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# Proposed class-action lawsuit alleges predatory lending scheme by realty company

Ian Round // August 11, 2025 //



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## Key Takeaways:

- Maryland couple alleges MV Realty's benefit agreements hid high termination cost
- Lawsuit targets Monroe Capital for financing MV Realty's nationwide expansion
- Agreements allegedly clouded home titles, preventing refinancing or sales
- Claims filed under RICO, Sherman Antitrust Act and consumer protection laws

An **Ocean City** couple has filed a proposed class-action lawsuit alleging a predatory lending scheme through which a realty company provides modest loans if homeowners agree to hire the company in the future — without disclosing high future costs, lost home equity and clouded titles.

The lawsuit, filed in Maryland **federal court** in late July, states that **Florida**-based MV Realty does not disclose that the “homeowner benefit agreement” is essentially a 40-year lien, that the company does not even employ Realtors in most states and that homeowners can only escape by paying about 3% of their home's value.

But the lawsuit doesn't name MV Realty — which has been stopped from operating in several states in the past year — as a defendant. Instead, the lawsuit is against Monroe Capital Corporation, a **private equity** firm that allegedly provided a loan allowing MV Realty to scale nationwide.

The homeowners were almost always given less than \$1,000, which they didn't have to pay back. They were not informed that the agreement was for 40 years and that MV Realty filed memoranda with state or local land record offices, clouding the title and making it difficult to refinance or sell.

The complaint alleges that the “true purpose of (homeowner benefit agreements) was to so completely frustrate the homeowner that they capitulated and paid an onerous penalty to terminate (them).”

“It's a classic predatory scheme. It's preying on people who need money fast, hiding the onerous terms in the agreement,” said Drew LaFramboise, a principal at Joseph, Greenwald & Laake, who is representing the plaintiffs.

The plaintiffs are also represented by Lacey Logsdon McMullan of Joseph, Greenwald & Laake, and Thomas Keilty and Nicholas Bonadio of Keilty Bonadio.

The Maryland couple, Justin Keller and Hailey Kardux, signed a “right-to-list” agreement with MV Realty in early 2022. They contacted the company later that year about listing their home for sale, and the company “proposed a list price that was well below market value,” the complaint states.

They tried to sell with another agent, but “could not obtain a sale price that would offset the expected termination penalty owed to MV Realty.”

Keller and Kardux took down the listing and are still living at the house.

The third plaintiff, North Carolina homeowner Patricia Bandy, paid nearly \$12,000 to cancel her agreement with MV Realty.

Neither Monroe Capital Corporation nor MV Realty responded to requests for comment Monday.

The complaint brings claims under the federal Racketeer Influenced and Corrupt Organizations Act, or RICO, the Sherman Antitrust Act, and state consumer protection laws. The plaintiffs “seek to represent a class of more than 38,000 homeowners whose properties were encumbered by (homeowner benefit agreements) or who paid penalties to terminate them.”

The plaintiffs seek compensatory damages, a nationwide injunction and declaratory relief.

In the past year, MV Realty has been stopped from operating in some of its biggest markets due to violations of state consumer protection laws. Monroe has not been subject to similar litigation.

State attorneys general in California, Florida, Georgia, Indiana, Massachusetts, Minnesota, New Jersey, North Carolina and Pennsylvania have each taken action against the company. Maryland has not taken any public action.

In December, MV Realty agreed to a consent judgment releasing all Indiana clients from their agreements and ceasing operations in the state for at least five years; a similar consent judgment was reached in Minnesota in March. In February, Florida’s attorney general secured an injunction preventing the company from enforcing the agreements; California won a preliminary injunction in September. And in Colorado, regulators revoked the company’s license last year.

Without Monroe Capital, LaFramboise said, MV Realty wouldn’t have been able to expand nationwide. The complaint alleges that Monroe was “aware of the coercive, usurious, and deceptive aspects” of MV Realty’s scheme.

“Monroe was not just a passive investor,” he said. “They didn’t just throw money at this and take their hands off the wheel.”

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