157. At all relevant times, Defendants have been engaged in the advertisement and sale of merchandise within the meaning of N.J.S.A. 56:8-1(c), specifically their HBP.

158. In the operation of their business, Defendants have engaged in the use of unconscionable commercial practices.

159. Defendants have engaged in unconscionable commercial practices, including, but not limited to, the following:

- a. Making unsolicited telemarketing calls to New Jersey consumers, despite not being licensed as a Telemarketer in violation of the CFA, N.J.S.A. 56:8-121 and the Telemarketing Regulations, N.J.A.C. 13:45D-3.1;

- b. Making unsolicited telemarketing to New Jersey consumers on the no telemarketing call list, in violation of the CFA, N.J.S.A. 56:8-128(a) and the Telemarketing Regulations, N.J.A.C. 13:45D-4.1(a)1;
- c. Including contract terms that, when considered together, make the HBAs unconscionable, including, but not limited to:
 - i. The early termination fee of at least ten times the amount advanced;
 - ii. Requiring payment of an exorbitant early termination fee for events that are not considered to be a sale, such as death, divorce or foreclosure;
 - iii. Setting a commission floor that ensures MV Realty a minimum 1,000% repayment, even if the market declines;
 - iv. The 40-year term;
 - v. Binding a homeowners' heirs;
 - vi. The contract is secured by the Memorandum of Benefit, which effectively acts as a lien on the consumer's property;
 - vii. Allowing MV Realty of New Jersey to act as a "transactional broker" in the sale of consumers' homes; and
 - viii. Having a substantial portion of the HBAs include commission provisions which require consumers to pay a commission of up to 9%.
- d. Failing to give consumers copies of the documents to review prior to signing;
- e. Failing to give consumers copies of the documents upon signing, in violation of the CFA, N.J.S.A. 56:8-2.22;
- f. Including a three-day right to rescind in the HBAs, which provides specific instructions to consumers on how to rescind the HBA, but rendering the right to rescind meaningless by failing to provide and/or failing to timely provide copies of the HBA to consumers;
- g. Failing to meaningfully assist consumers who seek to sell their homes;

- h. Failing to meaningfully assist consumers who seek to refinance their homes;
- i. Violating the NJRMLA, including, but not limited to the following:
 - i. Offering and issuing “residential mortgage loans” and/or “secondary mortgage loans,” without being licensed by DOBI, in violation of the NJRMLA, N.J.S.A. 17:11C-51(a)(1)(a) and (c)(1);
 - ii. Failing to provide, in a conspicuous manner, the unique identifier assigned through the NMLS on all residential mortgage loan application forms, solicitations, and advertisements, in violation of the NJRMLA, N.J.S.A. 17:11C-72;
 - iii. Falsely advertising many aspects of the HBP, as set forth herein, in violation of the NJRMLA, N.J.S.A. 17:11C-75(d);
 - iv. Engaging in unfair and deceptive acts and practices and employing a scheme to defraud and mislead homeowners, including by misrepresenting, circumventing, and concealing the true nature of the HBP, in violation of the NJRMLA, N.J.S.A. 17:11C-75(e); and
 - v. Failing to include statutorily required language for “secondary mortgage loans” in the HBA and Memorandum of Benefit, in violation of the NJRMLA, N.J.S.A. 17:11C-78(a) and (c);
- j. Violating New Jersey’s civil usury statute, by providing mortgage loans with interest rates in excess of the applicable limits, in violation of N.J.S.A. 31:1-1;
- k. Violating New Jersey’s criminal usury statute, by providing mortgage loans with interest rates in excess of the annual 30% cap for non-corporate borrowers, in violation of N.J.S.A. 2C:21-19; and
- l. Violating the Real Estate License Act and the Real Estate Regulations, including, but not limited to the following:
 - i. As to all Defendants:
 - (1) Using a 40-year term in the HBAs, placing a lien on consumers’ homes, failing to fully explain the terms of the HBA, sending out notaries who do not explain the documents as part of the signing process, failing to give

consumers copies of the documents they sign prior to or after the signing process, and then later extracting far more than they had paid each consumer for little or no services provided are fraud or dishonest dealing and demonstrate unworthiness, incompetency, bad faith or dishonesty, in violation of the Real Estate License Act, N.J.S.A. 45:15-17(e) and (l);

- (2) Engaging in unlicensed activity on behalf of MV Realty of New Jersey, in violation of the Real Estate License Act, N.J.S.A. 45:15-1;
- (3) Publishing internet advertisements that contain false, misleading or deceptive claims or misrepresentations, without the disclosure of qualifying information or additional clarification, in violation of the Real Estate Regulations, N.J.A.C. 11:5-6.1(r);
- (4) Making false promises and substantial representations to New Jersey consumers, in violation of the Real Estate License Act, N.J.S.A. 45:15-17(a);
- (5) Pursuing a flagrant and continued course of misrepresentation or making of false promises through agents, broker-salespersons or salespersons, advertisements or otherwise, in violation of the Real Estate License Act, N.J.S.A. 45:15-17(c);
- (6) Failing to enter into independent contractor or employment agreements containing the terms of its business relationship with any MV Licensee prior to MV Licensees engaging in brokerage activity, in violation of the Real Estate Regulations, N.J.A.C. 11:5-4.1(a);
- (7) Utilizing listing agreements or terms for listing agreements that contain prescribed and predetermined commission rates, in violation of N.J.A.C. 11:5-6.2(b);
- (8) Signing HBAs or causing HBAs to be signed, without sellers being verbally informed of the four business relationships described within N.J.A.C. 11:5-6.9 prior to the first discussion of the sellers' motivation or the desired selling price being discussed, and without delivering the Consumer

Information Statement no later than the commencement of the listing agreement or HBA, in violation of the Real Estate Regulations, N.J.A.C. 11:5-6.9(e)(2)(i) and N.J.A.C. 11:5-6.9(e)(2)(iv);

- (9) Paying a monetary benefit to consumers where the consumer is required to enter into a sale, listing or other real estate contract as a condition of the promotion or offer, in violation of the Real Estate Regulations, N.J.A.C. 11:5-6.1(m)(2);
- (10) Failing to recommend or ensure that New Jersey homeowners obtain legal counsel prior to entering into an HBA, in violation of the Real Estate Regulations, N.J.A.C. 11:5-6.4(i);
- (11) Failing to provide fully executed copies of the HBAs at the time of execution, in violation of the Real Estate License Act, N.J.S.A. 45:15-17(t);
- (12) Failing to ensure that a visual inspection is conducted of all properties prior to a valuation being assigned to a property and utilized in an HBA, in violation of the Real Estate Regulations, N.J.A.C. 11:5-6.4(b)(1)(ii);
- (13) Failing to include in the HBAs the required language regarding commission splits, in violation of the Real Estate Regulations, N.J.A.C. 11:5-6.4(f)(3);
- (14) Issuing “residential mortgage loans” and/or “secondary mortgage loans,” without being licensed by DOBI, in violation of the Real Estate License Act, N.J.S.A. 45:15-17(e);
- (15) Violating the standards of the NJRMLA, in violation of the Real Estate License Act, N.J.S.A. 45:15-17(e);
- (16) Violating usury laws, in violation of the Real Estate License Act, N.J.S.A. 45:15-17(e);

ii. As to Defendants MV Realty of New Jersey and Reiner:

- (1) Breaching their fiduciary duty of undivided loyalty to the interest of every New Jersey consumer that entered an HBA

by failing to disclose MV Realty of New Jersey's inherent conflict of interest in the valuation of a property subject to an HBA, in violation of the Real Estate Regulations, N.J.A.C. 11:5-6.4(a);

- (2) Violating their duty of ordinary care to every New Jersey homeowner that entered into an HBA by failing to conduct a visual inspection for each property prior to assigning a value and prescribing a minimum commission rate and penalty amount, in violation of the Real Estate Regulations, N.J.A.C. 11:5-6.4(a);
- (3) Breaching their duty of loyalty to the interests of every New Jersey homeowner that entered into an HBA by failing to disclose that Reiner and/or MV Licensees are compensated for each HBA that is executed by New Jersey homeowners, in violation of the Real Estate Regulations, N.J.A.C. 11:5-6.4(a);
- (4) Failing to treat all parties to a real estate transaction fairly by failing to ensure that MV Licensees disclosed all material information to New Jersey homeowners, prior to executing an HBA, in violation of the Real Estate Regulations, N.J.A.C. 11:5-6.4(a);

iii. As to Defendant Reiner:

- (1) Failing to be physically present at the MV Realty of New Jersey office during usual business hours at least five calendar days per week, and to maintain an office open to the public during ordinary business hours, in violation of the Real Estate Regulations, N.J.A.C. 11:5-4.4 and the Real Estate License Act, N.J.S.A. 45:15-12;
- (2) Engaging in prohibited license lending, in violation of the Real Estate Regulations, N.J.A.C. 11:5-4.3(a) and (b);
- (3) Failing to ensure that MV Licensees verbally informed sellers of the four business relationships described within N.J.A.C. 11:5-6.9 prior to the first discussion of the sellers' motivation or desired selling price being discussed, in violation of the Real Estate Regulations, N.J.A.C. 11:5-6.9(e)(2)(i); and

- (4) Failing to ensure that MV Licensees who intended to enter into a listing agreement or brokerage agreement with the seller deliver the Consumer Information Statement no later than the commencement of the listing agreement or HBA, in violation of the Real Estate Regulations, N.J.A.C. 11:5-6.9(e)(2)(iv).

160. Each unconscionable commercial practice and/or act of deception by Defendants constitute a separate violation under the CFA, N.J.S.A. 56:8-2.

COUNT II

VIOLATION OF THE CFA BY DEFENDANTS (FALSE PROMISES, MISREPRESENTATIONS, AND DECEPTION)

161. Plaintiffs repeat and reallege the allegations contained in the preceding paragraphs as if fully set forth herein.

162. In the operation of their business, Defendants engaged in acts of deception and made false promises and misrepresentations in violation of N.J.S.A. 56:8-2, including, but not limited to, the following:

- a. That Defendants will not be repaid unless consumers decide to sell their property and/or that there is no obligation to repay Defendants, when, in fact, the early termination fee requires that the consumer pay a severe penalty of at least ten times the amount received upon any transfer of title, including those not typically considered to be a sale, e.g., transfers upon divorce, foreclosure or to family members for estate planning purposes;
- b. That the agreements are not loans, when in fact they are loans with undisclosed terms, including, but not limited to hidden usurious interest rates;
- c. That no liens will be filed against the property, when the Memorandum of Benefit is filed in the County Recorder's Office and effectively acts as a lien and/or failing to disclose that a lien will be filed against the property during the initial call;

- d. Falsely claiming that MV Realty will work with consumers who wish to refinance, when in fact New Jersey consumers do not receive meaningful assistance from MV Realty when they seek to refinance their homes;
- e. Falsely claiming that MV Realty will meaningfully assist consumers if they decide to sell their homes; and
- f. Failing to disclose the 40-year contract term during the initial sales pitch or on the MV Realty Website.

163. Each false promise and/or misrepresentation and/or act of deception constitutes a separate violation under the CFA, N.J.S.A. 56:8-2.

COUNT III

VIOLATION OF THE CFA BY DEFENDANTS (COMMERCIAL PRACTICES IN VIOLATION OF STATE LAW)

164. Plaintiffs repeat and reallege the allegations contained in the preceding paragraphs as if set forth herein.

165. The CFA, N.J.S.A. 56:8-4(b), states:

In an action brought by the Attorney General, any commercial practice that violates State or federal law is conclusively presumed to be an unlawful practice under [N.J.S.A. 56:8-2]

166. In the operation of their business, Defendants engaged in numerous commercial practices that violate the NJRMLA, including, but not limited to, the following:

- a. Offering and issuing “residential mortgage loans” and/or “secondary mortgage loans,” without being licensed by DOBI, in violation of the NJRMLA, N.J.S.A. 17:11C-51 (a)(1)(a) and (c)(1);
- b. Failing to provide, in a conspicuous manner, the unique identifier assigned through the NMLS on all residential mortgage loan application forms, solicitations, and advertisements, in violation of the NJRMLA, N.J.S.A. 17:11C-72;

- c. Falsely advertising many aspects of the HBP, as set forth herein, in violation of the NJRMLA, N.J.S.A. 17:11C-75(d);
- d. Engaging in unfair and deceptive acts and practices and employing a scheme to defraud and mislead homeowners, including by misrepresenting, circumventing, and concealing the true nature of the HBP in violation of the NJRMLA, N.J.S.A. 17:11C-75(e); and
- e. Failing to include statutorily required language for “secondary mortgage loans” in the HBA and Memorandum of Benefit, in violation of the NJRMLA, N.J.S.A. 17:11C-78(a) and (c).

167. In the operation of their business, Defendants engaged in the commercial practice of providing mortgage loans in excess of the applicable limits, in violation of New Jersey’s civil usury statute N.J.S.A. 31:1-1.

168. In the operation of their business, Defendants engaged in the commercial practice of providing mortgage loans with interest rates in excess of 30% per annum for non-corporate borrowers, in violation of New Jersey’s criminal usury statute N.J.S.A. 2C:21-19.

169. In the operation of their business, Defendants engaged in numerous commercial practices that violated the Real Estate License Act and the Real Estate Regulations, including but not limited to:

- a. As to all Defendants:
 - i. Using a 40-year term in the HBAs, placing a lien on consumers’ homes, failing to fully explain the terms of the HBA, sending out notaries who do not explain the documents as part of the signing process, failing to give consumers copies of the documents they sign prior to or after the signing process, and then later extracting far more than they had paid each consumer for little or no services provided are fraud or dishonest dealing and demonstrate unworthiness, incompetency, bad faith or dishonesty, in violation of the Real Estate License Act, N.J.S.A. 45:15-17(e) and (l);

- ii. Engaging in unlicensed activity on behalf of MV Realty of New Jersey, in violation of the Real Estate License Act, N.J.S.A. 45:15-1;
- iii. Publishing internet advertisements that contain false, misleading or deceptive claims or misrepresentations, without the disclosure of qualifying information or additional clarification, in violation of the Real Estate Regulations, N.J.A.C. 11:5-6.1(r);
- iv. Making false promises and substantial representations to New Jersey consumers, in violation of the Real Estate License Act, N.J.S.A. 45:15-17(a);
- v. Pursuing a flagrant and continued course of misrepresentation or making of false promises through agents, broker-salespersons or salespersons, advertisements or otherwise, in violation of the Real Estate License Act, N.J.S.A. 45:15-17(c);
- vi. Failing to enter into independent contractor or employment agreements containing the terms of its business relationship with any MV Licensee prior to MV Licensees engaging in brokerage activity, in violation of the Real Estate Regulations, N.J.A.C. 11:5-4.1(a);
- vii. Utilizing listing agreements or terms for listing agreements that contain prescribed and predetermined commission rates, in violation of N.J.A.C. 11:5-6.2(b);
- viii. Signing HBAs or causing HBAs to be signed, without sellers being verbally informed of the four business relationships described within N.J.A.C. 11:5-6.9 prior to the first discussion of the sellers' motivation or the desired selling price being discussed, and without delivering the Consumer Information Statement no later than the commencement of the listing agreement or HBA, in violation of the Real Estate Regulations, N.J.A.C. 11:5-6.9(e)(2)(i) and N.J.A.C. 11:5-6.9(e)(2)(iv);
- ix. Paying a monetary benefit to consumers where the consumer is required to enter into a sale, listing or other real estate contract as a condition of the promotion or offer, in violation of the Real Estate Regulations, N.J.A.C. 11:5-6.1(m)(2);
- x. Failing to recommend or ensure that New Jersey homeowners obtain

legal counsel prior to entering into an HBA, in violation of the Real Estate Regulations, N.J.A.C. 11:5-6.4(i);

- xi. Failing to provide fully executed copies of the HBAs at the time of execution, in violation of the Real Estate License Act, N.J.S.A. 45:15-17(t);
- xii. Failing to ensure that a visual inspection is conducted of all properties prior to a valuation being assigned to a property and utilized in an HBA, in violation of the Real Estate Regulations, N.J.A.C. 11:5-6.4(b)(1)(ii);
- xiii. Failing to include in the HBAs the required language regarding commission splits, in violation of the Real Estate Regulations, N.J.A.C. 11:5-6.4(f)(3);
- xiv. Issuing “residential mortgage loans” and/or “secondary mortgage loans,” without being licensed by DOBI, in violation of the Real Estate License Act, N.J.S.A. 45:15-17(e);
- xv. Violating the standards of the NJRMLA, in violation of the Real Estate License Act, N.J.S.A. 45:15-17(e);
- xvi. Violating usury laws, in violation of the Real Estate License Act, N.J.S.A. 45:15-17(e);

b. As to Defendants MV Realty of New Jersey and Reiner:

- i. Breaching their fiduciary duty of undivided loyalty to the interest of every New Jersey consumer that entered an HBA by failing to disclose MV Realty of New Jersey’s inherent conflict of interest in the valuation of a property subject to an HBA, in violation of the Real Estate Regulations, N.J.A.C. 11:5-6.4(a);
- ii. Violating their duty of ordinary care to every New Jersey homeowner that entered into an HBA by failing to conduct a visual inspection for each property prior to assigning a value and prescribing a minimum commission rate and penalty amount, in violation of the Real Estate Regulations, N.J.A.C. 11:5-6.4(a);
- iii. Breaching their duty of loyalty to the interests of every New Jersey homeowner that entered into an HBA by failing to disclose that Reiner and/or MV Licensees are compensated for each HBA that is

executed by New Jersey homeowners, in violation of the Real Estate Regulations, N.J.A.C. 11:5-6.4(a);

- iv. Failing to treat all parties to a real estate transaction fairly by failing to ensure that MV Licensees disclosed all material information to New Jersey homeowners, prior to executing an HBA, in violation of the Real Estate Regulations, N.J.A.C. 11:5-6.4(a);

c. As to Defendant Reiner:

- i. Failing to be physically present at the MV Realty of New Jersey office during usual business hours at least five calendar days per week, and to maintain an office open to the public during ordinary business hours, in violation of the Real Estate Regulations, N.J.A.C. 11:5-4.4 and the Real Estate License Act, N.J.S.A. 45:15-12;
- ii. Engaging in prohibited license lending, in violation of the Real Estate Regulations, N.J.A.C. 11:5-4.3(a) and (b);
- iii. Failing to ensure that MV Licensees verbally informed sellers of the four business relationships described within N.J.A.C. 11:5-6.9 prior to the first discussion of the sellers' motivation or desired selling price being discussed, in violation of the Real Estate Regulations, N.J.A.C. 11:5-6.9(e)(2)(i); and
- iv. Failing to ensure that MV Licensees who intended to enter into a listing agreement or brokerage agreement with the seller deliver the Consumer Information Statement no later than the commencement of the listing agreement or HBA, in violation of the Real Estate Regulations, N.J.A.C. 11:5-6.9(e)(2)(iv).

170. Each violation of New Jersey law by Defendants shall constitute a separate unlawful practice and violation under the CFA, N.J.S.A. 56:8-2.

COUNT IV

**VIOLATION OF THE CFA BY DEFENDANTS
(FAILURE TO PROVIDE COPIES OF SALES DOCUMENTS)**

171. Plaintiffs repeat and reallege the allegations contained in the preceding paragraphs as though fully set forth herein.

172. The CFA requires that consumers be provided with full and accurate copies of documents presented to them for signature:

It shall be an unlawful practice for a person in connection with a sale of merchandise to require or request the consumer to sign any document as evidence or acknowledgment of the sales transaction, of the existence of the sales contract, or of the discharge by the person of any obligation to the consumer specified in or arising out of the transaction or contract, unless he shall at the same time provide the consumer with a full and accurate copy of the document so presented for signature...

[N.J.S.A. 56:8-2.22.]

173. At varying times, Defendants failed to provide New Jersey consumers with complete copies of the HBA and/or the Memorandum of Benefit.

174. Each instance where Defendants failed to provide copies of signed HBAs and Memoranda of Benefit constitutes a separate violation of the CFA and renders each document signed unenforceable by Defendants, N.J.S.A. 56:8-2.22.

COUNT V

**VIOLATION OF THE ADVERTISING REGULATIONS BY DEFENDANTS
(FALSE PROMISES AND MISREPRESENTATIONS)**

175. Plaintiffs repeat and reallege the allegations contained in the preceding paragraphs as if set forth herein.

176. The Advertising Regulations, N.J.A.C. 13:45A-9.1 to -9.8, address, among other issues, general advertising practices.

177. Specifically, the Advertising Regulations governing general advertising practices provide, in relevant part:

(a) Without limiting the application of N.J.S.A. 56:8-1 et seq., the following practices shall be unlawful with respect to all advertisements:

...

9. The making of false or misleading representations of facts concerning the reasons for, existence or amounts of price reductions, the nature of an offering or the quantity of advertised merchandise available for sale.

[N.J.A.C. 13:45A-9.2(a)9.]

178. Defendants violated the Advertising Regulations by engaging in certain conduct including, but not limited to:

- a. Falsely advertising that there is no obligation to repay Defendants, when, in fact, the early termination fee requires that the consumer will pay a severe penalty of at least ten times the amount received upon any transfer of title, including those not typically considered to be a sale, e.g., transfers upon divorce, foreclosure or to family members for estate planning purposes;
- b. Falsely advertising that the agreements are not loans, when in fact they are loans with undisclosed terms, including, but not limited to hidden usurious interest rates;

- c. Falsely advertising that no liens will be filed against the property, when the Memorandum of Benefit is filed in the County Recorder's Office and effectively acts as a lien and/or failing to disclose that a lien will be filed against the property during the initial call;
- d. Falsely advertising that MV Realty will work with consumers who wish to refinance, when in fact New Jersey consumers do not receive meaningful assistance from MV Realty when they seek to refinance their homes;
- e. Falsely claiming that MV Realty will meaningfully assist consumers if they decide to sell their homes; and
- f. Failing to disclose the 40-year contract term during the initial sales pitch or on the MV Realty Website.

179. Defendants' conduct constitutes multiple violations of the Advertising Regulations, specifically N.J.A.C. 13:45A-9.2(a)9, each of which constitutes a per se violation of the CFA.

COUNT VI

VIOLATION OF THE CFA BY DEFENDANTS (FAILURE TO BE LICENSED AS A TELEMARKETER)

180. Plaintiffs repeat and reallege the allegations contained in the preceding paragraphs as if fully set forth herein.

181. The CFA, N.J.S.A. 56:8-121, states:

- a. A person shall not make or cause to be made, or attempt to make or cause to be made, an unsolicited telemarketing sales call to a customer in the State of New Jersey unless that person is registered with or employed by a person who is registered with the Division of Consumer Affairs in the Department of Law and Public Safety in accordance with the provisions of this act.
- b. Every telemarketer, including telemarketers whose residence or principal place of business is located outside of this State, shall annually register with the director

182. Defendants are “telemarketers” as defined by the CFA, N.J.S.A. 56:8-120.

183. Defendants made unsolicited telemarketing sales calls to New Jersey consumers without being licensed by the Division of Consumer Affairs, in violation of the CFA.

184. Each unsolicited telemarketing sales call to New Jersey consumers without being licensed by the Division of Consumer Affairs constitutes a separate violation of the CFA, N.J.S.A. 56:8-121.

COUNT VII
VIOLATION OF THE TELEMARKETING REGULATIONS BY DEFENDANTS
(FAILURE TO BE LICENSED AS A TELEMARKETER)

185. Plaintiffs repeat and reallege the allegations contained in the preceding paragraphs as if set forth herein.

186. The Telemarketing Regulations, N.J.A.C. 13:45D-1.1 to -5.2, address, among other issues, general telemarketing practices.

187. The Telemarketing Regulations prohibit telemarketers from engaging “in telemarketing to a customer unless the telemarketer is registered with the Division” N.J.A.C. 13:45D-3.1.

188. Defendants are telemarketers as defined by the Telemarketing Regulations, N.J.A.C. 13:45D-1.3.

189. Defendants made unsolicited telemarketing sales calls to New Jersey consumers without being licensed by the Division of Consumer Affairs, in violation of the Telemarketing Regulations.

190. Each unsolicited telemarketing sales call to New Jersey consumers without being licensed by the Division of Consumer Affairs constitutes a separate violation of the Telemarketing

Regulations, N.J.A.C. 13:45D-3.1, each of which constitutes a per se violation of the CFA.

COUNT VIII

**VIOLATION OF THE CFA BY DEFENDANTS
(UNSOLICITED TELEMARKETING CALLS TO CONSUMERS ON THE NO
TELEMARKETING CALL LIST)**

191. Plaintiffs repeat and reallege the allegations contained in the preceding paragraphs as if fully set forth herein.

192. The CFA, N.J.S.A. 56:8-128(a) states:

No telemarketer shall make or cause to be made any unsolicited sales call to any customer whose telephone number is included on the no telemarketing call list established pursuant to section 9 of this act, except for a call made within three months of the date of the customer's telephone number was first included on the no call list but only if the telemarketer had at the time of the call not yet obtained a no call list which included the customer's telephone number and the no call list used by the telemarketer was issued less than three months prior to the time the call was made.

193. Defendants are "telemarketers" as defined by the CFA, N.J.S.A. 56:8-120.

194. Defendants made unsolicited telemarketing sales calls to New Jersey consumers on the no telemarketing call list, in violation of the CFA.

195. Each unsolicited telemarketing sales call to New Jersey consumers on the no telemarketing call list constitutes a separate violation of the CFA, N.J.S.A. 56:8-128(a).

COUNT IX**VIOLATION OF THE TELEMARKETING REGULATIONS BY DEFENDANTS
(UNSOLICITED TELEMARKETING CALLS TO CONSUMERS ON THE NO
TELEMARKETING CALL LIST)**

196. Plaintiffs repeat and reallege the allegations contained in the preceding paragraphs as if set forth herein.

197. The Telemarketing Regulations prohibit telemarketers from “mak[ing] or caus[ing] to be made any unsolicited telemarketing calls to a customer [a]fter three months from the date the customer’s telephone number first appears on the no telemarketing call list.” N.J.A.C. 13:45D-4.1(a)1.

198. Defendants are “telemarketers” as defined by the Telemarketing Regulations, N.J.A.C. 13:45D-1.3.

199. Defendants made unsolicited telemarketing sales calls to New Jersey consumers whose telephone numbers were on the no telemarketing call list for three months or longer from the date the consumers received the unsolicited telemarketing sales calls from Defendants, in violation of the Telemarketing Regulations.

200. Each unsolicited telemarketing sales call to New Jersey consumers on the no telemarketing call list constitutes a separate violation of the Telemarketing Regulations, N.J.A.C. 13:45D-4.1(a)1, each of which constitutes a per se violation of the CFA.

COUNT X

**VIOLATIONS OF THE CFA, THE ADVERTISING REGULATIONS
AND THE TELEMARKETING REGULATIONS BY
AMANDA J. ZACHMAN F/K/A AMANDA J. ZUCKERMAN**

201. Plaintiffs repeat and reallege the allegations contained in the preceding paragraphs as if set forth herein.

202. At all relevant times, Zachman has been an owner, officer, director, founder, member, manager, employee, servant, agent, representative and/or independent contractor of MV Realty PBC and MV Realty of New Jersey.

203. Zachman executed HBAs and Memoranda of Benefit with New Jersey consumers on behalf of MV Realty of New Jersey.

204. Zachman has had direct communications with New Jersey consumers regarding the HBP.

205. Zachman had direct oversight over MV Realty's employees in New Jersey and provided guidance to employees regarding the HBP in New Jersey.

206. Zachman prepared the Memoranda of Benefit that MV Realty of New Jersey recorded against New Jersey consumers' homes.

207. At all relevant times, Zachman oversaw the operation of MV Realty's HBP and held herself out as MV Realty's founder and CSO.

208. Zachman directed, participated in, and/or financially benefited from the violations alleged in this Complaint and her conduct makes her personally liable for the violations of the CFA, the Advertising Regulations and/or the Telemarketing Regulations committed by MV Realty.

COUNT XI

**VIOLATIONS OF THE CFA, THE ADVERTISING REGULATIONS
AND THE TELEMARKETING REGULATIONS BY
DAVID MANCHESTER**

209. Plaintiffs repeat and reallege the allegations contained in the preceding paragraphs as if set forth herein.

210. At all relevant times, Manchester has been an owner, officer, director, founder, member, manager, employee, servant, agent, representative and/or independent contractor of MV Realty. At all relevant times, Manchester has maintained a business address of 219 N. Dixie Blvd, Delray Beach, Florida 33444.

211. Manchester had direct oversight over MV Realty's employees in New Jersey and provided guidance to employees regarding the HBP in New Jersey.

212. Manchester directed, participated in and/or financially benefited from the violations alleged in this Complaint and his conduct makes him personally liable for the violations of the CFA, the Advertising Regulations and/or the Telemarketing Regulations committed by MV Realty.

COUNT XII

**VIOLATIONS OF THE CFA, THE ADVERTISING REGULATIONS
AND THE TELEMARKETING REGULATIONS BY
DAVID REINER**

213. Plaintiffs repeat and reallege the allegations contained in the preceding paragraphs as if set forth herein.

214. At all relevant times, Reiner has been an owner, officer, director, founder, member, manager, employee, servant, agent, representative and/or independent contractor of MV Realty.

At all relevant times, Reiner has alleged a business address of 100 Walnut Ave, Suite 210, Clark, New Jersey 07066.

215. Reiner is the broker of record for MV Realty of New Jersey.

216. Reiner has had direct communications with New Jersey consumers regarding the HBP.

217. Reiner had direct oversight of MV Realty's employees in New Jersey and provided guidance to employees regarding the HBP in New Jersey.

218. Reiner directed, participated in and/or financially benefited from the violations alleged in this Complaint and his conduct makes him personally liable for the violations of the CFA, the Advertising Regulations and/or the Telemarketing Regulations committed by MV Realty.

COUNT XIII

VIOLATIONS OF THE CFA, THE ADVERTISING REGULATIONS AND THE TELEMARKETING REGULATIONS BY ANTONY MITCHELL A/K/A TONY MITCHELL

219. Plaintiffs repeat and reallege the allegations contained in the preceding paragraphs as if set forth herein.

220. At all relevant times, Mitchell has been an owner, officer, director, founder, member, manager, employee, servant, agent, representative and/or independent contractor of MV Realty. At all relevant times, Mitchell has maintained a business address at 219 N. Dixie Boulevard, Delray Beach, Florida 33444.

221. As CEO of MV Realty PBC and as president and CEO of MV Realty of New Jersey, Mitchell directed, participated in and/or financially benefited from the violations alleged in this

Complaint and his conduct makes him personally liable for the violations of the CFA, the Advertising Regulations and/or the Telemarketing Regulations committed by MV Realty.

PRAYER FOR RELIEF

WHEREFORE, based upon the foregoing allegations, Plaintiffs respectfully request that the Court enter judgment against the Defendants:

- a. Finding that the acts and practices of Defendants constitute multiple violations of the CFA, N.J.S.A. 56:8-1 to -227, the Advertising Regulations, N.J.A.C. 13:45A-9.1 to -9.8, and the Telemarketing Regulations, N.J.A.C. 13:45D-1 to -5.2;
- b. Finding Zachman, Manchester, Reiner, and Mitchell personally liable for MV Realty's violations of the CFA, N.J.S.A. 56:8-1 to -227, the Advertising Regulations, N.J.A.C. 13:45A-9.1 to -9.8, and the Telemarketing Regulations, N.J.A.C. 13:45D-1 to -5.2;
- c. Permanently enjoining Defendants and their owners, officers, directors, shareholders, founders, members, managers, agents, servants, employees, representatives, and independent contractors and all other persons or entities directly under Defendants' control, from engaging in, continuing to engage in or doing any acts or practices in violation of the CFA, N.J.S.A. 56:8-1 to -227, the Advertising Regulations, N.J.A.C. 13:45A-9.1 to -9.8, and the Telemarketing Regulations, N.J.A.C. 13:45D-1 to -5.2, including, but not limited to the acts and practices alleged in this Complaint, as authorized by the CFA, N.J.S.A. 56:8-8;
- d. Cancelling MV Realty of New Jersey's certificate of formation in New Jersey, as authorized by the CFA, N.J.S.A. 56:8-8;
- e. Directing Defendants, jointly and severally, to discharge all liens placed on consumers' properties via the Memorandum of Benefit and restore any affected person, whether or not named in this Complaint, any money or real or personal property acquired by means of any practice alleged herein to be unlawful and found to be unlawful, as authorized by the CFA, N.J.S.A. 56:8-8;
- f. Directing Defendants, jointly and severally, to pay the maximum statutory civil penalties for each and every violation of the CFA, in accordance with N.J.S.A. 56:8-13;

- g. Directing Defendants, jointly and severally, to pay costs and fees, including attorneys' fees, for the use of the State of New Jersey, as authorized by the CFA, N.J.S.A. 56:8-11 and N.J.S.A. 56:8-19;
- h. Directing Defendants, jointly and severally, to disgorge all profits unlawfully acquired or retained, as authorized by N.J.S.A. 56:8-8;
- i. Ordering the rescission of each ongoing agreement entered into between Defendants and any New Jersey consumer, including each HBA and Memorandum of Benefit;
- j. Ordering Defendants to provide an accounting to Plaintiffs of the names and addresses of each New Jersey consumer from whom Defendants collected or received monies since January 1, 2020, in connection with the HBAs and a complete history, by dates, amounts, and sources, of all monies collected or received by Defendants from all such consumers (whether through commissions, early termination fees, execution of liens, or any other avenue), and all monies provided by Defendants to such consumers; and
- k. Granting such other relief as the interests of justice may require.

MATTHEW J. PLATKIN
ATTORNEY GENERAL OF NEW JERSEY
Attorney for Plaintiffs

By: /s/ Renee Cadmus
Renee Cadmus
Bryan Sanchez
Deputy Attorneys General
Consumer Fraud Prosecution Section

Dated: June 6, 2023
Newark, New Jersey

RULE 4:5-1 CERTIFICATION

I certify, to the best of my information and belief, that the matter and controversy in this action involving the aforementioned violations of the New Jersey Consumer Fraud Act, N.J.S.A. 56:8-1 to -227, the Advertising Regulations, N.J.A.C. 13:45A-9.1 to -9.8, and the Telemarketing Regulations, N.J.A.C. 13:45D-1.1 to -5.2, is not the subject of any other action pending in any other court of this State other than the following private action which involves the Consumer Fraud Act: April Patterson v. MV Realty PBC, LLC et al., New Jersey Superior Court, Law Division, Sussex County, Docket No. SUS-L-133-23. I further certify, to the best of my information and belief, that the matter in controversy in this action is not the subject of a pending arbitration proceeding in this State, other than Patterson, Docket No. SUS-L-133-23, in which defendants have a pending motion to compel arbitration, nor is any other action or arbitration proceeding contemplated. I certify that there is no other party who should be joined in this action at this time.

MATTHEW J. PLATKIN
 ATTORNEY GENERAL OF NEW JERSEY
 Attorney for Plaintiffs

By: /s/ Renee Cadmus
 Renee Cadmus
 Bryan Sanchez
 Deputy Attorneys General
 Consumer Fraud Prosecution Section

Dated: June 6, 2023
 Newark, New Jersey

RULE 1:38-7(c) CERTIFICATION OF COMPLIANCE

I certify that confidential personal identifiers have been redacted from documents now submitted to the court, and will be redacted from all documents submitted in the future in accordance with Rule 1:38-7(b).

MATTHEW J. PLATKIN
ATTORNEY GENERAL OF NEW JERSEY
Attorney for Plaintiffs

By: /s/ Renee Cadmus
Renee Cadmus
Bryan Sanchez
Deputy Attorneys General
Consumer Fraud Prosecution Section

Dated: June 6, 2023
Newark, New Jersey

DESIGNATION OF TRIAL COUNSEL

Pursuant to Rule 4:25-4, Deputy Attorney General Renee Cadmus is hereby designated as trial counsel on behalf of Plaintiffs in this action.

MATTHEW J. PLATKIN
ATTORNEY GENERAL OF NEW JERSEY
Attorney for Plaintiffs

By: /s/ Renee Cadmus
Renee Cadmus
Bryan Sanchez
Deputy Attorneys General
Consumer Fraud Prosecution Section

Dated: June 6, 2023
Newark, New Jersey